

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Manville*

*in the*

*County of Somerset*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2016*



BOROUGH OF MANVILLE

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BOROUGH OF MANVILLE

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2016 AND 2015



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Manville  
County of Somerset  
Manville, New Jersey 08835

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Manville, as of December 31, 2016 and 2015, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's regulatory 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 regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

## SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory 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 Borough of Manville'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 Borough of Manville'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 regulatory financial statements.

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Manville as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2016.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2016 and 2015, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Manville's regulatory financial statements, supplementary information and schedule of expenditures of state financial assistance and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and schedule of expenditures of federal awards, as required by the Uniform Guidance are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Financial Data – Section 8 Housing Choice Voucher Program, the supplemental information listed and the schedule of expenditures of state financial assistance and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, schedule of expenditures of federal awards, as required by the Uniform Guidance are fairly stated, in all material respects, in relation to the regulatory 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 April 27, 2017 on our consideration of the Borough of Manville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Manville's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 27, 2017

CURRENT FUND

"A"

BOROUGH OF MANVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
Cash - Treasurer	A-4	\$ 2,893,466.46	\$ 2,173,024.06
Cash - Change Funds	A-6	800.00	800.00
Grants Receivable	A-15	139,750.00	40,000.00
Due From State of New Jersey Ch. 20, P.L.1971	A-9	76,051.20	81,526.96
		<u>\$ 3,110,067.66</u>	<u>\$ 2,295,351.02</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 467,983.85	\$ 548,954.67
Tax Title Liens Receivable	A-7	90,312.68	76,685.41
Maintenance Lien Receivable	A-11	385.00	385.00
Property Acquired for Taxes - Assessed Valuation	A-10	242,861.50	242,861.50
Revenue Accounts Receivable	A-13	20,743.63	21,121.16
Interfunds Receivable	A-12	113.18	3,765.50
	A	<u>\$ 822,399.84</u>	<u>\$ 893,773.24</u>
Deferred Charges:			
Emergency Authorizations (40A:4-47)	A-28	\$	6,500.00
Special Emergency Authorizations (40A:4-53)	A-29	200,000.00	350,000.00
		<u>\$ 200,000.00</u>	<u>\$ 356,500.00</u>
		<u>\$ 4,132,467.50</u>	<u>\$ 3,545,624.26</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-16	\$ 584,739.12	\$ 369,114.72
Accounts Payable	A-24	408,645.84	399,676.83
Prepaid Taxes	A-22	130,011.47	133,306.50
Tax Overpayments	A-23	9,286.54	
Interfunds Payable	A-12	32,288.28	300.00
Reserve for Grants - Appropriated	A-19	89,375.02	31,216.25
Reserve for Grants - Unappropriated	A-14	16,045.77	35,856.95
Reserve for Police Outside Overtime	A-21	29,963.21	
Reserve for Emergency Note Payable	A-26		100,000.00
Reserve for FEMA	A-27	50,196.18	182,455.21
Reserve for Revaluation	A-20	41,859.00	40,359.00
Reserve for Sale of Municipal Assets	A-25	4,947.59	
		<u>\$ 1,397,358.02</u>	<u>\$ 1,292,285.46</u>
Reserve for Receivables and Other Assets	A	822,399.84	893,773.24
Fund Balance	A-1	<u>1,912,709.64</u>	<u>1,359,565.56</u>
		<u>\$ 4,132,467.50</u>	<u>\$ 3,545,624.26</u>

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

BOROUGH OF MANVILLECURRENT FUNDSTATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2016</u>	<u>YEAR ENDED DECEMBER 31, 2015</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,028,500.00	\$ 1,050,500.00
Miscellaneous Revenue Anticipated	A-2	2,940,003.12	2,565,086.38
Receipts from Delinquent Taxes	A-2	555,962.16	539,610.55
Receipts from Current Taxes	A-2	26,630,979.93	25,665,191.86
Non-Budget Revenue	A-2	140,851.74	70,376.45
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-16	301,086.93	299,993.18
Interfunds Returned		3,652.32	357.62
Accounts Payable Canceled	A-24	12,176.99	17,786.92
Reserves Canceled		16,395.75	16,632.22
<u>Total Income</u>		<u>\$ 31,629,608.94</u>	<u>\$ 30,225,535.18</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Operations Within Caps	A-3	\$ 8,845,310.00	\$ 9,073,704.00
Deferred Charges and Statutory Expenditures	A-3	1,229,789.50	1,201,766.00
<u>Total Within "CAPS"</u>		<u>\$ 10,075,099.50</u>	<u>\$ 10,275,470.00</u>
Operation Excluded from Caps			
Capital Improvements	A-3	\$ 408,343.68	\$ 249,746.62
Municipal Debt Service	A-3	5,000.00	5,000.00
Deferred Charges - Municipal	A-3	1,163,322.14	1,120,554.09
<u>Total Excluded From "CAPS"</u>		<u>\$ 1,726,665.82</u>	<u>\$ 1,495,300.71</u>
County Taxes			
Local District School Tax	A-17	\$ 3,532,912.49	\$ 3,425,871.49
Refund Prior Years Revenue	A-18	14,702,710.00	14,124,710.00
Accounts Receivable Canceled	A-4		36,536.70
<u>Total Expenditures</u>	A-15	<u>\$ 10,577.05</u>	<u>\$ 16,356.72</u>
<u>Total Expenditures</u>		<u>\$ 30,047,964.86</u>	<u>\$ 29,374,245.62</u>
Excess in Revenues		\$ 1,581,644.08	\$ 851,289.56
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			256,500.00
Statutory Excess to Fund Balance		\$ 1,581,644.08	\$ 1,107,789.56
Fund Balance, January 1	A	1,359,565.56	1,302,276.00
		<u>\$ 2,941,209.64</u>	<u>\$ 2,410,065.56</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,028,500.00</u>	<u>1,050,500.00</u>
Fund Balance, December 31	A	<u>\$ 1,912,709.64</u>	<u>\$ 1,359,565.56</u>

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

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance	A-1	\$ 1,028,500.00	\$	\$ 1,028,500.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	13,000.00		13,900.00	900.00
Other	A-2	21,000.00		20,607.50	(392.50)
Fees and Permits	A-2	60,500.00		85,770.46	25,270.46
Fines and Costs:					
Municipal Court	A-13	120,000.00		146,575.04	26,575.04
Interest and Costs on Taxes	A-13	96,000.00		120,887.75	24,887.75
Interest on Investments and Deposits	A-13	6,000.00		19,101.07	13,101.07
Consolidated Municipal Property Tax Relief Aid	A-13	409,554.00		409,554.00	
Energy Receipts Tax	A-13	1,199,421.00		1,199,421.00	
Transition Aid	A-13	250,000.00		250,000.00	
Uniform Construction Code Fees	A-2	110,000.00		119,076.25	9,076.25
Assessment of Taxes	A-13	58,672.88		58,672.88	
Recycling Tonnage Program	A-15	10,324.31		10,324.31	
Clean Communities Program	A-15	50,018.18		50,018.18	
Drunk Driving Enforcement Fund	A-15	4,948.60		4,948.60	
Municipal Alliance an Alcohol and Drug Abuse	A-15	9,627.05		9,627.05	
Drive Sober or Get Pulled Over- Labor Day	A-15	2,500.00		2,500.00	
Body Armor Replacement Fund	A-15	2,520.66		2,520.66	
Somerset County Youth Services	A-15	5,000.00		5,000.00	
FEMA Flood Mitigation	A-15		24,750.00	24,750.00	
Hazardous Mitigation FEMA Generator	A-15	75,000.00		75,000.00	
Office of Emergency Management	A-15	5,000.00		5,000.00	
Utility Operating Surplus	A-13	125,000.00		125,000.00	
Uniform Fire Safety Act	A-13	16,000.00		21,192.37	5,192.37
Cable TV Franchise Fee	A-13	79,104.00		79,104.00	
Verizon Franchise Fee	A-13	53,926.85		53,926.00	(0.85)
County Library	A-13	27,000.00		27,526.00	526.00
	A-1	\$ 2,810,117.53	\$ 24,750.00	\$ 2,940,003.12	\$ 105,135.59
Receipts from Delinquent Taxes	A-1	\$ 530,000.00	\$	\$ 555,962.16	\$ 25,962.16
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-8:A-2	\$ 8,909,275.65	\$	\$ 9,895,357.44	\$ 986,081.79
<b>Budget Totals</b>		\$ 13,277,893.18	\$ 24,750.00	\$ 14,419,822.72	\$ 1,117,179.54
Non-Budget Revenue	A-1:A-2			140,851.74	140,851.74
		\$ 13,277,893.18	\$ 24,750.00	\$ 14,560,674.46	\$ 1,258,031.28
	REF.	A-3	A-3		

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

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-8	\$	26,630,979.93
Allocated To:			
School Taxes	A-18	\$	14,702,710.00
County Taxes	A-17		<u>3,532,912.49</u>
		\$	<u>18,235,622.49</u>
Balance for Support of Municipal Budget Appropriations		\$	8,395,357.44
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,500,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>9,895,357.44</u></u>
Uniform Construction Code:			
Fees and Permits	A-13	\$	120,296.00
Less: Refunds	A-4		<u>1,219.75</u>
	A-2	\$	<u><u>119,076.25</u></u>
Licenses - Other:			
Clerk	A-13	\$	6,285.00
Health Officer	A-13		14,316.00
Registrar	A-13		<u>234.00</u>
		\$	<u>20,835.00</u>
Less : Refunds	A-4		<u>227.50</u>
	A-2	\$	<u><u>20,607.50</u></u>
Fees and Permits - Other:			
Clerk	A-13	\$	31,599.60
Engineering	A-13		1,500.00
Police Department	A-13		893.51
Planning Board/Board of Adjustment	A-13		5,641.00
Fire	A-13		8,902.00
Fire - Smoke Detectors	A-13		12,775.00
Zoning Inspections	A-13		4,935.00
Building and Fire Inspections	A-13		8,340.00
Board of Health	A-13		2,964.35
Registrar	A-13		<u>8,720.00</u>
			86,270.46
Less: Refunds	A-4		<u>500.00</u>
	A-2	\$	<u><u>85,770.46</u></u>

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

BOROUGH OF MANVILLE  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

REF.

ANALYSIS OF NON-BUDGET REVENUE

Senior Citizens and Veterans - Administrative Fee	\$	2,236.82
Recycling		745.10
DMV Inspection Fees		1,833.67
Police Outside Overtime Administrative Fees		45,837.61
Miscellaneous		8,753.24
Green Communities		3,000.00
FEMA Reimbursement		54,714.94
Junk Sale		6,616.57
Tax Collector		<u>17,113.79</u>
	A-2:A-4	\$ <u><u>140,851.74</u></u>

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

BOROUGH OF MANVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS - WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 93,000.00	\$ 93,000.00	\$ 86,005.02	\$ 6,994.98	\$
Other Expenses	137,000.00	133,700.00	75,665.66	58,034.34	
Mayor and Council:					
Salaries and Wages	33,000.00	33,300.00	33,150.00	150.00	
Other Expenses	4,700.00	4,400.00	3,089.48	1,310.52	
Elections:					
Other Expenses	6,000.00	6,000.00	2,835.07	3,164.93	
Financial Administration:					
Salaries and Wages	140,900.00	140,900.00	133,487.12	7,412.88	
Other Expenses	17,000.00	17,000.00	11,558.99	5,441.01	
Audit	64,500.00	64,500.00		64,500.00	
Payroll Services	2,800.00	2,800.00	2,800.00		
Assessment of Taxes:					
Salaries and Wages	48,682.00	48,682.00	19,705.64	28,976.36	
Other Expenses	41,406.00	41,406.00	18,297.90	23,108.10	
Collection of Taxes:					
Salaries and Wages	47,560.00	47,560.00	47,560.00		
Other Expenses	8,000.00	8,000.00	7,837.28	162.72	
Legal Services and Costs:					
Other Expenses	110,000.00	110,000.00	109,718.63	281.37	
Engineering Services and Costs:					
Other Expenses	50,000.00	50,000.00	49,776.00	224.00	
Public Buildings and Grounds:					
Other Expenses	55,000.00	55,000.00	54,271.82	728.18	
Planning Board:					
Salaries and Wages	650.00	650.00	621.78	28.22	
Other Expenses	12,000.00	11,500.00	9,096.50	2,403.50	
Zoning Commission:					
Salaries and Wages	650.00	650.00	171.90	478.10	
Other Expenses	4,000.00	4,000.00	1,963.16	2,036.84	
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	90,000.00	90,000.00	90,000.00		
Police:					
Salaries and Wages	3,311,280.00	3,301,480.00	3,246,839.05	54,640.95	
Other Expenses	130,000.00	139,800.00	134,716.87	5,083.13	
Municipal Court:					
Salaries and Wages	7,200.00	7,200.00	6,348.45	851.55	
Other Expenses	121,000.00	121,000.00	120,032.00	968.00	
Emergency Management:					
Other Expenses	9,000.00	9,000.00	3,050.60	5,949.40	
First Aid Organization Contribution	8,000.00	8,000.00	8,000.00		
First Aid Insurance Payment	32,000.00	32,000.00	32,000.00		
Shade Tree Commission	6,000.00	6,000.00	5,900.00	100.00	
Public Works Department:					
Salaries and Wages	1,031,724.00	1,031,724.00	969,231.69	62,492.31	
Other Expenses	600,000.00	600,000.00	579,157.77	20,842.23	
Board of Health:					
Salaries and Wages	47,500.00	47,500.00	45,264.75	2,235.25	
Other Expenses	9,900.00	10,400.00	9,826.90	573.10	
Visiting Nurse Contract	100.00	100.00		100.00	
Bloodborne Pathogens:					
Other Expenses	100.00	100.00		100.00	

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

BOROUGH OF MANVILLE  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>RECREATION AND EDUCATION</u>					
Recreation:					
Salaries and Wages	\$ 166,979.00	\$ 166,979.00	\$ 165,245.76	\$ 1,733.24	\$
Other Expenses	40,000.00	40,000.00	33,175.69	6,824.31	
Celebration of Events, Anniversary or Holiday:					
Other Expenses	5,000.00	5,000.00	2,556.05	2,443.95	
Contribution to Senior Citizen Center	8,000.00	8,000.00	8,000.00		
Contribution to Youth Services Commission	100.00	100.00		100.00	
Rental Agreements	18,000.00	18,000.00	18,000.00		
Insurance:					
Group Insurance Plan for Employees	962,000.00	962,000.00	911,006.07	50,993.93	
Other Insurance Premiums	206,000.00	234,000.00	229,564.19	4,435.81	
Workmen Comp. Insurance	234,729.00	234,729.00	234,729.00		
<u>STATE UNIFORM CONSTRUCTION CODE</u>					
Construction Office:					
Salaries and Wages	114,000.00	114,000.00	109,676.62	4,323.38	
Other Expenses	2,000.00	2,000.00	1,976.88	23.12	
Property Maintenance					
Salaries and Wages	68,000.00	68,000.00	66,652.04	1,347.96	
Other Expenses	250.00	250.00	208.36	41.64	
Uniform Fire Safety Act:					
Salaries and Wages	33,900.00	33,900.00	21,707.66	12,192.34	
Other Expenses	5,000.00	5,000.00	4,669.17	330.83	
<u>UNCLASSIFIED</u>					
Utilities:					
Gasoline and Fuel	80,000.00	70,000.00	45,594.88	24,405.12	
Electricity	106,000.00	121,000.00	105,333.57	15,666.43	
Natural Gas	40,000.00	30,000.00	26,102.20	3,897.80	
Telephone	104,000.00	104,000.00	92,885.19	11,114.81	
Street Lighting	171,000.00	141,000.00	133,395.83	7,604.17	
Fire Hydrant Service	170,000.00	170,000.00	166,872.00	3,128.00	
Postage	11,000.00	21,000.00	16,918.13	4,081.87	
Water	18,000.00	18,000.00	17,937.42	62.58	
<u>Total Operations Within "CAPS"</u>	<u>\$ 8,844,610.00</u>	<u>\$ 8,844,310.00</u>	<u>\$ 8,330,186.74</u>	<u>\$ 514,123.26</u>	<u>\$</u>
<u>CONTINGENT</u>	<u>\$ 1,000.00</u>	<u>\$ 1,000.00</u>	<u>\$</u>	<u>\$ 1,000.00</u>	<u>\$</u>
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</u>	<u>\$ 8,845,610.00</u>	<u>\$ 8,845,310.00</u>	<u>\$ 8,330,186.74</u>	<u>\$ 515,123.26</u>	<u>\$</u>
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>					
Deferred Charges:					
Emergency Authorization	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$	\$
Prior Year Bills - Court	352.50	352.50	352.50		
Total Deferred Charges	<u>\$ 6,852.50</u>	<u>\$ 6,852.50</u>	<u>\$ 6,852.50</u>	<u>\$</u>	<u>\$</u>
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 283,634.00	\$ 283,634.00	\$ 283,634.00	\$	\$
Social Security System (O.A.S.I.)	230,000.00	230,000.00	177,466.58	52,533.42	
Police and Firemen's Pension Fund	662,803.00	662,803.00	662,803.00		
State Unemployment Insurance	40,000.00	40,000.00	40,000.00		
DCRP	6,500.00	6,500.00	5,634.80	865.20	
Total Statutory Expenditures	<u>\$ 1,222,937.00</u>	<u>\$ 1,222,937.00</u>	<u>\$ 1,169,538.38</u>	<u>\$ 53,398.62</u>	<u>\$</u>
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 1,229,789.50</u>	<u>\$ 1,229,789.50</u>	<u>\$ 1,176,390.88</u>	<u>\$ 53,398.62</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 10,075,399.50</u>	<u>\$ 10,075,099.50</u>	<u>\$ 9,506,577.62</u>	<u>\$ 568,521.88</u>	<u>\$</u>

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Group Insurance	\$ 8,430.00	\$ 8,430.00	\$ 8,430.00	\$	\$
Length of Service Awards Program	14,000.00	14,000.00		14,000.00	
Interlocal Municipal Service Agreements: Health Services Contract - County of Somerset	77,289.00	77,289.00	77,289.00		
Animal Control Contract Township of Bridgewater	5,603.00	5,603.00	5,603.00		
Somerset County Regional Animal Shelter	44,660.00	44,660.00	43,036.00	1,624.00	
Assessment of Taxes - Borough of Raritan	58,672.88	58,672.88	58,672.88		
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Drunk Driving Enforcement Fund	4,948.60	4,948.60	4,948.60		
FEMA Flood Mitigation (N.J.S.A. 40A:4-87 +\$24,750.00)		24,750.00	24,750.00		
Hazardous Mitigation FEMA Generator	75,000.00	75,000.00	75,000.00		
Hazardous Mitigation FEMA Generator - Local Share	7,000.00	7,000.00	7,000.00		
Office of Emergency Management	5,000.00	5,000.00	5,000.00		
Drive Sober or Get Pulled Over Labor Day	2,500.00	2,500.00	2,500.00		
Body Armor Replacement Fund	2,520.66	2,520.66	2,520.66		
Somerset County Youth Services	5,000.00	5,000.00	5,000.00		
Clean Communities Program	50,018.18	50,018.18	50,018.18		
Municipal Alliance on Alcoholism & Drug Abuse Local Match	9,627.05	9,627.05	9,627.05		
Recycling Tonnage	2,406.76	2,406.76	2,406.76		
Matching Funds for Grants	10,324.31	10,324.31	10,324.31		
	593.24	593.24		593.24	
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 383,593.68</u>	<u>\$ 408,343.68</u>	<u>\$ 392,126.44</u>	<u>\$ 16,217.24</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$ 5,000.00</u>	<u>\$</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 765,000.00	765,000.00	765,000.00	\$	\$
Payment of BAN and Capital Notes	208,000.00	208,000.00	208,000.00		
Interest on Bonds	78,000.00	78,000.00	77,442.50		557.50
Interest on Notes	27,000.00	27,000.00	26,796.91		203.09
Improvement Authority Lease: Principal and Interest	85,900.00	86,200.00	86,082.73		117.27
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>\$ 1,163,900.00</u>	<u>\$ 1,164,200.00</u>	<u>\$ 1,163,322.14</u>	<u>\$</u>	<u>\$ 877.86</u>

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

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency 5 Years (N.J.S.A. 40A:4-53)	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$	\$
<u>TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM CAPS</u>	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 1,702,493.68	\$ 1,727,543.68	\$ 1,710,448.58	\$ 16,217.24	\$ 877.86
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 11,777,893.18	\$ 11,802,643.18	\$ 11,217,026.20	\$ 584,739.12	\$ 877.86
<u>RESERVE FOR UNCOLLECTED TAXES</u>	1,500,000.00	1,500,000.00	1,500,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 13,277,893.18	\$ 13,302,643.18	\$ 12,717,026.20	\$ 584,739.12	\$ 877.86
	<u>REF.</u>	A-2		A-1	A:A-1
Budget	A-3		\$ 13,277,893.18		
Budget Amendment 40A: 4-87	A-2		24,750.00		
			\$ 13,302,643.18		
Reserve for Uncollected Taxes	A-2		\$ 1,500,000.00		
Disbursements	A-4		11,200,618.70		
Reserve for Grants - Appropriated	A-19		199,095.56		
Accounts Payable	A-24		306,950.74		
Deferred Charges - Emergency	A-28		6,500.00		
Deferred Charges - Special Emergency	A-29		150,000.00		
			\$ 13,363,165.00		
Less: Refunds	A-4		646,138.80		
			\$ 12,717,026.20		

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

TRUST FUND

"B"

BOROUGH OF MANVILLE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ <u>10,867.74</u>	\$ <u>9,919.44</u>
		\$ <u>10,867.74</u>	\$ <u>9,919.44</u>
Other Funds:			
Cash	B-1	\$ 1,398,318.49	\$ 729,622.17
Community Development Block Grants Receivable	B-7	244,238.64	175,000.00
Due General Capital Fund	B-5		315,000.00
		\$ <u>1,642,557.13</u>	\$ <u>1,219,622.17</u>
		\$ <u>1,653,424.87</u>	\$ <u>1,229,541.61</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-8	\$ <u>10,867.74</u>	\$ <u>9,919.44</u>
		\$ <u>10,867.74</u>	\$ <u>9,919.44</u>
Other Funds:			
Reserve for Federal Housing and Urban Development	B-2	\$ 100,690.64	\$ 4,774.32
Due Current Fund	B-3	113.18	3,765.50
Reserve for:			
Community Development Block Grants	B-15	220,779.64	156,000.00
Unemployment Compensation	B-16	43,351.10	23,784.22
Payroll Deductions	B-17	119,812.05	87,098.60
Miscellaneous Trust Deposits	B-4	249,017.18	242,380.64
Law Enforcement Trust Fund	B-12	16,393.22	25,971.03
Developer's Escrow Deposits	B-13	26,614.99	23,176.59
Recreation Deposits	B-14	70,172.11	52,333.81
Accounts Payable	B-6	3,489.03	21,762.80
Federal Asset Forfeitures	B-11	5,423.99	6,374.66
Premiums on Tax Sale	B-9	786,700.00	572,200.00
		\$ <u>1,642,557.13</u>	\$ <u>1,219,622.17</u>
		\$ <u>1,653,424.87</u>	\$ <u>1,229,541.61</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
<u>ASSETS</u>			
Cash	C-2	\$ 212,969.91	\$ 237,115.29
Due Current Fund	C-9	32,288.28	
Grants Receivable	C-15	445,505.43	571,773.86
Deferred Charges to Future Taxation - Funded	C-5	1,423,000.00	2,188,000.00
Deferred Charges to Future Taxation - Unfunded	C-4	<u>5,577,078.82</u>	<u>5,965,078.82</u>
		\$ <u>7,690,842.44</u>	\$ <u>8,961,967.97</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 1,423,000.00	\$ 2,188,000.00
Bond Anticipation Note	C-11	4,951,280.00	4,176,400.00
Due Other Trust Fund	C-16		315,000.00
Improvement Authorizations - Funded	C-7	548,112.58	513,533.41
Improvement Authorizations - Unfunded	C-7	382,357.16	1,380,465.80
Reserve for Insurance Damage	C-12	35,927.00	35,927.00
Reserve for RCA Readington	C-13	36,314.62	36,114.04
Reserve for RCA Hillsborough	C-14	52,545.63	52,255.37
Capital Improvement Fund	C-8	60,173.78	55,173.78
Contracts Payable	C-6	154,457.48	194,649.38
Fund Balance	C-1	<u>46,674.19</u>	<u>14,449.19</u>
		\$ <u>7,690,842.44</u>	\$ <u>8,961,967.97</u>

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

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 14,449.19
Increased by:		
Receipts - Premium on Notes	C-2	<u>32,225.00</u>
Balance, December 31, 2016	C	<u>\$ 46,674.19</u>

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

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SEWER UTILITY FUND

"D"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>BALANCE DECEMBER 31, 2015</u>
Operating Fund:			
Cash	D-5	\$ 209,806.86	\$ 430,741.54
Cash - Change Fund	D-6	200.00	200.00
		<u>\$ 210,006.86</u>	<u>\$ 430,941.54</u>
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-8	\$ 216,273.00	\$ 203,386.06
	D	<u>\$ 216,273.00</u>	<u>\$ 203,386.06</u>
Interfunds:			
Due Sewer Capital Fund	D	\$ 5.78	\$
Due Current Fund	D-10		300.00
		<u>\$ 5.78</u>	<u>\$ 300.00</u>
Deferred Charges			
Operating Deficit	D-16	<u>26,952.00</u>	
<u>Total of Operating Fund</u>		<u>\$ 453,237.64</u>	<u>\$ 634,627.60</u>
Capital Fund:			
Cash	D-5:D-9	\$ 100,852.05	\$ 100,846.27
Fixed Capital	D-15	<u>214,988.17</u>	<u>214,988.17</u>
<u>Total of Capital Fund</u>		<u>\$ 315,840.22</u>	<u>\$ 315,834.44</u>
		<u>\$ 769,077.86</u>	<u>\$ 950,462.04</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 75,457.10	\$ 11,596.74
Accounts Payable	D-13	29,714.37	129,054.67
Overpayments	D-7	9,925.43	4,422.39
		<u>\$ 115,096.90</u>	<u>\$ 145,073.80</u>
Reserve for Receivable	D	216,273.00	203,386.06
Fund Balance	D-1	<u>121,867.74</u>	<u>286,167.74</u>
<u>Total of Operating Fund</u>		<u>\$ 453,237.64</u>	<u>\$ 634,627.60</u>
Capital Fund:			
Due Sewer Operating Fund	D	\$ 5.78	\$
Reserve for Capital Improvement Fund	D-12	77,955.00	77,955.00
Reserve for Amortization	D-14	214,988.17	214,988.17
Fund Balance	D-2	<u>22,891.27</u>	<u>22,891.27</u>
<u>Total of Capital Fund</u>		<u>\$ 315,840.22</u>	<u>\$ 315,834.44</u>
		<u>\$ 769,077.86</u>	<u>\$ 950,462.04</u>

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

BOROUGH OF MANVILLESEWER UTILITY FUNDSTATEMENTS OF OPERATIONS AND CHANGE  
IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2016</u>	<u>YEAR ENDED DECEMBER 31, 2015</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-3	\$ 39,300.00	\$ 85,000.00
Sewer Use Charges	D-3	1,821,538.21	1,886,891.43
Miscellaneous	D-3	20,290.26	13,756.62
Accounts Payable Canceled		450.00	5,097.74
Unexpended Balance of Appropriation Reserves	D-11	<u>16,769.53</u>	<u>53,450.24</u>
<u>Total Income</u>		<u>\$ 1,898,348.00</u>	<u>\$ 2,044,196.03</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 1,810,300.00	\$ 1,920,000.00
Deferred Charges and Statutory Expenditures	D-4	35,000.00	35,000.00
Capital Outlay	D-4	<u>80,000.00</u>	<u></u>
<u>Total Expenditures</u>		<u>\$ 1,925,300.00</u>	<u>\$ 1,955,000.00</u>
Excess (Deficit) in Revenues		\$ (26,952.00)	\$ 89,196.03
Operating Deficit to be Raised in Budget of Subsequent year	D-16	<u>\$ (26,952.00)</u>	
Statutory Excess to Fund Balance		\$	\$ 89,196.03
Fund Balance, January 1	D	<u>286,167.74</u>	<u>406,971.71</u>
		\$ 286,167.74	\$ 496,167.74
Decreased by:			
Utilization by Sewer Operating Budget	D-1	39,300.00	85,000.00
Utilization by Current Fund Budget		<u>125,000.00</u>	<u>125,000.00</u>
Fund Balance, December 31	D	<u>\$ 121,867.74</u>	<u>\$ 286,167.74</u>

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

BOROUGH OF MANVILLE

SEWER UTILITY FUND

STATEMENT OF SEWER CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2015		
and December 31, 2016	D	\$ <u>22,891.27</u>

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

BOROUGH OF MANVILLE

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D-1	\$ 39,300.00	\$ 39,300.00	
Sewer Use Charges	D-1	<u>1,886,000.00</u>	<u>1,821,538.21</u>	<u>(64,461.79)</u>
		\$ 1,925,300.00	\$ 1,860,838.21	\$ (64,461.79)
Non-Budget Revenue	D-1:D-3:D-5	<u>20,290.26</u>	<u>20,290.26</u>	<u>20,290.26</u>
		<u>\$ 1,925,300.00</u>	<u>\$ 1,881,128.47</u>	<u>\$ (44,171.53)</u>

REF.

D-4

Non-Budget Revenue:  
 Connection Fees \$ 6,000.00  
 Interest on Delinquent Sewer Payments 12,131.31  
 Interest on Investments and Deposits 2,134.42  
 Miscellaneous 24.53

D-1:D-3:D-5 \$ 20,290.26

BOROUGH OF MANVILLE

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>EXPENDED RESERVED</u>	
Operating:					
Salaries and Wages	\$ 219,000.00	\$ 221,000.00	\$ 216,137.71	\$ 4,862.29	
Other Expenses	128,000.00	128,000.00	90,719.04	37,280.96	
Group Insurance	175,000.00	175,000.00	175,000.00		
Other Insurance	100,000.00	100,000.00	100,000.00		
Somerset Raritan Valley Sewerage Authority:					
Treatment Costs	1,150,800.00	1,150,800.00	1,149,725.92	1,074.08	
Electric	35,000.00	33,000.00	22,957.06	10,042.94	
Gas	2,500.00	2,500.00	2,310.17	189.83	
<u>Total Operating</u>	<u>\$ 1,810,300.00</u>	<u>\$ 1,810,300.00</u>	<u>\$ 1,756,849.90</u>	<u>\$ 53,450.10</u>	
Capital Improvements:					
Capital Outlay	\$ 80,000.00	\$ 80,000.00	\$ 57,993.00	\$ 22,007.00	
Statutory Expenditures:					
Social Security System ( O.A.S.I.)	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$	
	<u>\$ 1,925,300.00</u>	<u>\$ 1,925,300.00</u>	<u>\$ 1,849,842.90</u>	<u>\$ 75,457.10</u>	
	REF.	D-3		D:D-1	
Disbursements			\$ 1,821,147.01		
Accounts Payable			<u>28,695.89</u>		
			<u>\$ 1,849,842.90</u>		

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

BOROUGH OF MANVILLE

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
General Fixed Assets:		
Land	\$ 13,536,350.00	\$ 13,536,350.00
Buildings	7,734,150.00	7,734,150.00
Machinery and Equipment	<u>5,991,058.00</u>	<u>5,905,524.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 27,261,558.00</u>	<u>\$ 27,176,024.00</u>
Investments in General Fixed Assets	<u>\$ 27,261,558.00</u>	<u>\$ 27,176,024.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MANVILLE

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Manville is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Manville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Manville, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Manville do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Manville conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Manville are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

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

Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned sewer utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year 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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Borough of Manville had the following cash and cash equivalents at December 31, 2016:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$800.00	\$2,879,495.82	\$61,944.68	\$47,974.04	\$2,893,466.46
Animal Control Fund		10,867.74			10,867.74
Trust Other Fund		1,614,455.17		216,136.68	1,398,318.49
General Capital Fund		212,969.91			212,969.91
Sewer Operating Fund	200.00	192,896.12	16,910.74		209,806.86
Sewer Capital Fund		100,852.05			100,852.05
	<u>\$1,000.00</u>	<u>\$5,011,536.81</u>	<u>\$78,855.42</u>	<u>\$264,110.72</u>	<u>\$4,826,281.51</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2016, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$350,912.53 was covered by Federal Depository Insurance and \$4,660,624.28 was covered under the provisions of NJ GUDPA.

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Manville's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2016</u>	<u>YEAR 2015</u>	<u>YEAR 2014</u>
Issued:			
General:			
Bonds and Notes	<u>\$6,374,280.00</u>	<u>\$6,364,400.00</u>	<u>\$7,260,400.00</u>
Less: Cash on Hand to Pay Notes	<u>180,000.00</u>	<u>                    </u>	<u>                    </u>
Net Debt Issued	\$6,194,280.00	\$6,364,400.00	\$7,260,400.00
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>805,798.82</u>	<u>1,788,678.82</u>	<u>805,798.82</u>
 TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 <u><u>\$7,000,078.82</u></u>	 <u><u>\$8,153,078.82</u></u>	 <u><u>\$8,066,198.82</u></u>

SUMMARY OF STATUTORY DEBT CONDITION ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.792%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$236,000.00	\$236,000.00	
General Debt	<u>7,180,078.82</u>	<u>180,000.00</u>	<u>\$7,000,078.82</u>
	<u><u>\$7,416,078.82</u></u>	<u><u>\$416,000.00</u></u>	<u><u>\$7,000,078.82</u></u>

NET DEBT \$7,000,078.82 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$884,328,035.00 EQUALS 0.792%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2016	<u>\$884,328,035.00</u>
3.5% of Equalized Valuation Basis	\$30,951,481.23
Net Debt	<u>7,000,078.82</u>
Remaining Borrowing Power	<u>\$23,951,402.41</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Manville for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY  
PER N.J.S.40A:2-45

Cash Receipts from Surplus, Fees, Rents, or Other Charges for Year	\$1,881,122.69
Deductions:	
Operating and Maintenance Costs	<u>1,845,300.00</u>
Excess in Revenues	<u>\$ 35,822.69</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2016

CALENDAR YEAR	GENERAL		TOTAL
	PRINCIPAL	INTEREST	
2017	\$775,000.00	\$43,730.00	\$818,730.00
2018	<u>648,000.00</u>	<u>13,365.00</u>	<u>661,365.00</u>
	<u>\$1,423,000.00</u>	<u>\$57,095.00</u>	<u>\$1,480,095.00</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

IMPROVEMENT AUTHORITY LEASES

Outstanding Improvement Authority Leases are summarized as follows:

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2016

<u>Year</u>	<u>2013 Lease - 60 Months</u>		<u>2014 Lease - 60 Months</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2017	\$18,002.61	\$381.71	\$60,186.37	\$2,304.47	\$80,875.16
2018			61,462.53	1,028.31	62,490.84
2019			15,568.12	54.59	15,622.71
	<u>\$18,002.61</u>	<u>\$381.71</u>	<u>\$137,217.02</u>	<u>\$3,387.37</u>	<u>\$140,604.39</u>

NOTE 4: SHORT TERM DEBT

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	2.00%	06/23/17	\$3,968,400.00
General Capital Fund	1.35%	06/23/17	<u>982,880.00</u>
			<u>\$4,951,280.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2016, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2017, as introduced were as follows:

Current Fund	\$ 1,408,500.00*
Sewer Utility Fund	\$ 40,000.00*

\*Per introduced budget.

NOTE 6: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund:

	BALANCE DECEMBER <u>31, 2016</u>	BALANCE DECEMBER <u>31, 2015</u>
Prepaid Taxes	<u>\$130,011.47</u>	<u>\$133,306.50</u>

NOTE 7: PENSIONS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrprts.shtml](http://www.nj.gov/treasury/pensions/annrprts.shtml).

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

NOTE 7: PENSIONS (CONTINUED)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of service or they may elect deferred retirement after achieving 10 years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2012, PERS provides for employee contributions of 6.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTE 7: PENSIONS (CONTINUED)

Funding Policy (Continued)

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2012, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of PERS and PFRS pension costs, which is based upon the annual billings received from the State, amounted to \$946,437.00 for 2016, \$919,145.03 for 2015 and \$881,633.00 for 2014.

The Borough's share for DCRP amounted to \$5,634.80 for 2016, \$5,696.66 for 2015 and \$3,496.93 for 2014.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Borough employees are also covered by Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions - GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2016. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2016.

The State of New Jersey has not allocated or calculated the Borough of Manville's proportionate share of the total net pension liability for the year ended June 30, 2016; and, therefore, the amount of the Borough's net pension liability to be disclosed in the notes to the financial statements is not presently known. For note disclosure purposes only, the amount of the net pension liability remains at the measurement date of June 30, 2015.



NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2016	(\$34,846.00)
2017	(\$34,846.00)
2018	(\$34,846.00)
2019	\$60,176.00
2020	\$16,077.00

**Additional Information**

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,086,138,484	\$1,032,618,058
Collective deferred inflows of resources	478,031,236	1,726,631,532
Collective net pension liability - local	22,447,996,119	18,722,735,003
Borough's proportion	0.0314294526%	0.0340647638%

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Inflation	3.01 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.15-4.40 Percent	2.15-4.40 Percent
Thereafter	3.15-5.40 Percent	3.15-5.40 Percent
Investment Rate of Return	7.90 Percent	7.90 percent

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 and June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bond			1.00%	2.49%
Intermediate Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad U.S. Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Markets	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds/Absolute Returns	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
U.S. Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
Global Debt ex US	3.50%	(0.40%)		
REIT	4.25%	5.12%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.30% and 4.29% as of June 30, 2015 and 2014, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
Borough's proportionate share of the pension liability	\$8,768,853.00	\$7,055,282.00	\$5,618,637.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).



NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2016	\$418,499.00
2017	\$418,499.00
2018	\$418,499.00
2019	\$663,928.00
2020	\$256,503.00

**Additional Information**

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$3,527,123,787	\$456,706,121
Collective deferred inflows of resources	466,113,435	1,283,652,103
Collective net pension liability - local	16,656,514,197	12,579,072,492
Borough's proportion	0.0771928829%	0.0764782785%

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

Inflation	3.04 Percent	3.01 Percent
Salary Increases (based on age)		
2012-2021	2.60-9.48 Percent	3.95-8.62 Percent
Thereafter	3.60-10.48 Percent	4.95-9.62 Percent
Investment Rate of Return	7.90 Percent	7.90 Percent

Mortality rates used for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Mortality rates used for the July 1, 2013 valuation were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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 PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>		<u>June 30, 2014</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%	6.00%	0.80%
Core Bonds			1.00%	2.49%
Intermediate-Term Bonds			11.20%	2.26%
Mortgages	2.10%	1.62%	2.50%	2.17%
High Yield Bonds	2.00%	4.03%	5.50%	4.82%
Inflation-Indexed Bonds	1.50%	3.25%	2.50%	3.51%
Broad US Equities	27.25%	8.52%	25.90%	8.22%
Developed Foreign Equities	12.00%	6.88%	12.70%	8.12%
Emerging Market Equities	6.40%	10.00%	6.50%	9.91%
Private Equity	9.25%	12.41%	8.25%	13.02%
Hedge Funds Absolute Return	12.00%	4.72%	12.25%	4.92%
Real Estate (Property)	2.00%	6.83%	3.20%	5.80%
Commodities	1.00%	5.32%	2.50%	5.35%
Global Debt ex US	3.50%	(0.40%)		
REIT	4.25%	5.12%		
US Treasuries	1.75%	1.64%		
Investment Grade Credit	10.00%	1.79%		
	<u>100.00%</u>		<u>100.00%</u>	

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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 rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
Borough's proportionate share of the PFRS pension liability	\$16,950,456.00	\$12,857,643.00	\$9,520,320.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

NOTE 8: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2016.

NOTE 9: LITIGATION

The Borough is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Borough's legal counsel would not be material.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2016, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for 2016 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 12: RISK MANAGEMENT

The Borough 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. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions / Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 40,132.97	\$	\$ 20,566.09	\$ 43,351.10
2015	40,050.64	8,744.88	32,766.26	23,784.22
2014	15,041.27		32,857.71	7,754.96

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 113.18	\$ 32,288.28
Trust Other Fund		113.18
General Capital Fund	32,288.28	
Sewer Operating Fund	5.78	
Sewer Capital Fund		5.78
	<u>\$ 32,407.24</u>	<u>\$ 32,407.24</u>

All Interfund balances resulted from the time lag between the dates that payments between funds are made.

NOTE 14: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the AIG Retirement (AIG), AXA-Equitable and Met Life.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 15: LENGTH OF SERVICE AWARDS PROGRAM

During 2003, the Borough of Manville adopted an ordinance establishing a Length of Service Awards Program for the members of the Manville Fire Department and the Manville First Aid/Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer of the Manville Fire Department that performs the minimum amount of service will have an annual amount up to \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. Each volunteer of the Manville First Aid/Rescue Squad that performs the minimum amount of service will have an amount up to \$1,150.00 deposited into a tax deferred income account for the volunteer. The Borough's costs amounted to \$10,600.00 in 2016, \$13,800.00 in 2015 and \$13,000.00 in 2014.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 16: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (UNAUDITED)

Plan Description - The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment 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. 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. 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 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 <http://www.state.nj.us/treasury/pensions>.

Funding Policy - Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough's contributions to SHBP for the years ended December 31, 2016, 2015 and 2014 were \$1,240,073.72, \$1,234,754.79 and \$1,141,836.76 respectively, which equaled the required contributions for each year.

NOTE 17: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through April 27, 2017 which is the date the financial statements were available to be issued. No items were noted for disclosure or adjustment.

NOTE 18: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEAR'S BUDGET

	Balance December 31, <u>2016</u>	Raised in 2017 <u>Budget</u>	Balance Deferral To Succeeding <u>Years</u>
Current Fund:			
Emergency Appropriation			
- Reserve for Revaluation	<u>\$200,000.00</u>	<u>\$50,000.00</u>	<u>\$150,000.00</u>
	<u>\$200,000.00</u>	<u>\$50,000.00</u>	<u>\$150,000.00</u>
Sewer Utility Fund:			
Operating Deficit	<u>\$26,952.00</u>	<u>\$26,952.00</u>	<u>\$0.00</u>

BOROUGH OF MANVILLE

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2016

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 2,173,024.06
Increased by Receipts:			
Taxes Receivable	A-8	\$ 26,934,785.04	
Tax Overpayments	A-23	31,555.46	
Prepaid Taxes	A-22	130,011.47	
2016 Appropriation Refunds	A-3	646,138.80	
Tax Title Liens	A-7	12,485.42	
Senior Citizens and Veterans Deductions	A-9	111,840.89	
Miscellaneous Revenue Not Anticipated	A-2	140,851.74	
Petty Cash	A-5	950.00	
Reserve for Sale of Municipal Assets	A-25	4,947.59	
Accounts Payable	A-24	932.00	
Revenue Accounts Receivable	A-13	2,752,261.57	
Reserve for Police Outside Overtime	A-21	476,737.39	
Reserve for Grants-Unappropriated	A-14	16,045.77	
Interfunds	A-12	2,007,069.68	
Grants Receivable	A-15	43,504.80	
		<hr/>	33,310,117.62
			\$ <hr/> 35,483,141.68
Decreased by Disbursements:			
2016 Appropriations	A-3	\$ 11,200,618.70	
2015 Appropriation Reserves	A-16	327,926.70	
Refund of Construction Code Fees	A-2	1,219.75	
Refund of Other Licenses	A-2	227.50	
Refund of Other Fees and Permits	A-2	500.00	
Accounts Payable	A-24	7,606.83	
Refund of Tax Overpayments	A-23	16,450.22	
Interfunds	A-12	2,097,697.51	
County Taxes	A-17	3,532,912.49	
Local District School Tax	A-18	14,702,710.00	
Reserve for Police Outside Overtime	A-21	446,774.18	
Reserve for Grants-Appropriated	A-19	64,449.74	
Reserve for Revaluation	A-20	83,641.00	
Reserve for Emergency Note Payable	A-26	100,000.00	
Reserve for FEMA	A-27	5,990.60	
Petty Cash	A-5	950.00	
		<hr/>	32,589,675.22
Balance, December 31, 2016	A		\$ <hr/> <hr/> 2,893,466.46

"A-5"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF PETTY CASH

	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>
Borough Clerk	\$ 350.00	\$ 350.00
Police	200.00	200.00
Public Works	200.00	200.00
Police - Narcotics Enforcement	200.00	200.00
	<u>950.00</u>	<u>950.00</u>
	\$ <u>950.00</u>	\$ <u>950.00</u>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

	<u>BALANCE DECEMBER 31, 2016 AND 2015</u>
Tax Collector	\$ 200.00
Board of Health	100.00
Recreation	50.00
Clerk	50.00
Municipal Court	400.00
	<u>800.00</u>
	\$ <u>800.00</u>
<u>REF.</u>	A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 76,685.41
Increased by:			
Transferred from 2016 Taxes	A-8	\$ 20,187.48	
Transferred from 2015 Taxes	A-8	4,865.68	
Interest and Costs on Tax Sale		<u>1,059.53</u>	
			<u>26,112.69</u>
			\$ 102,798.10
Decreased by:			
Receipts	A-4		<u>12,485.42</u>
Balance, December 31, 2016	A		<u><u>\$ 90,312.68</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>2016 LEVY</u>	<u>ADDED</u>	<u>COLLECTION BY CASH 2015</u>	<u>2016</u>	<u>CANCELED</u>	<u>TRANSFERRED TO LIENS</u>	<u>BALANCE DECEMBER 31, 2016</u>
Prior	\$ 548,954.67	\$	\$	\$	\$ 543,476.74	\$ 612.25	\$ 4,865.68	\$
2016	\$ 548,954.67	\$ 27,169,114.37	\$	\$ 133,306.50	\$ 543,476.74	\$ 612.25	\$ 4,865.68	\$
					\$ 26,497,673.43	\$ 49,963.11	\$ 20,187.48	\$ 467,983.85
	\$ 548,954.67	\$ 27,169,114.37	\$ -0-	\$ 133,306.50	\$ 27,041,150.17	\$ 50,575.36	\$ 25,053.16	\$ 467,983.85
	<u>REF.</u>	<u>A</u>		<u>A-2:A-22</u>	<u>A-2</u>		<u>A-7</u>	<u>A</u>

Cash Collector  
State Share of 2016 Senior Citizens and Veterans Deductions

	<u>REF.</u>
	A-4
	A-9
	\$ 26,934,785.04
	106,365.13
	<u>\$ 27,041,150.17</u>

ANALYSIS OF 2016 PROPERTY TAX LEVY

<u>TAX YIELD</u>	
General Purpose Tax	\$ 27,146,465.99
Added Taxes (54-63.1 et seq.)	22,648.38
	<u>\$ 27,169,114.37</u>

TAX LEVY

Local District School Tax (Abstract)	\$ 14,702,710.00	A-18
County Taxes:		
County Taxes (Abstract)	\$ 2,843,898.21	
County Library	419,684.47	
County Open Space Taxes	266,376.85	
County Added Taxes	<u>2,952.96</u>	

TOTAL COUNTY TAXES

Local Tax for Municipal Purposes (Abstract)	3,532,912.49	A-17
Add: Additional Tax Levied		
Local Tax for Municipal Purposes Levied	<u>8,933,491.88</u>	A-2

\$ 27,169,114.37

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2015 (Due From)	A	\$	81,526.96
Increased by:			
Senior Citizens and Veterans Deductions Per Tax Billings		\$	112,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>500.00</u>
			<u>112,500.00</u>
		\$	<u>194,026.96</u>
Decreased by:			
Senior Citizens Deductions Disallowed by Tax Collector		\$	6,134.87
Received in Cash From State	A-4		<u>111,840.89</u>
			<u>117,975.76</u>
Balance, December 31, 2016 (Due From)	A	\$	<u><u>76,051.20</u></u>

CALCULATION OF STATE'S SHARE OF  
2016 SENIOR CITIZENS DEDUCTIONS  
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

Senior Citizens Deductions Per Tax Billings		\$	25,500.00
Veterans Deductions Per Tax Billings			86,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>500.00</u>
		\$	<u>112,500.00</u>
Less: Senior Citizens Deductions Disallowed by Collector			<u>6,134.87</u>
	A-8	\$	<u><u>106,365.13</u></u>

"A-10"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR PROPERTY ACQUIRED FOR TAXES

REF.

Balance, December 31, 2015  
and December 31, 2016

A

\$ 242,861.50

"A-11"

SCHEDULE OF MAINTENANCE LIEN RECEIVABLE

Balance, December 31, 2015  
and December 31, 2016

A

\$ 385.00

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>OTHER TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>SEWER UTILITY OPERATING FUND</u>
Balance, December 31, 2015:					
Interfunds Receivable	A	\$ 3,765.50	\$ 3,765.50	\$	\$ 300.00
Interfunds Payable	A	300.00			
Receipts	A-4	2,007,069.68	7,069.68	1,350,000.00	650,000.00
Transfer - FEMA	A-27	126,268.43		126,268.43	
Disbursements	A-4	<u>2,097,697.51</u>	<u>3,417.36</u>	<u>1,443,980.15</u>	<u>650,300.00</u>
Balance, December 31, 2016:					
Interfunds Receivable	A	\$ 113.18	\$ 113.18		
Interfunds Payable	A	<u>32,288.28</u>		<u>\$ 32,288.28</u>	

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2015	ACCRUED JUN 2016	COLLECTED	BALANCE DECEMBER 31, 2016
	\$	\$	\$	
Clerk:				
Licenses:				
Alcohol Beverages		13,900.00	13,900.00	\$ 3.30
Other Licenses	310.00	5,978.30	6,285.00	50.00
Fees and Permits	412.60	31,237.00	31,599.60	53.34
Police Department:				
Fees and Permits	85.44	861.41	893.51	
Planning Board/Board of Adjustment:				
Fees and Permits		5,641.00	5,641.00	
Zoning:				
Fees and Permits	395.00	4,880.00	4,935.00	340.00
Health Officer:				
Other Licenses	1,097.00	13,219.00	14,316.00	71.00
Fees and Permits	100.00	2,935.35	2,964.35	
Construction Code Official:				
Fees and Permits	5,880.00	126,572.00	120,296.00	12,156.00
Fire:				
Fees and Permits		8,902.00	8,902.00	
Smoke Detector Fees		12,775.00	12,775.00	
Engineering:				
Fees and Permits		1,500.00	1,500.00	
Building/ Fire Inspection Fees:				
Fees and Permits	1,245.00	8,595.00	8,340.00	1,500.00
Registrar:				
Other Licenses	15.00	219.00	234.00	
Fees and Permits	470.00	8,752.00	8,720.00	502.00
Municipal Court:				
Fines and Costs	11,111.12	141,531.91	146,575.04	6,067.99
Interest and Costs on Taxes		120,887.75	120,887.75	
Interest on Investments and Deposits		19,101.07	19,101.07	
Consolidated Municipal Property Tax Relief Aid		409,554.00	409,554.00	
Energy Receipts Tax		1,199,421.00	1,199,421.00	
Transition Aid		250,000.00	250,000.00	
Assessment of Taxes - Borough of Raritan		58,672.88	58,672.88	
Cable TV Franchise Fee		79,104.00	79,104.00	
Verizon Franchise Fee		53,926.00	53,926.00	
Utility Operating Surplus		125,000.00	125,000.00	
County Library		27,526.00	27,526.00	
Uniform Fire Safety Act		21,192.37	21,192.37	
	\$ 21,121.16	\$ 2,751,884.04	\$ 2,752,261.57	\$ 20,743.63
REF.	A	A-4	A-4	A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF GRANTS AND STATE AID - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2015	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2016
DDEF	\$	\$	\$	\$
Somerset County Youth Services	5,000.00	10,000.00	5,000.00	10,000.00
Drunk Driving Enforcement Fund		4,101.86		4,101.86
Body Armor Replacement Program	2,520.66		2,520.66	
Clean Communities Program	23,336.29		23,336.29	
Office of Emergency Management	5,000.00		5,000.00	
Federal Bulletproof Vest Partnership		1,943.91		1,943.91
	<u>\$ 35,856.95</u>	<u>\$ 16,045.77</u>	<u>\$ 35,856.95</u>	<u>\$ 16,045.77</u>
<u>REF.</u>	A	A-4	A-15	A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2015	2016 BUDGET ANTICIPATED REVENUE	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	CANCELED	BALANCE DECEMBER 31, 2016
Office of Emergency Management	\$	\$ 5,000.00		\$ 5,000.00		
Drive Sober Labor Day		2,500.00	1,550.00		950.00	
Drunk Driving Enforcement Fund		4,948.60	4,948.60			
Clean Communities Program		50,018.18	26,681.89	23,336.29		
D.O.T. - West Camplain Road	40,000.00					40,000.00
Somerset County Youth Services		5,000.00		5,000.00		
Hazardous Mitigation - FEMA - Generator		75,000.00				75,000.00
FEMA - Emergency Management Food Mitigation		24,750.00				24,750.00
Municipal Alliance Alcohol and Drug Abuse		9,627.05			9,627.05	
Body Armor Replacement Fund		2,520.66		2,520.66		
Recycling Tonnage Grant		10,324.31	10,324.31			
	\$ 40,000.00	\$ 189,688.80	\$ 43,504.80	\$ 35,856.95	\$ 10,577.05	\$ 139,750.00

REF.

A

A-2

A-4

A-14

A-1

A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
Administrative and Executive	\$ 375.00	\$ 375.00	\$	\$ 375.00
Mayor and Council	149.71	149.71		149.71
Financial Administration	514.60	514.60		514.60
Legal Services and Costs	1.96	1.96		1.96
Assessment of Taxes	301.75	301.75		301.75
Collection of Taxes	657.92	657.92		657.92
Police	83,525.63	83,525.63		83,525.63
Municipal Prosecutor		1,250.00	1,250.00	
Planning Board	37.55	37.55		37.55
Zoning Commission	71.49	71.49		71.49
Municipal Court	250.32	250.32		250.32
Public Works	50,624.20	50,624.20		50,624.20
Board of Health	424.66	424.66		424.66
Recreation	364.83	364.83		364.83
Construction Office	4,621.06	4,621.06		4,621.06
Property Maintenance	347.96	347.96		347.96
Uniform Fire Safety Act	7,792.61	7,792.61		7,792.61
<u>OTHER EXPENSES:</u>				
Administrative and Executive	5,615.75	42,086.76	41,773.57	313.19
Elections	522.92	522.92		522.92
Financial Administration	8,573.37	9,277.77	1,554.40	7,723.37
Audit		64,000.00	64,000.00	
Payroll Services		1,327.21	1,327.21	
Assessment of Taxes	1,554.98	12,260.58	11,172.57	1,088.01
Collection of Taxes	581.74	1,182.74	601.00	581.74
Legal Services and Costs	6,462.86	19,269.45	15,618.77	3,650.68
Engineering Services and Costs	6,000.00	6,000.00		6,000.00
Public Buildings and Grounds	520.77	12,003.10	11,629.54	373.56
Planning Board	4,671.31	4,751.83	80.52	4,671.31
Zoning Commission	2,085.63	2,194.11	108.48	2,085.63
Fire	2,003.36	9,910.52	9,218.47	692.05
Police	131.08	13,387.52	13,387.52	
Emergency Management	2,923.20	4,283.45	3,329.88	953.57
Municipal Court	569.36	2,985.70	2,959.38	26.32
First Aid Insurance Payment	95.61	95.61		95.61
Shade Tree Commission	1,739.45	5,340.00	3,100.00	2,240.00
Public Works Department	493.77	79,251.47	74,234.22	5,017.25
Board of Health	97.38	2,139.01	1,951.63	187.38
Visiting Nurse Contract	100.00	100.00		100.00
Bloodborne Pathogens	100.00	100.00		100.00
Recreation	114.63	2,468.66	2,400.02	68.64
Celebration of Events, Anniversary, or Holiday	2.48	2.48		2.48
Contributions to Youth Services Commission	100.00	100.00		100.00
Construction Office	103.83	321.68	67.85	253.83
Property Maintenance	138.62	138.62	14.71	123.91
Gasoline and Fuel	23,440.10	25,440.10	8,896.61	16,543.49
Electricity	13,019.64	15,306.16	9,136.35	6,169.81
Natural Gas	5,314.48	6,175.31	5,965.85	209.46
Telephone	15,559.34	16,368.37	9,796.80	6,571.57
Street Lighting	21,287.30	35,580.83	29,481.84	6,098.99
Fire Hydrant Service	3,384.32	17,268.96	14,058.44	3,210.52
Water	393.47	442.58	442.58	

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2015</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>OTHER EXPENSES (CONTINUED):</u>				
Postage	\$ 7,426.86	\$ 7,989.87	\$ 6,027.84	\$ 1,962.03
Contingent	1,000.00	1,000.00		1,000.00
Public Employees' Retirement System	4,103.01	4,103.01		4,103.01
Social Security System	50,193.99	50,193.99		50,193.99
Police and Firemen's Retirement System of NJ	2,517.96	2,517.96		2,517.96
DCRP	303.34	563.63	297.79	265.84
Length of Service Awards Program	14,000.00	14,000.00	10,600.00	3,400.00
Group Insurance Plan for Employees	6,573.28	8,430.81	1,857.53	6,573.28
Workmen Compensation Insurance	459.00	459.00		459.00
Health Services Contract - County of Somerset	1.12	6,315.61	6,314.49	1.12
Animal Control Contact - Somerset County	1,774.16	1,774.16		1,774.16
Matching Funds for Grants	3,000.00	3,000.00		3,000.00
	<u>\$ 369,114.72</u>	<u>\$ 663,742.79</u>	<u>\$ 362,655.86</u>	<u>\$ 301,086.93</u>

REF.

A

A-1

Balance, December 31, 2015

A-16

\$ 369,114.72

Accounts Payable

A-24

294,628.07

\$ 663,742.79

Disbursements

A-4

\$ 327,926.70

Accounts Payable

A-24

34,729.16

\$ 362,655.86

"A-17"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Increased by:			
2016 Tax Levy		\$ 3,529,959.53	
Added Taxes		<u>2,952.96</u>	
	A-1:A-2:A-8		\$ <u>3,532,912.49</u>
Decreased by:			
Payments	A-4		\$ <u><u>3,532,912.49</u></u>

"A-18"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:			
Levy Year 2016 - (Calendar Year)	A-1:A-2:A-8		\$ <u>14,702,710.00</u>
Decreased by:			
Disbursements	A-4		\$ <u><u>14,702,710.00</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2015	TRANSFERRED FROM 2016 BUDGET APPROPRIATIONS	DISBURSEMENTS	ACCOUNTS PAYABLE	CANCELED	BALANCE DECEMBER 31, 2016
Office of Emergency Management - 2014	\$ 2,459.20	\$	\$ 2,459.20			\$ 113.40
Office of Emergency Management - 2015	3,700.08		3,586.68			5,000.00
Office of Emergency Management - 2016		5,000.00				35.50
Alcohol Education Rehabilitation - 2010	335.50		300.00			1,788.00
Drunk Driving Enforcement Fund - 2010	2,169.56		381.56			1,953.27
Drunk Driving Enforcement Fund - 2011	483.46		483.46			4,106.96
Drunk Driving Enforcement Fund - 2012	1,953.27					1,686.41
Drunk Driving Enforcement Fund - 2013	4,106.96		940.30			4,813.60
Drunk Driving Enforcement Fund - 2014	940.30					16,332.37
Drunk Driving Enforcement Fund - 2015	1,686.41					1,853.44
Drunk Driving Enforcement Fund - 2016		4,948.60		135.00	950.00	3,271.82
Drive Sober Labor Day		2,500.00				2,374.56
Clean Communities Program - 2016		50,018.18		6,687.94		2,499.30
Body Armor Replacement Fund - 2008	172.74		1,550.00			1,000.00
Body Armor Replacement Fund - 2009	2,141.87		26,897.87			2,520.66
Body Armor Replacement Fund - 2011	3,271.82		1,72.74			4,933.81
Body Armor Replacement Fund - 2012	2,374.56		288.43			123.95
Body Armor Replacement Fund - 2013	2,374.56					745.27
Body Armor Replacement Fund - 2014	1,537.96		1,537.96			2,499.30
Body Armor Replacement Fund - 2016	2,499.30					2,520.66
Recycling Tonnage Grant - 2016		2,520.66				4,933.81
Somerset County Youth Services - 2015	0.01	10,324.31		1,000.00		123.95
Somerset County Youth Services - 2016			4,390.50	(123.94)		745.27
Hazard Mitigation - FEMA - Generator		5,000.00		58,211.00		7,000.00
Hazard Mitigation - FEMA - Generator - Match		75,000.00				24,750.00
FEMA Emergency Management- Flood Mitigation		7,000.00				9,627.05
FEMA Emergency Management- Flood Mitigation		24,750.00				24,750.00
Municipal Alliance Alcohol and Drug Abuse - 2016		9,627.05			9,627.05	3,472.70
Municipal Alliance Alcohol and Drug Abuse - Match	1,383.25	2,406.76	317.31			
	\$ 31,216.25	\$ 199,095.56	\$ 64,449.74	\$ 65,910.00	\$ 10,577.05	\$ 89,375.02

REF.

A-24  
A-24

A-3

A-4

A-1

A

Accounts Payable  
Prior Year Accounts Payable

\$ 66,033.94  
(123.94)  
\$ 65,910.00

"A-20"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR REVALUATION

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ 40,359.00
Increased by:		
Accounts Payable	A-24	85,141.00
		<u>\$ 125,500.00</u>
Decreased by:		
Disbursements	A-4	<u>83,641.00</u>
Balance, December 31, 2016	A	<u><u>\$ 41,859.00</u></u>

"A-21"

SCHEDULE OF RESERVE FOR POLICE OUTSIDE OVERTIME

Increased by:		
Receipts	A-4	\$ 476,737.39
Decreased by:		
Disbursements	A-4	<u>446,774.18</u>
Balance, December 31, 2016	A	<u><u>\$ 29,963.21</u></u>

"A-22"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2015	A	\$	133,306.50
Increased by:			
Collection - 2017 Taxes	A-4		130,011.47
		\$	<u>263,317.97</u>
Decreased by:			
Applied to 2016 Taxes Receivable	A-8		<u>133,306.50</u>
Balance, December 31, 2016	A	\$	<u><u>130,011.47</u></u>

"A-23"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:			
Overpayments in 2016	A-4	\$	31,555.46
Decreased by:			
Refunds	A-4	\$	16,450.22
Overpayments Applied	A-8		<u>5,818.70</u>
			<u>22,268.92</u>
Balance, December 31, 2016	A	\$	<u><u>9,286.54</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 399,676.83
Increased by:			
2016 Appropriations	A-3	\$ 306,950.74	
Appropriation Reserves	A-16	34,729.16	
Receipts	A-4	932.00	
Grants Appropriated	A-19	<u>66,033.94</u>	
			<u>408,645.84</u>
			\$ <u>808,322.67</u>
Decreased by:			
Disbursements	A-4	\$ 7,606.83	
Canceled	A-1	12,176.99	
Transferred to Appropriation Reserves	A-16	294,628.07	
Transferred to Reserve for Revaluation	A-20	85,141.00	
Transferred to Grants Appropriated	A-19	<u>123.94</u>	
			<u>399,676.83</u>
Balance, December 31, 2016	A		\$ <u><u>408,645.84</u></u>

"A-25"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Increased by:		
Receipts	A-4	\$ <u>4,947.59</u>
Balance, December 31, 2016	A	\$ <u><u>4,947.59</u></u>

"A-26"

SCHEDULE OF RESERVE FOR EMERGENCY NOTE PAYABLE

Balance, December 31, 2015	A	\$ <u>100,000.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>100,000.00</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR FEMA

	<u>REF.</u>		
Balance, December 31, 2015	A		\$ 182,455.21
Decreased by:			
Disbursements	A-4	\$ 5,990.60	
Transfer to General Capital Fund	A-12	<u>126,268.43</u>	
			<u>132,259.03</u>
Balance, December 31, 2016	A		\$ <u><u>50,196.18</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - EMERGENCY AUTHORIZATIONS

	<u>REF.</u>	
Balance, December 31, 2015	A	\$ <u>6,500.00</u>
Decreased by: 2016 Appropriation	A-3	\$ <u><u>6,500.00</u></u>

SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATIONS

Balance, December 31, 2015	A	\$ 350,000.00
Decreased by: 2016 Appropriation	A-3	<u>150,000.00</u>
Balance, December 31, 2016	A	\$ <u><u>200,000.00</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2015	B	\$ <u>9,919.44</u>	\$ <u>729,622.17</u>
Increased by Receipts:			
Due Current Fund	B-3	\$	\$ 3,417.36
Due General Capital Fund	B-5		315,000.00
Reserve for Recreation Deposits	B-14		84,487.72
Community Development Block Grants Receivable	B-7		68,256.36
Animal Control License Fees	B-8	3,105.60	
Reserve for Premiums on Taxes	B-9		580,100.00
Reserve for Redemption of Outside Liens	B-10		433,951.69
Unemployment Compensation	B-16		40,132.97
Federal Housing Urban Development-Section 8	B-2		965,062.75
Reserve for Developer's Escrow Deposits	B-13		5,025.40
Reserve for Law Enforcement Trust Fund	B-12		126.19
Reserve for Federal Asset Forfeitures	B-11		33.87
Reserve for Payroll Deductions	B-17		2,417,347.31
Miscellaneous Trust Deposits	B-4		44,724.27
		\$ <u>3,105.60</u>	\$ <u>4,957,665.89</u>
		\$ <u>13,025.04</u>	\$ <u>5,687,288.06</u>
Decreased by Disbursements:			
Due Current Fund	B-3	\$	\$ 7,069.68
Expenditures Under (R.S.4:19-15.11)	B-8	2,157.30	
Reserve for Community Development Block Grants	B-15		83,389.56
Miscellaneous Trust Deposits	B-4		45,687.30
State of New Jersey - Unemployment Compensation	B-16		20,566.09
Reserve for Premiums on Taxes	B-9		365,600.00
Reserve for Redemption of Outside Liens	B-10		433,951.69
Reserve for Federal Asset Forfeitures	B-11		984.54
Reserve for Law Enforcement Trust Fund	B-12		9,704.00
Reserve for Developer's Escrow Deposits	B-13		1,587.00
Reserve for Recreation Deposits	B-14		66,649.42
Reserve for Payroll Deductions	B-17		2,384,633.86
Federal Housing Urban Development-Section 8	B-2		869,146.43
		\$ <u>2,157.30</u>	\$ <u>4,288,969.57</u>
Balance, December 31, 2016	B	\$ <u>10,867.74</u>	\$ <u>1,398,318.49</u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE  
FOR FEDERAL HOUSING AND URBAN DEVELOPMENT PROGRAM

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 4,774.32
Increased by:		
Receipts	B-1	<u>965,062.75</u>
		\$ <u>969,837.07</u>
Decreased by:		
Disbursements	B-1	<u>869,146.43</u>
Balance, December 31, 2016	B	\$ <u><u>100,690.64</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND-OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2015 (Due To)	B	\$ 3,765.50
Increased by:		
Receipts	B-1	<u>3,417.36</u>
		\$ <u>7,182.86</u>
Decreased by:		
Disbursements	B-1	<u>7,069.68</u>
Balance, December 31, 2016 (Due To)	B	\$ <u><u>113.18</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2015	RECEIPTS	DISBURSEMENTS	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2016
Parking Offense Adjudication Act	\$ 411.16	\$ 2.00	\$ 413.16	\$	\$
Developers/Engineering Escrow	42,299.37	10,721.50	15,715.23		37,305.64
Police Escrow		10,824.00	4,772.26		6,051.74
Donation	550.00				550.00
Public Defender	8,815.00		8,815.00		
Fire Penalties - Fire Department	14,554.86	625.00	4,070.56	(731.53)	11,840.83
Fire Penalties - Fire Marshall	33,682.34	4,535.00	11,901.09	(6,868.04)	33,184.29
Housing Assistance	142,067.91	18,016.77			160,084.68
	<u>\$ 242,380.64</u>	<u>\$ 44,724.27</u>	<u>\$ 45,687.30</u>	<u>\$ (7,599.57)</u>	<u>\$ 249,017.18</u>

REF.

B

B-1

B-1

B

Current Year Accounts Payable  
Prior Year Accounts Payable

B-6  
B-6

\$ 3,489.03  
(11,088.60)

\$ (7,599.57)

"B-5"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2015 (Due from)	B	\$ <u>315,000.00</u>
Decreased by:		
Receipts	B-1	\$ <u><u>315,000.00</u></u>

"B-6"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2015	B	\$ 21,762.80
Increased by:		
Miscellaneous Trust Deposits	B-4	<u>3,489.03</u>
		\$ <u>25,251.83</u>
Decreased by:		
Miscellaneous Trust Deposits	B-4	\$ 11,088.60
Community Development Block Grant	B-15	<u>10,674.00</u>
		<u>21,762.60</u>
Balance, December 31, 2016	B	\$ <u><u>3,489.23</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>2016 GRANTS</u>	<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2016</u>
Sidewalk Improvements - 2014	\$ 75,000.00		\$ 68,256.36	\$ 6,743.64
Sidewalk Improvements - 2015	100,000.00			100,000.00
Library Improvements - 2016		74,200.00		74,200.00
Sidewalk Improvements - 2016		63,295.00		63,295.00
	<u>\$ 175,000.00</u>	<u>\$ 137,495.00</u>	<u>\$ 68,256.36</u>	<u>\$ 244,238.64</u>

REF.

B

B-15

B-1

B

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2015	B		\$ 9,919.44
Increased by:			
Dog License Fees Collected		\$ 2,755.60	
Late Fees - Dog and Cat		190.00	
Cat License Fees Collected		<u>160.00</u>	
	B-1		\$ <u>3,105.60</u>
			\$ 13,025.04
Decreased by:			
Expenditures Under R.S.4:19-15.11 - Cash	B-1		<u>2,157.30</u>
Balance, December 31, 2016	B		\$ <u><u>10,867.74</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 5,470.60
2014	<u>5,726.60</u>
	\$ <u><u>11,197.20</u></u>

"B-9"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 572,200.00
Increased by:		
Receipts	B-1	<u>580,100.00</u>
		\$ 1,152,300.00
Decreased by:		
Disbursements	B-1	<u>365,600.00</u>
Balance, December 31, 2016	B	<u><u>786,700.00</u></u>

"B-10"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Increased by:		
Receipts	B-1	\$ <u>433,951.69</u>
Decreased by:		
Disbursements	B-1	<u><u>433,951.69</u></u>

"B-11"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL ASSET FORFEITURES

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 6,374.66
Increased by:		
Receipts	B-1	33.87
		<u>\$ 6,408.53</u>
Decreased by:		
Disbursements	B-1	984.54
		<u>984.54</u>
Balance, December 31, 2016	B	<u><u>\$ 5,423.99</u></u>

"B-12"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Balance, December 31, 2015	B	\$ 25,971.03
Increased by:		
Receipts	B-1	126.19
		<u>\$ 26,097.22</u>
Decreased by:		
Disbursements	B-1	9,704.00
		<u>9,704.00</u>
Balance, December 31, 2016	B	<u><u>\$ 16,393.22</u></u>

"B-13"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 23,176.59
Increased by:		
Receipts	B-1	<u>5,025.40</u>
		\$ <u>28,201.99</u>
Decreased by:		
Disbursements	B-1	<u>1,587.00</u>
Balance, December 31, 2016	B	\$ <u><u>26,614.99</u></u>

Detail of Balance on File in Treasurer's Office

"B-14"

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

Balance, December 31, 2015	B	\$ 52,333.81
Increased by:		
Receipts	B-1	<u>84,487.72</u>
		\$ <u>136,821.53</u>
Decreased by:		
Disbursements	B-1	<u>66,649.42</u>
Balance, December 31, 2016	B	\$ <u><u>70,172.11</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>2016 GRANTS</u>	<u>PRIOR YEAR ACCOUNTS PAYABLE</u>	<u>DISBURSEMENTS</u>	<u>BALANCE DECEMBER 31, 2016</u>
Sidewalk Improvements - 2014	\$ 56,000.00	\$	10,674.20	\$ 66,674.20	\$ 83,284.64
Sidewalk Improvements - 2015	100,000.00			16,715.36	74,200.00
Library Improvements - 2016		74,200.00			63,295.00
Sidewalk Improvements - 2016		63,295.00			
	<u>\$ 156,000.00</u>	<u>\$ 137,495.00</u>	<u>\$ 10,674.20</u>	<u>\$ 83,389.56</u>	<u>\$ 220,779.64</u>

REF.

B

B-7

B-6

B-2

B

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 23,784.22
Increased by:		
Receipts	B-1	<u>40,132.97</u>
		\$ <u>63,917.19</u>
Decreased by:		
Disbursements	B-1	<u>20,566.09</u>
Balance, December 31, 2016	B	\$ <u><u>43,351.10</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE - PAYROLL DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2015	B	\$ 87,098.60
Increased by:		
Receipts	B-1	<u>2,417,347.31</u>
		\$ 2,504,445.91
Decreased by:		
Disbursements	B-1	<u>2,384,633.86</u>
Balance, December 31, 2016	B	<u>\$ 119,812.05</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2015	C	\$	237,115.29
Increased by Receipts:			
2016 Budget Appropriation:			
Capital Improvement Fund	C-8	\$	5,000.00
Due Current Fund	C-9		1,350,000.00
Grants Receivable	C-15		126,268.43
Deferred Charges to Future Taxation Unfunded	C-4		180,000.00
Fund Balance - premium on BANS	C-1		32,225.00
Reserve for:			
RCA Readington	C-13		200.58
RCA Hillsborough	C-14		290.26
Bond Anticipation Notes Payable	C-11		4,951,280.00
			<u>6,645,264.27</u>
		\$	<u>6,882,379.56</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$	1,003,721.37
Bond Anticipation Notes Payable	C-11		3,968,400.00
Due Current Fund	C-9		1,382,288.28
Due Trust Other Fund	C-16		315,000.00
Anticipated Revenue in Current Fund	C-1		
			<u>6,669,409.65</u>
Balance, December 31, 2016	C:C-3	\$	<u><u>212,969.91</u></u>

"C-3"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

BALANCE  
DECEMBER  
31, 2016

Fund Balance	\$	46,674.19
Capital Improvement Fund		60,173.78
Improvement Authorizations Funded as Set Forth on "C-7"		548,112.58
Improvement Authorizations-Expended as Set Forth on "C-4"		(789,849.94)
Unexpended Proceeds of Bond Anticipation Notes as Set Forth on "C-4"		366,408.28
Due Current Fund		(32,288.28)
Grants Receivable		(445,505.43)
Reserves		124,787.25
Cash on Hand		180,000.00
Contracts Payable		<u>154,457.48</u>

\$ 212,969.91

REF.

C-2

BOROUGH OF MANVILLE  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>PAID BY BUDGET</u>	<u>GRANTS</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>ANALYSIS OF BALANCE</u>		
						<u>BOND ANTICIPATION NOTES</u>	<u>EXPENDITURES</u>	<u>UNEXPENDED IMPROVEMENT AUTHORIZATIONS</u>
	General Improvement	\$ 141,000.00	\$	\$	141,000.00	\$	141,000.00	\$
830	1996 Road and Drainage Improvements Program	164,537.82			164,537.82		164,537.82	
896	1998 Road Improvements	160,261.00			160,261.00		160,261.00	
943	Improvement to North Street and Gladys Avenue	1,793,300.00	49,000.00		1,744,300.00	1,744,300.00		
1052	Various Public Improvements	652,200.00	57,000.00		595,200.00	595,200.00		
1090	Various Public Improvements	494,500.00	35,000.00		459,500.00	459,500.00		
1107	Various Public Improvements	1,236,400.00	67,000.00		1,169,400.00	1,169,400.00		
1134	Acquisition of Real Property (Rusic Mall Redevelopment)	340,000.00		180,000.00	340,000.00	802,880.00	324,051.12	15,948.88
1138	Acquisition and Demolition of Flood Properties	982,880.00			802,880.00			
		<u>\$ 5,965,078.82</u>	<u>\$ 208,000.00</u>	<u>\$ 180,000.00</u>	<u>\$ 5,577,078.82</u>	<u>\$ 4,771,280.00</u>	<u>\$ 789,849.94</u>	<u>\$ 15,948.88</u>
		C	C-11	C-2	C		C-3	
<u>REF.</u>								
	Bond Anticipation Notes Payable				\$ 4,951,280.00			\$ 382,357.16
	Less: Cash on Hand				180,000.00			366,408.28
					<u>\$ 4,771,280.00</u>			<u>\$ 15,948.88</u>
	Improvement Authorization Unfunded							\$ 382,357.16
	Less: Unexpended Proceeds of Bond Anticipation Notes							366,408.28
								<u>\$ 15,948.88</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 2,188,000.00
Decreased by:		
Current Fund Budget Appropriation:		
Payment of Serial Bonds	C-10	<u>765,000.00</u>
Balance, December 31, 2016	C	\$ <u><u>1,423,000.00</u></u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2015	C		\$ 194,649.38
Increased by:			
Improvement Authorizations	C-7		<u>1,000,373.31</u>
			\$ 1,195,022.69
Decreased by:			
Disbursements	C-2	\$ 1,003,721.37	
Contracts Payable-Canceled	C-7	<u>36,843.84</u>	
			<u>1,040,565.21</u>
Balance, December 31, 2016	C		\$ <u><u>154,457.48</u></u>

BOROUGH OF MANVILLE  
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2015		CONTRACTS PAYABLE	CONTRACTS PAYABLE CANCELED	BALANCE DECEMBER 31, 2016	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
<u>General Improvements</u>									
995	Rehabilitation of Housing Units	09/27/04	\$ 350,000.00	\$ 15,994.89	\$	\$	\$	15,994.89	\$
1024	Rehabilitation of Housing Units	02/27/06	350,000.00	102,634.36				102,634.36	
1052	Various Public Improvements	04/23/07	2,453,500.00		137,176.88	659.25			136,517.63
1090	Various Public Improvements	11/09/09	1,075,000.00		23,427.69	559.25			22,868.44
1107	Various Public Improvements	11/14/11	740,000.00		5,134.61	559.26			4,575.35
1111	Acquisition and Dem. of Flood Properties	04/09/12	3,792,298.00	392,154.49			36,843.84	428,998.33	
1120	Nor'easter/Hurricane Irene	08/27/12	169,602.25	485.00				485.00	
1134	Various Public Improvements	10/24/13	1,298,800.00		215,897.74	99,318.26			116,579.48
1138	Acquisition of Real Property (Rustic Mall)	02/24/14	340,000.00		15,948.88				15,948.88
1162	Acquisition and Dem. of Flood Properties	07/13/15	1,032,880.00	2,264.67	982,880.00	899,277.29			85,867.38
				\$ 513,533.41	\$ 1,380,465.80	\$ 1,000,373.31	\$ 36,843.84	\$ 548,112.58	\$ 382,357.16
				C	C	C-6	C-6	C-C-3	C-C-4

REF.

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 55,173.78
Increased by:		
Current Budget Appropriation	C-2	<u>5,000.00</u>
Balance, December 31, 2016	C	<u>\$ 60,173.78</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

REF.

Increased by:			
Disbursements	C-2	\$	1,382,288.28
Decreased by:			
Receipts	C-2		<u>1,350,000.00</u>
Balance, December 31, 2016 (Due From)	C	\$	<u><u>32,288.28</u></u>

BOROUGH OF MANVILLE  
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2016</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Pension Refunding Bonds, Series 2004	05/05/04	\$ 915,000.00	04/01/17	\$ 125,000.00	5.750%	\$ 240,000.00	\$ 115,000.00	\$ 125,000.00
General Improvement Bonds	06/15/06	5,173,000.00	06/15/17	650,000.00	4.125%	1,948,000.00	650,000.00	1,298,000.00
			04/01/18	648,000.00	4.125%			
						<u>\$ 2,188,000.00</u>	<u>\$ 765,000.00</u>	<u>\$ 1,423,000.00</u>

REF.

C-5

C

C

BOROUGH OF MANVILLE  
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

ORDINANCE NUMBER	ORDINANCE	ORIGINAL DATE OF ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2015	INCREASED	DECREASED	BALANCE DECEMBER 31, 2016
1052	Various Public Improvements	07/02/07	06/25/15	06/24/16	0.62%	\$ 1,793,300.00	\$ 1,793,300.00	\$	\$
1090	Various Public Improvements	07/01/10	06/25/15	06/24/16	0.62%	652,200.00	652,200.00		595,200.00
1107	Various Public Improvements	06/29/12	06/25/15	06/24/16	0.62%	494,500.00	494,500.00		459,500.00
1134	Various Public Improvements	10/24/13	06/25/15	06/24/16	0.62%	1,236,400.00	1,236,400.00		1,169,400.00
1052	Various Public Improvements	07/02/07	06/24/16	06/23/17	2.00%		1,744,300.00		1,744,300.00
1090	Various Public Improvements	07/01/10	06/24/16	06/23/17	2.00%		595,200.00		595,200.00
1107	Various Public Improvements	06/29/12	06/24/16	06/23/17	2.00%		459,500.00		459,500.00
1134	Various Public Improvements	10/24/13	06/24/16	06/23/17	2.00%		1,169,400.00		1,169,400.00
1162	Various Public Improvements	06/28/16	06/28/16	06/23/17	1.35%		982,880.00		982,880.00
						\$ 4,176,400.00	\$ 4,951,280.00	\$ 4,176,400.00	\$ 4,951,280.00
					REF.	C	C-2:C-4		C
								\$ 3,968,400.00	
								208,000.00	
								\$ 4,176,400.00	

Disbursements  
Paid by Budget

"C-12"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

	<u>REF.</u>	
Balance, December 31, 2015 and December 31, 2016	C	\$ <u>35,927.00</u>

"C-13"

SCHEDULE OF RESERVE FOR RCA READINGTON

Balance, December 31, 2015	C	\$ 36,114.04
Increased by: Receipts	C-2	<u>200.58</u>
Balance, December 31, 2016	C	\$ <u>36,314.62</u>

"C-14"

SCHEDULE OF RESERVE FOR RCA HILLSBOROUGH

Balance, December 31, 2015	C	\$ 52,255.37
Increased by: Receipts	C-2	<u>290.26</u>
Balance, December 31, 2016	C	\$ <u>52,545.63</u>

"C-15"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2015	C	\$ 571,773.86
Decreased by:		
Receipts	C-2	<u>126,268.43</u>
Balance, December 31, 2016	C	<u>\$ 445,505.43</u>

"C-16"

SCHEDULE OF DUE TRUST OTHER FUND

Balance, December 31, 2015 (Due to)	C	\$ <u>315,000.00</u>
Decreased by:		
Disbursements	C-2	<u>\$ 315,000.00</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
	<u>General Improvements</u>	
830	1996 Road and Drainage Improvement Program	\$ 141,000.00
896	1997 Road Improvements	164,537.82
943	Improvements of North Street and Gladys Avenue	160,261.00
1138	Acquisition of Real Property (Rustic Mall)	<u>340,000.00</u>
		<u>\$ 805,798.82</u>

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2015	D		\$ 430,741.54	\$ 100,846.27
Increased by Receipts:				
Consumer Accounts Receivable	D-8	\$ 1,784,745.37		
Miscellaneous Revenue Not Anticipated	D-3	20,290.26		
Due Current Fund	D-10	650,300.00		
Due Sewer Operating Fund	D			5.78
Overpayments	D-7	42,469.41		
			2,497,805.04	100,852.05
			\$ 2,928,546.58	\$ 100,852.05
Decreased by Disbursements:				
Appropriations	D-4	\$ 1,821,147.01		
Appropriation Reserves	D-11	122,413.40		
Overpayments	D-7	173.53		
Due Current Fund	D-10	650,000.00		
Due Sewer Capital Fund	D	5.78		
Fund Balance	D-1	125,000.00		
			2,718,739.72	
Balance, December 31, 2016	D		\$ 209,806.86	\$ 100,852.05

"D-6"

BOROUGH OF MANVILLE  
SEWER UTILITY FUND  
SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2015 and December 31, 2016	D		\$ <u>200.00</u>
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"D-7"

SCHEDULE OF OVERPAYMENTS

Balance, December 31, 2015	D		\$ 4,422.39
Increased by:			
Receipts	D-5		<u>42,469.41</u>
			\$ <u>46,891.80</u>
Decreased by:			
Refunded	D-5	\$ 173.53	
Overpayments Applied	D-8	<u>36,792.84</u>	
			<u>36,966.37</u>
Balance, December 31, 2016	D		\$ <u>9,925.43</u>

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2015	D		\$ 203,386.06
Increased by:			
Levied in 2016			<u>1,838,172.39</u>
			\$ <u>2,041,558.45</u>
Decreased by:			
Collections	D-5	\$ 1,784,745.37	
Sewer Overpayments Applied	D-7	36,792.84	
Canceled		<u>3,747.24</u>	
			<u>1,825,285.45</u>
Balance, December 31, 2016	D		\$ <u><u>216,273.00</u></u>

"D-9"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

		BALANCE DECEMBER 31, 2016
Capital Improvement Fund		\$ 77,955.00
Due Sewer Operating Fund		5.78
Fund Balance		<u>22,891.27</u>
		\$ <u>100,852.05</u>
	<u>REF.</u>	D

"D-10"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2015 (Due From)	D	\$ 300.00
Increased by:		
Disbursements	D-5	<u>650,000.00</u>
		\$ <u>650,300.00</u>
Decreased by:		
Collections	D-5	\$ <u>650,300.00</u>

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF 2015 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2015	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 174.16	\$ 174.16	\$	174.16
Other Expenses	786.85	27,983.48	20,354.95	7,628.53
Electric	8,653.40	8,653.40	1,668.89	6,984.51
Gas	1,981.69	1,981.69		1,981.69
Somerset Raritan Valley Sewerage Authority: Treatment Costs	0.64	101,408.68	101,408.04	0.64
	<u>\$ 11,596.74</u>	<u>\$ 140,201.41</u>	<u>\$ 123,431.88</u>	<u>\$ 16,769.53</u>

REF. D

D-1

2015 Appropriation Reserves  
Transferred from Accounts Payable

	\$ 11,596.74
	<u>128,604.67</u>
	<u>\$ 140,201.41</u>

Disbursements  
Accounts Payable

	\$ 122,413.40
	<u>1,018.48</u>
	<u>\$ 123,431.88</u>

"D-12"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2015 and December 31, 2016	D		\$ <u><u>77,955.00</u></u>

"D-13"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2015	D		\$ 129,054.67
Increased by:			
2016 Appropriations	D-4	\$ 28,695.89	
2015 Appropriation Reserves	D-11	<u>1,018.48</u>	
			\$ <u><u>29,714.37</u></u>
			\$ 158,769.04
Decreased by:			
Transferred to Appropriation Reserves	D-11	\$ 128,604.67	
Canceled	D-1	<u>450.00</u>	
			<u>129,054.67</u>
Balance, December 31, 2016	D		\$ <u><u>29,714.37</u></u>

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2015  
and December 31, 2016

D

\$ 214,988.17



BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF DEFERRED CHARGES

	<u>REF.</u>	
Increased by:		
Results of Operation - Deficit	D-1	\$ <u>29,714.37</u>
Balance, December 31, 2016	D	\$ <u><u>29,714.37</u></u>

BOROUGH OF MANVILLE

PART II

SINGLE AUDIT SECTION

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

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO MAJOR FEDERAL FINANCIAL PROGRAMS AND  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Manville  
County of Somerset  
Manville, New Jersey 08835

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Manville, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated April 27, 2017. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Manville prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

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

In planning and performing our audit of the regulatory financial statements, we considered the Borough's 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 Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

## SUPLEE, CLOONEY & COMPANY

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 Borough of Manville's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***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 Borough of Manville's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Manville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 27, 2017



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Manville  
County of Somerset  
Manville, New Jersey 08835

### ***Report on Compliance for Each Major Federal Program***

We have audited the Borough of Manville's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough of Manville's major federal programs for the year ended December 31, 2016. The Borough's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

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

Our responsibility is to express an opinion on compliance for each of the Borough of Manville's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Manville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Borough of Manville's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Borough of Manville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

**Report on Internal Control Over Compliance**

Management of the Borough of Manville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Manville's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Manville's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 27, 2017

BOROUGH OF MANVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2016

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	PASS THROUGH GRANTORS NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2016		CUMULATIVE EXPENDITURES DECEMBER 31, 2016
			FROM	TO		FUNDS RECEIVED	FUNDS EXPENDED	
	<u>U. S. Department of Housing and Urban Development</u>							
	<u>Direct Programs</u>							
14.871	Section 8 Housing Assistance Program - 2016	N.J.112VO	01/01/16	12/31/16	\$ 788,321.00	\$ 788,321.00	\$ 786,121.00	\$ 786,121.00
14.871	Section 8 Housing Assistance Program - Administrative	N.J.112AF	01/01/16	12/31/16	82,961.00	80,118.00	82,961.00	82,961.00
					\$ 868,439.00	\$ 869,082.00	\$ 869,082.00	\$ 869,082.00
	<u>Pass Through From County of Somerset</u>							
14.218	Community Development Block Grant:	14-U1141-11	09/01/14	08/31/15	\$ 75,000.00	\$ 68,256.36	\$ 56,000.00	\$ 75,000.00
14.218	Sidewalk Improvements	15-U1141-11	09/01/15	08/31/16	100,000.00		16,715.36	16,715.36
14.218	Sidewalk Improvements	16-U1162-11	09/01/16	08/31/17	63,295.00			
14.218	Sidewalk Improvements	16-U1161-11	09/01/16	08/31/17	74,200.00			
					\$ 68,256.36	\$ 72,715.36	\$ 91,715.36	\$ 91,715.36
	<u>Pass Through Department of Law and Public Safety</u>							
20.616	Drive Sober or Get Pulled Over	MOB-YEHDS-2016	12/09/16	01/01/17	\$ 2,500.00	\$ 1,550.00	\$ 1,550.00	\$ 1,550.00
	<u>U. S. Department of Homeland Security</u>							
	<u>Pass Through From State of New Jersey</u>							
97.039	Hazard Mitigation Grant Program	HMGF-4021-NJ-0008	12/13/11	12/13/14	\$ 2,844,224.00	\$ 180,000.00	\$ 843,724.62	\$ 2,535,235.19
97.039	Hazard Mitigation Grant Program	HMGF-4086-NJ-0104	12/10/14	09/25/17	929,592.00			843,724.62
97.039	Hazard Mitigation Grant Program	HMGF-4086-NJ-0138	10/30/12	06/12/18	75,000.00		75,000.00	75,000.00
97.036	Disaster Assistance (Debris Removal)	PA-02-NJ-4086-PW-02512	10/30/12	04/30/13	123,633.04			119,908.88
97.036	Disaster Assistance (Emergency Protective Measures)	PA-02-NJ-4086-PW-02607	10/30/12	04/30/13	62,753.14	2,994.05	2,459.20	62,753.14
97.042	Emergency Management Assistance - 2014	1200-100-066-1200-264-YEMR-6120		Continuous	5,000.00			5,000.00
97.042	Emergency Management Assistance - 2015	1200-100-066-1200-264-YEMR-6120		Continuous	5,000.00		3,586.68	4,886.60
97.042	Emergency Management Assistance - 2016	1200-100-066-1200-264-YEMR-6120		Continuous	5,000.00		924,770.50	3,646,508.43
					\$ 182,994.05	\$ 924,770.50	\$ 3,646,508.43	\$ 3,646,508.43
					\$ 1,121,239.41	\$ 1,868,117.86	\$ 4,608,855.79	\$ 4,608,855.79

BOROUGH OF MANVILLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2016		CUMULATIVE EXPENDITURES DECEMBER 31, 2016
		FROM	TO		FUNDS RECEIVED	FUNDS EXPENDED	
Department of Law and Public Safety							
Drunk Driving Enforcement Fund - 2010	6400-100-078-6400-YYYY	Continuos		6,236.08	\$	\$	4,448.08
Drunk Driving Enforcement Fund - 2011	6400-100-078-6400-YYYY	Continuos		4,751.76		381.56	4,751.76
Drunk Driving Enforcement Fund - 2012	6400-100-078-6400-YYYY	Continuos		4,472.58		483.46	2,519.31
Drunk Driving Enforcement Fund - 2013	6400-100-078-6400-YYYY	Continuos		4,341.70			234.74
Drunk Driving Enforcement Fund - 2014	6400-100-078-6400-YYYY	Continuos		3,509.46		940.30	3,509.46
Drunk Driving Enforcement Fund - 2015	6400-100-078-6400-YYYY	Continuos		1,913.16			226.75
Drunk Driving Enforcement Fund - 2016	6400-100-078-6400-YYYY	Continuos			4,948.60		
Drunk Driving Enforcement Fund - Unappropriated	6400-100-078-6400-YYYY	Continuos			4,101.86		
Alcohol Education Rehabilitation Fund - 2010	9735-760-098-Y900-001-X100-6020	Continuos		928.19		300.00	892.69
Body Armor Replacement Fund - 2008	1020-718-066-1020-001-YCJS-0120	Continuos		2,349.72		172.74	2,349.72
Body Armor Replacement Fund - 2009	1020-718-066-1020-001-YCJS-0120	Continuos		2,141.87		288.43	288.43
Body Armor Replacement Fund - 2011	1020-718-066-1020-001-YCJS-0120	Continuos		3,271.82			
Body Armor Replacement Fund - 2012	1020-718-066-1020-001-YCJS-0120	Continuos		2,374.56			
Body Armor Replacement Fund - 2013	1020-718-066-1020-001-YCJS-0120	Continuos		2,251.31		1,537.96	2,251.31
Body Armor Replacement Fund - 2014	1020-718-066-1020-001-YCJS-0120	Continuos		2,897.47			398.17
Body Armor Replacement Fund - 2016	1020-718-066-1020-001-YCJS-0120	Continuos		2,520.66			
					\$	\$	\$
					9,050.46	4,239.45	21,870.42
Department of Environmental Protection							
Clean Communities Program - 2016	4900-765-042-4900-004-VCMB-6020		01/01/16	50,018.18	\$	\$	33,685.81
Recycling Tonnage Grant - 2016	4900-752-042-4900-001-V42Y-6020	Continuos	12/31/16	10,324.31		5,390.50	5,390.50
Green Acres Grant - Post-Irene Buy-Out Program	4800-545-042-4800-008-V22G-6020		10/09/12	948,075.00		126,268.43	773,426.15
					\$	\$	\$
					186,610.92	39,076.31	812,502.46
					\$	\$	\$
					195,661.38	43,315.76	834,372.88

BOROUGH OF MANVILLE

NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2016

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Borough of Manville, County of Somerset, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported either in the Current Fund, Trust Other Fund or General Capital Fund.

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 252,800.41	\$ 69,392.95	\$ 10,000.00	\$ 332,193.36
Trust Other Fund	868,439.00			868,439.00
General Capital Fund		<u>126,268.43</u>		<u>126,268.43</u>
	<u>\$ 1,121,239.41</u>	<u>\$ 195,661.38</u>	<u>\$ 10,000.00</u>	<u>\$ 1,326,900.79</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 999,035.86	\$ 43,315.76	\$ 4,448.10	\$ 1,046,799.72
Trust Other Fund	<u>869,082.00</u>			<u>869,082.00</u>
	<u>\$ 1,868,117.86</u>	<u>\$ 43,315.76</u>	<u>\$ 4,448.10</u>	<u>\$ 1,915,881.72</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

BOROUGH OF MANVILLE  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |   |            |
|---|------------|
| (1) Type of Auditor Report Issued:  | Unmodified |
| (2) Internal Control Over Financial Reporting:                                  |            |
| (a) Material weaknesses identified?   | No         |
| (b) Significant deficiencies that are not considered to be material weaknesses? | No         |
| (3) Noncompliance material to the financial statements noted during the audit?  | No         |

**Federal Program(s)**

- |   |            |
|---|------------|
| (1) Internal Control Over Major Federal Programs:   |            |
| (a) Material weaknesses identified?   | No         |
| (b) Significant deficiencies that are not considered to be material weaknesses?   | No         |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)?   | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No         |

(4) Identification of Major Federal Program(s):

<u>Program</u>	<u>C.F.D.A. #</u>
U.S. Department of Homeland Security: Hazard Mitigation Grant Program	97.039

BOROUGH OF MANVILLE  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Section I - Summary of Auditor's Results (Continued)**

**Federal Program(s) (Continued)**

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$750,000.00

Type B Federal Program Threshold <= \$750,000.00

(6) Auditee qualified as a low-risk auditee under the Uniform Guidance?      Yes

**State Program(s)** - Not Applicable

**Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III - Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs - None Reported

State Programs - None Reported

**Status of Prior Year Audit Findings** - Not Applicable

BOROUGH OF MANVILLE  
 SUPPLEMENTARY INFORMATION  
 FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING CHOICE VOUCHER PROGRAM  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Line Item No.	Description	Total Programs	Housing Choice Vouchers
	<b>Balance Sheet</b>		<b>14.871</b>
111	Cash-Unrestricted	\$ -	
113	Cash-Other Restricted	\$ 32,760	\$ 32,760
100	<b>Total Cash</b>	<b>\$ 32,760</b>	<b>\$ 32,760</b>
128	Fraud Recovery	\$ 12,343	\$ 12,343
128.1	Allowance for Doubtful Accounts - Other	\$ (12,343)	\$ (12,343)
120	<b>Total receivables, Net of Allowance for Doubtful Accounts</b>	<b>\$ -</b>	<b>\$ -</b>
150	<b>Total Current Assets</b>	<b>\$ 32,760</b>	<b>\$ 32,760</b>
190	<b>Total Assets</b>	<b>\$ 32,760</b>	<b>\$ 32,760</b>
312	Accounts Payable <= 90 days	\$0	
313	Accounts Payable>= 90 days	\$0	
332	Accounts Payable-PHA Programs	\$0	
342	Unearned Revenue	\$0	
310	<b>Total Current Liabilities</b>	<b>\$0</b>	<b>\$0</b>
300	<b>Total Liabilities</b>	<b>\$0</b>	<b>\$0</b>
511.4	Restricted Net Position	\$ 32,760	\$ 32,760
512.4	Unrestricted Net Position	\$ -	
513	<b>Total Equity-Net Assets/Position</b>	<b>\$ 32,760</b>	<b>\$ 32,760</b>
600	<b>Total Liabilities, Deferred Inflows of Resources and Equity- Net Assets/Position</b>	<b>\$ 32,760</b>	<b>\$ 32,760</b>
	<b>Income Statement</b>		
70600	HUD PHA Operating Grants	\$ 868,439	\$ 868,439
		\$ -	
71100	Investment Income-Unrestricted	\$ -	
71400	Fraud Recovery	\$ 4,302	\$ 4,302
71500	Other Revenue	\$ 24,347	\$ 24,347
70000	<b>Total Revenue</b>	<b>\$ 897,088</b>	<b>\$ 897,088</b>
91100	Administrative Salaries		
91200	Auditing Fees	\$ -	
91300	Management Fee	\$ 82,961	\$ 82,961
91900	Other	\$ -	
91000	<b>Total Operating-Administrative</b>	<b>\$ 82,961</b>	<b>\$ 82,961</b>
96200	Other General Expenses	\$ -	
96000	<b>Total Other General Expenses</b>	<b>\$ -</b>	<b>\$ -</b>
96900	<b>Total Operating Expenses</b>	<b>\$ 82,961</b>	<b>\$ 82,961</b>
97000	<b>Excess of Operating Revenue Over Operating Expenses</b>	<b>\$ 814,127</b>	<b>\$ 814,127</b>

BOROUGH OF MANVILLE  
 SUPPLEMENTARY INFORMATION  
 FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING CHOICE VOUCHER PROGRAM  
 FOR THE YEAR ENDED DECEMBER 31, 2016

Line Item No.	Description	Total Programs	14.871 Housing Choice Vouchers
97300	Housing Assistance Payments	\$ 762,675	\$ 762,675
97350	HAP Portability-In	\$ 23,446	\$ 23,446
90000	<b>Total Expenses</b>	<b>\$ 869,082</b>	<b>\$ 869,082</b>
10000	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>\$ 28,006</b>	<b>\$ 28,006</b>
11030	Beginning Equity	\$ 4,774	\$ 4,774
11040	Prior period adjustments, equity transfers, and correction of errors	\$ (20)	\$ (20)
11170	Administrative Fee Equity	\$ -	
11180	Housing Assistance Payments Equity	\$ 32,760	\$ 32,760
11190	<b>Unit Months Available</b>	<b>1080</b>	<b>1080</b>
11210	<b>Unit Months Leased</b>	<b>849</b>	<b>849</b>

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PART III  
BOROUGH OF MANVILLE  
STATISTICAL DATA  
LIST OF OFFICIALS  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2016

COMPARATIVE STATEMENTS OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2016</u>		<u>YEAR 2015</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,028,500.00	3.25%	\$ 1,050,500.00	3.48%
Miscellaneous-From Other Than Local Property Tax Levies	3,414,166.85	10.79%	2,970,232.77	9.83%
Collection of Delinquent Taxes and Tax Title Liens	555,962.16	1.76%	539,610.55	1.79%
Collection of Current Tax Levy	<u>26,630,979.93</u>	<u>84.20%</u>	<u>25,665,191.86</u>	<u>84.90%</u>
<u>Total Income</u>	<u>\$ 31,629,608.94</u>	<u>100.00%</u>	<u>\$ 30,225,535.18</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 11,801,765.32	39.28%	\$ 11,770,770.71	40.07%
County Taxes	3,532,912.49	11.76%	3,425,871.49	11.66%
Local District School Tax	14,702,710.00	48.93%	14,124,710.00	48.09%
Other	<u>10,577.05</u>	<u>0.03%</u>	<u>52,893.42</u>	<u>0.18%</u>
<u>Total Expenditures</u>	<u>\$ 30,047,964.86</u>	<u>100.00%</u>	<u>\$ 29,374,245.62</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,581,644.08		\$ 851,289.56	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year			<u>256,500.00</u>	
Statutory Excess to Fund Balance	\$ 1,581,644.08		1,107,789.56	
Fund Balance, January 1	<u>1,359,565.56</u>		<u>1,302,276.00</u>	
	\$ 2,941,209.64		\$ 2,410,065.56	
Less: Utilization as Anticipated Revenue	<u>1,028,500.00</u>		<u>1,050,500.00</u>	
Fund Balance, December 31	<u>\$ 1,912,709.64</u>		<u>\$ 1,359,565.56</u>	

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE  
IN FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>YEAR 2016</u>		<u>YEAR 2015</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 39,300.00	2.07%	\$ 85,000.00	4.16%
Sewer Use Charges	1,821,538.21	95.95%	1,886,891.43	92.30%
Miscellaneous	<u>37,509.79</u>	<u>1.98%</u>	<u>72,304.60</u>	<u>3.54%</u>
<u>Total Income</u>	<u>\$ 1,898,348.00</u>	<u>100.00%</u>	<u>\$ 2,044,196.03</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operations	\$ 1,810,300.00	94.03%	\$ 1,920,000.00	98.21%
Statutory Expenditures	35,000.00	1.82%	35,000.00	1.79%
Capital Outlay	<u>80,000.00</u>	<u>4.16%</u>	<u></u>	<u></u>
<u>Total Expenditures</u>	<u>\$ 1,925,300.00</u>	<u>100.00%</u>	<u>\$ 1,955,000.00</u>	<u>100.00%</u>
Excess/ (Deficit) in Revenues	\$ (26,952.00)		\$ 89,196.03	
Operating Deficit to be Raised in Budget of Subsequent Year	<u>(26,982.00)</u>			
Statutory Excess to Fund Balance	\$		\$ 89,196.03	
Fund Balance, January 1	<u>286,167.74</u>		<u>406,971.71</u>	
	\$ 286,167.74		\$ 496,167.74	
Less:				
Utilization by Sewer Operating Budget	39,300.00		85,000.00	
Utilization by Current Fund Budget	<u>125,000.00</u>		<u>125,000.00</u>	
Fund Balance, December 31	<u>\$ 121,867.74</u>		<u>\$ 286,167.74</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$3.098</u> *	<u>\$2.417</u>	<u>\$2.369</u>
Appointment of Tax Rate:			
Municipal	\$1.016	\$0.809	\$0.802
County	0.325	0.253	0.260
County Library	0.048	0.038	0.038
County Open Space	0.031	0.024	0.025
Local School	<u>1.678</u>	<u>1.293</u>	<u>1.244</u>

\*Revaluation

Assessed Valuation:

Year 2016	<u>\$875,257,779.00</u> *		
Year 2015		<u>\$1,092,202,231.00</u>	
Year 2014			<u>\$1,110,058,314.00</u>

\*Revaluation

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2016	\$27,169,114.37	\$26,630,979.93	98.02%
2015	\$26,422,273.87	\$25,665,191.86	97.13%
2014	\$26,308,379.73	\$25,375,349.64	96.45%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2016	\$90,312.68	\$467,983.85	\$558,296.53	2.05%
2015	\$76,685.41	\$548,954.67	\$625,640.08	2.37%
2014	\$48,061.47	\$578,630.17	\$626,691.64	2.38%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2016	\$242,861.50
2015	\$242,861.50
2014	\$242,861.50

COMPARISON OF UTILITY LEVIES

2016	\$1,838,172.39
2015	\$1,879,327.81
2014	\$1,892,809.70

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2016	\$1,912,709.64	\$1,408,500.00 *
	2015	\$1,359,565.56	\$1,028,500.00
	2014	\$1,302,276.00	\$1,050,500.00
	2013	\$1,142,430.32	\$908,000.00
	2012	\$1,574,455.07	\$1,360,000.00
Sewer Utility Operating Fund	2016	\$121,867.74	\$40,000.00 *
	2015	\$286,167.74	\$125,000.00
	2014	\$406,971.71	\$85,000.00
	2013	\$205,254.91	\$55,000.00
	2012	\$148,050.84	\$55,000.00

\* Per introduced budget

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 BOND</u>	<u>NAME OF SURETY</u>
Richard Onderko	Mayor		
Stephen H. Szabo	Council President	*	
Susan Asher	Council Member	*	
Dayna Camacho	Council Member	*	
Michael Kassick	Council Member	*	
Michele Magnani	Council Member	*	
Theodore Petrock III	Council Member	*	
Andrea Bierwirth	Borough Administrator	*	
Patricia Zamorski	Municipal Clerk	*	
Lori Majeski	Chief Financial Officer	*	
Robert J. Foley	Municipal Court Judge	*	
Thaddeus Maciag	Borough Attorney		
Lisa Gerickont	Tax Collector	\$500,000.00	Selective Insurance Company of America
Vincenzo Lomedico	Public Works Superintendent	*	
David Kohler	Director of OEM	*	
Mark Peltack	Police Chief	*	
Walter Wilczek	Zoning Officer	*	
Dave Mroz	Fire Chief	*	
John Tamburini	Construction Code Official	*	
John Tamburini	Building Sub-Code Official	*	
Michael Resetar	Plumbing Sub-Code Official	*	
Patrick Renaldi	Fire Official	*	

OFFICIALS IN OFFICE AND SURETY BONDS (CONTINUED)

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Stephanie Cornelson	Recreation Director	*	
Paul Masaba	Health Officer (County)		
Kathleen Suydam	Registrar of Vital Statistics	*	
Glen Stives	Tax Assessor	*	
Stanley Schrek	Engineer	*	

\*All officials and employees (except as noted) handling and collecting Borough funds are covered by a blanket position bond for faithful performance for \$1,000,000.00. The blanket position bond is written by the Statewide Insurance Company.

All of the bonds were examined and were properly executed.

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective January 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 will remain \$17,500.00 without a qualified purchasing agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Transfer Station Disposal of Solid Waste  
ADA Ramp Improvements

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

## COLLECTION OF INTEREST ON DELINQUENT TAXES, UTILITY AND ASSESSMENTS

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

The governing body on January 2, 2016 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, N.J.S.A. 54:4-67 governs the interest rates charged on delinquent tax and utility payments.

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Manville, County of Somerset that the interest rates charged on delinquent tax and utility payments shall be 8% on the first \$1,500.00 of delinquency and 18% on any excess over \$1,500.00 thereafter, for the year 2016; and

WHEREAS, N.J.S.A. 54:5-61 WHEREAS, relating to the amount of penalty to be charged on a tax sale certificate has been amended to read as follows:

When taxes, interest and costs shall in excess of \$200.00 but less than \$5,000.00, a 2% penalty on any amount due shall be charged. When taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid and when the sum exceeds \$10,000.00 such additional sum paid shall be equal to 6% of such amount paid. This section shall also apply to all existing tax sale certificates held by municipalities on the effective date of this act.

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Manville, County of Somerset that under N.J.S.A. 54:4-61, the Tax Collector of the Borough of Manville is authorized to charge, on a tax sale certificate, a 2% penalty on any amount due in excess of \$200.00 but less than \$5,000.00; a 4% penalty on any amount due in excess of \$5,000.00 but less than \$10,000.00; and a 6% penalty on any amount due in excess of \$10,000.00. These penalties are to be applied to all municipal held tax sale certificates as well as those which may be acquired by the municipality as a result of future tax sales.

## DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 20, 2016 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2016	17
2015	11
2014	9

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

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2017 Taxes	50
Payments of 2016 Taxes	50
Delinquent Taxes	25
Payment of Sewer Utility Charges	50
Delinquent Sewer Utility Charges	25

## OTHER COMMENTS

### Interfunds

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

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

### Departments

During the course of our audit, it was noted that not all departmental receipts are deposited within 48 hours of receipt. In some cases, this is the result of a limited amount of personnel; however, the Borough should make every attempt to get all monies deposited within 48 hours.

## RECOMMENDATION

That all departmental receipts be deposited within 48 hours in accordance with N.J.S.A. 40A:5-15.



