

CITY OF PLEASANTVILLE

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2017**

CITY OF PLEASANTVILLE

TABLE OF CONTENTS

	Exhibit	Page
PART 1		
Independent Auditor's Report on Financial Statements		1-4
CURRENT FUND		
Comparative Balance Sheet - Regulatory Basis	A	5-8
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	A-1	9-10
Statement of Revenues - Regulatory Basis	A-2	11-15
Statement of Expenditures - Regulatory Basis	A-3	16-23
TRUST FUND		
Comparative Balance Sheet - Regulatory Basis	B	24-25
CAPITAL FUND		
Comparative Balance Sheet - Regulatory Basis	C	26
Schedule of Fund Balance - Regulatory Basis	C-1	27
SEWER UTILITY FUND		
Comparative Balance Sheet - Regulatory Basis	D	28-29
Comparative Statement of Operations and Change in Fund Balance - Regulatory Basis	D-1	30
Statement of Capital Fund Balance - Regulatory Basis	D-2	31
Statement of Revenues - Regulatory Basis	D-3	32
Statement of Expenditures - Regulatory Basis	D-4	33-34
GENERAL FIXED ASSET GROUP OF ACCOUNTS		
Statement of General Fixed Assets - Regulatory Basis	G	35
NOTES TO FINANCIAL STATEMENTS		36-63
SUPPLEMENTARY DATA		
Independent Auditor's Report - Government Audit Standards		64-65

CITY OF PLEASANTVILLE

TABLE OF CONTENTS

	Exhibit	Page
Independent Auditor's Report - OMB Uniform Guidance and New Jersey OMB 15-08		66-68
Schedule of Expenditures of Federal Awards		69
Schedule of Expenditures of State Financial Assistance		70-71
Notes to Schedule of Expenditures of Federal and State Awards		72
Audit Findings and Questioned Costs		
Part 1 - Summary of Auditor's Results		73-74
Part 2 - Schedule of Financial Statement Findings		75
Part 3 - Schedules of Federal and State Award Findings and Questioned Costs		76
Status of Prior Year Findings		77
CURRENT FUND		
Schedule of Cash - Treasurer	A-4	78
Schedule of Current Cash - Collector	A-5	79
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-6	80-81
Schedule of Tax Title Liens	A-7	82
Schedule of Revenue Accounts Receivable	A-8	83
Schedule of Appropriation Reserves	A-9	84-85
Schedule of Local District School Tax	A-10	86
Schedule of State Grants Receivable	A-11	87-88
Schedule of Reserve for State Grants - Appropriated	A-12	89-91
Schedule of Reserve for State Grants - Unappropriated	A-13	92
TRUST FUNDS		
Schedule of Cash - Treasurer	B-2	93-94
Schedule of Reserve for Animal Control Expenditures	B-3	95
Schedule of Amount Due to Current Fund - Animal Control Fund	B-4	96

CITY OF PLEASANTVILLE

TABLE OF CONTENTS

	Exhibit	Page
Schedule of Amount Due From State of New Jersey - Department of Health	B-5	96
Schedule of Deposits for Tax Title Lien Redemptions	B-6	97
Schedule of Premiums Received at Tax Sale	B-7	97
Schedule of Unemployment Compensation Fund	B-8	98
Schedule of Bid Escrow Trust	B-9	98
Schedule of Reserve for Confiscated Funds	B-10	99
Schedule of Reserve for Developer's Escrow	B-11	99
Schedule of Reserve for Law Enforcement Trust	B-12	100
 CAPITAL FUNDS		
Schedule of Cash - Treasurer	C-2	101
Analysis of Cash	C-3	102
Schedule of Capital Improvement Fund	C-4	109
Statement of Deferred Charges to Future Taxation - Funded	C-5	104
Statement of Deferred Charges to Future Taxation - Unfunded	C-6	105
Schedule of Improvement Authorizations	C-7	106
Schedule of General Serial Bonds	C-8	107-108
Schedule of Loans Payable	C-8a	108-109
Schedule of Bond Anticipation Notes	C-9	110
Schedule of Bonds and Notes Authorized But Not Issued	C-10	111
 SEWER UTILITY FUND		
Schedule of Cash - Treasurer	D-5	112
Analysis of Cash - Sewer Utility Capital	D-6	113
Schedule of Cash - Collector	D-7	114
Schedule of Consumer Accounts Receivable	D-8	115
Schedule of Sewer Utility Liens	D-9	115
Schedule of Deferred Charges	D-10	116
Schedule of Fixed Capital - Sewer	D-11	117
Schedule of Fixed Capital Authorized and Uncompleted	D-12	118
Sewer Capital Fund - Schedule of Amount Due to Sewer Operating Fund	D-13	119
Schedule of Appropriation Reserves	D-14	120

CITY OF PLEASANTVILLE

TABLE OF CONTENTS

	Exhibit	Page
Schedule of Accrued Interest on Bonds and Notes and Analysis of Balance	D-15	121
Schedule of Improvement Authorizations	D-16	122
Schedule of Capital Improvement Fund	D-17	123
Schedule of Reserve for Amortization	D-18	123
Schedule of Deferred Reserve for Amortization	D-19	124
Schedule of Serial Bonds	D-20	125-127
Schedule of Bonds and Notes Authorized But Not Issued	D-21	128
Schedule of Bond Anticipation Notes	D-22	129
PART II		
General Comments		130-133
Other Financial Statement Findings		134
Status of Prior Recommendations		135
Recommendations		135

CITY OF PLEASANTVILLE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2017

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Pleasantville, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Pleasantville, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Pleasantville as of December 31, 2017 and 2016, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2017 and 2016, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pleasantville's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by 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 schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2018 on our consideration of the City of Pleasantville'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 City of Pleasantville's internal control over financial reporting and compliance.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Coccozza, Jr.
Harvey C. Coccozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

April 13, 2018

EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
ASSETS		
Regular Fund:		
Cash - Treasurer	\$ 4,270,836	5,023,127
Due from State of New Jersey - Senior Citizens and Veterans	<u>18,253</u>	<u>14,602</u>
	<u>4,289,089</u>	<u>5,037,729</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	197,849	128,774
Tax Title and Other Liens	1,515,866	1,322,687
Property Acquired for Taxes-Assessed Valuation	1,948,529	1,948,529
Revenue Accounts Receivable	11,005	9,791
Due from:		
Animal Control Fund	5,356	5,143
Fire Prevention Penalty Fund	2,312	2,312
Veterans Memorial Funnd	100	100
Utility Operating Fund	6,178	40,217
Tax Redemption Trust	-	127
Accumulataed Absence Trust	827	-
Payroll Trust	51,084	119,099
Payroll Clearing	<u>20,806</u>	<u>20,806</u>
	<u>3,759,912</u>	<u>3,597,585</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
ASSETS		
Deferred Charges:		
Expenditure without an Appropriation	323,138	-
Overexpenditure of Appropriation Reserves	159,654	-
Emergency Appropriation	-	815,000
Special Emergency Appropriation	<u>1,499,893</u>	<u>1,293,056</u>
	<u>1,982,685</u>	<u>2,108,056</u>
 Total Assets - Regular Fund	 <u>10,031,686</u>	 <u>10,743,370</u>
 Federal and State Grant Fund:		
Cash	3,062,720	2,992,971
Federal Grants Receivable	1,218,923	1,634,599
State Grants Receivable	3,610,286	4,262,005
Due from Current Fund	<u>657,541</u>	<u>173,094</u>
 Total Assets - Grant Fund	 <u>8,549,470</u>	 <u>9,062,669</u>
 Total Current Fund	 <u>\$ 18,581,156</u>	 <u>19,806,039</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 218,318	279,712
Reserve for Encumbrances and Payables	286,334	373,734
Taxes Collected in Advance	479,032	441,089
Tax Overpayments	337,029	239,081
Special Emergency Note Payable	1,499,893	1,293,056
Emergency Note Payable	-	815,000
Due to:		
Board of Education	17,389	226,585
Grant Fund	657,541	173,094
Utility Capital	555	555
City Escrow Trust	-	1,500
General Capital Fund	203,693	20,001
County of Atlantic - Added/Omitted Taxes	4,671	38,112
State Training Fees	8,097	3,052
Reserve for:		
State Tax Appeals Pending	100,000	100,000
FICA Reimbursements	232	232
Tax Lien Sale Costs	27,510	47,611
Revaluation	-	408,891
Performance Bonds	81,939	81,939
	<u>3,922,233</u>	<u>4,543,244</u>
Reserves for Receivables		
and Other Assets	3,759,912	3,597,585
Fund Balance	<u>2,349,541</u>	<u>2,602,541</u>
	<u>10,031,686</u>	<u>10,743,370</u>
Total Liabilites - Regular Fund		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Federal and State Grant Fund:		
Encumbrances Payable	948,130	487,783
Due to General Capital	662,101	671,480
Commercial Development		
Unappropriated Reserves	40,514	40,514
Reserve for Federal Grants		
Appropriated	1,262,272	1,219,103
Reserve for State Grants		
Appropriated	2,287,762	3,573,320
Unappropriated	<u>3,348,691</u>	<u>3,070,469</u>
Total Liabilities - Grant Fund	<u>8,549,470</u>	<u>9,062,669</u>
Total Current Fund	<u>\$ 18,581,156</u>	<u>19,806,039</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 1,174,085	363,494
Miscellaneous Revenue Anticipated	7,396,993	9,490,698
Receipts from Delinquent Taxes	143,729	147,501
Receipts from Current Taxes	34,188,929	34,158,500
Non Budget Revenue	475,633	267,586
Other Credits to Income:		
Interfund Returned	48,654	59
Cancellation of Liabilities	77,212	1,676,176
Cancellation of Reserve	408,891	-
Unexpended Balance of Approp Reserves	<u>243,335</u>	<u>653,608</u>
Total Income	<u>44,157,461</u>	<u>46,757,622</u>
Expenditures		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	11,158,800	11,023,589
Other Expenses	12,536,760	14,382,240
Deferred Charges and Statutory		
Expenditures	3,450,766	3,424,931
Capital Improvements	50,000	20,000
Municipal Debt Service	2,448,681	2,555,477
Transferred to Board of Education for Local Use	74,085	77,212
Local District School Tax	9,342,353	9,297,825
County Tax	3,833,199	4,199,788
County Share of Added Taxes	4,671	38,112
Interfund Created	-	-
Refund of Prior Year's Revenue	<u>337,061</u>	<u>446,149</u>
Total Expenditures	<u>43,236,376</u>	<u>45,465,323</u>
Excess/(Deficit) in Revenue	<u>921,085</u>	<u>1,292,299</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
Adjustments to Income before Fund Balance:		
Expenditures included above with are by Statute		
Deferred Charges to Budget of Succeeding Year		
Emergency Appropriation	<u>-</u>	<u>815,000</u>
Statutory Excess to Fund Balance	<u>921,085</u>	<u>2,107,299</u>
Fund Balance January 1	<u>2,602,541</u>	<u>858,736</u>
	3,523,626	2,966,035
Decreased by:		
Utilization as Anticipated Revenue	<u>1,174,085</u>	<u>363,494</u>
Balance December 31	<u>\$ 2,349,541</u>	<u>2,602,541</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 1,174,085		1,174,085	
Total Fund Balance Anticipated	1,174,085	-	1,174,085	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	22,000		22,150	150
Other	35,700		35,648	(52)
Fees and Permits	218,000		315,013	97,013
Fines and Costs:				
Municipal Court	200,000		174,996	(25,004)
Interest and Costs on Taxes	185,000		188,888	3,888
Interest on Investments and Deposits	20,000		23,849	3,849
Anticipated Utility Operating Surplus	1,100,000		1,100,000	-
Rental of Municipal Property	65,000		65,000	-
Rent of Municipal Land	42,000		-	(42,000)
Payments in Lieu of Taxes	155,000		275,974	120,974
Hotel Room Tax	45,000		47,812	2,812
Rental Regulation Fee	140,000		159,550	19,550
Abandoned Property Registration	200,000		285,746	85,746
Total Section A	2,427,700	-	2,694,626	266,926
Section B: State Aid Without Offsetting Appropriations				
Energy Receipts Tax	1,877,302		1,877,302	
Consolidated Municipal Property Tax Relief Act	254,138		254,138	
Total Section B	2,131,440	-	2,131,440	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G-Special Items of General Revenue				
Anticipated with Prior Written Consent of Director of				
Local Government Services - Other Special Items	35,000		45,083	10,083
Uniform Fire Safety Act	35,000	-	45,083	10,083
Total Section G	6,404,727	670,273	7,396,993	321,993
Total Miscellaneous Revenues	120,000		143,729	23,729
Receipts from Delinquent Taxes				
Amount to be Raised by Taxes				
for Support of Municipal Budget	21,780,636		21,439,240	(341,396)
Local Tax for Municipal Purposes	29,479,448	670,273	30,154,047	4,326
Budget Totals				
Non-Budget Revenues:	-		475,633	475,633
Other Non-Budget Revenue	\$ 29,479,448	670,273	30,629,680	479,959

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 34,188,929
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Less: Reserve for Tax Appeals Pending	<u>-</u>
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Net Revenue from Collections	34,188,929
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Allocated to:

School, County Taxes	<u>13,180,223</u>
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Balance for Support of Municipal Budget Appropriations	21,008,706
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Increased by:

Appropriation "Reserve for Uncollected Taxes"	<u>430,534</u>
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Amount for Support of Municipal

Budget Appropriations	<u><u>21,439,240</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	60,263
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Tax Title Lien Collections	<u>83,466</u>
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	<u><u>\$ 143,729</u></u>
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**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Tax Collector:

Tax Search Fees	\$ 70
Miscellaneous Tax Office Receipts	10,965

Clerk:

Miscellaneous Fees	2,135
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Treasurer:

CDBG Unbudgeted Grant Receipts	338,424	
Recreation Fees	8,068	
Escrow Application Fees	13,800	
Auctioned Assets	291	
Insurance Reimbursements	37,272	
Miscellaneous	62,798	
Senior Citizen and Veterans Admin Fee	1,810	
	<u>462,463</u>	
		<u>\$ 475,633</u>

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
GENERAL GOVERNMENT:						
General and Administrative						
Salaries and Wages	\$ 227,800	214,800	214,791		9	
Other Expenses	24,000	19,000	18,150	330	520	
Mayor and City Council						
Salaries and Wages	97,150	96,150	96,094		56	
Other Expenses	11,000	12,700	12,461		239	
Municipal Clerk						
Salaries and Wages	113,900	98,900	97,381		1,519	
Other Expenses	52,000	46,000	44,773	110	1,117	
Technology Support & Equipment						
Other Expenses	80,000	72,000	67,007		4,993	
Elections						
Other Expenses	7,100	8,200	8,123		77	
Financial Administration						
Salaries and Wages	175,000	172,300	172,253		47	
Other Expenses	38,000	43,500	36,572	284	6,644	
Audit Services						
	42,000	42,000	40,750		1,250	
Assessment of Taxes						
Salaries and Wages	60,000	37,300	34,510		2,790	
Other Expenses	8,000	8,500	7,350	1,073	77	
Collection of Taxes						
Salaries and Wages	85,000	57,300	56,459		841	
Other Expenses	8,000	8,400	8,140		260	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Liquidation of Tax Title Liens and Foreclosed Property Other Expenses	45,000	26,000	15,610		10,390	
Legal Services and Costs Salaries and Wages Other Expenses	40,000 260,000	38,000 242,500	37,515 229,527		485 12,973	
Public Buildings and Grounds Other Expenses	105,000	89,000	80,470	5,134	3,396	
Planning and Zoning Board of Adjustment Salaries and Wages Other Expenses	33,000 8,000	34,100 6,900	34,010 6,173	330	90 397	
PUBLIC SAFETY:						
Fire						
Salaries and Wages Other Expenses	3,925,000 125,000	3,765,000 125,000	3,739,682 115,723	7,293	25,318 1,984	
Police						
Salaries and Wages Other Expenses	4,000,000 200,000	3,975,000 200,000	3,934,531 176,798	20,147	40,469 3,055	
Emergency Management Service						
Salaries and Wages Other Expenses	5,000 3,750	5,000 450	5,000 408		- 42	
Uniform Fire Safety Act (PL 1983, CH 383) Fire Prevention Program						
Salaries and Wages Other Expenses	100,000 8,000	100,000 7,000	99,702 5,591	458	298 951	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Telecommunications Unit						
Salaries and Wages	425,000	451,000	431,160		19,840	
Other Expenses	8,000	3,700	2,475	750	475	
Municipal Court						
Salaries and Wages	230,000	225,500	225,457		43	
Other Expenses	22,700	19,700	18,358	1,248	94	
Public Defender						
Salaries and Wages	15,000	11,500	10,200	250	1,050	
PUBLIC WORKS						
Division of Roads						
Salaries and Wages	970,000	977,500	971,909		5,591	
Other Expenses	210,000	197,000	175,156	14,117	7,727	
Division of Public Property						
Salaries and Wages	135,000	143,500	142,462		1,038	
Other Expenses	40,000	27,000	25,254	84	1,662	
SANITATION:						
Solid Waste (CH 74,PL 1987)						
Garbage and Trash Removal						
Other Expenses - Contractual						
Contractual Trash Pickup	559,796	559,796	485,902	72,562	1,332	
Contractual Recycling Pickup	153,594	130,594	101,634	227	28,733	
Solid Waste Disposal Costs	736,610	661,610	573,709	87,850	51	
HEALTH AND WELFARE:						
Animal Control						
Other Expenses	54,000	47,000	46,344		656	
Senior Citizen Board						
Other Expenses	3,000	1,800	1,510		290	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Recreation and Education: Parks and Playgrounds Salaries and Wages Other Expenses	245,000 25,000	249,400 15,150	249,039 12,081	653	361 2,416	
Insurance General Liability Workers Compensation Employee Group Health EPL Settlements Employee Group Health Opt-Outs	325,000 675,000 4,919,000 65,000 55,000	321,890 673,694 5,384,000 77,293 90,123	321,890 673,694 5,382,782 77,293 89,938		- - 1,218 - 185	
Crossing Guards Salaries and Wages Other Expenses	111,000 3,000	121,000 600	120,959 536		41 64	
UNIFORM CONSTRUCTION CODE: Construction Official Salaries and Wages Other Expenses	205,000 65,000	207,550 42,000	207,480 37,837		70 4,163	
Housing Official Salaries and Wages Other Expenses	200,000 8,800	178,000 6,300	176,202 6,080	147	1,798 73	
Unclassified: Fire Hydrant Service Electricity Fuel Oil Telephone Water Gasoline	170,000 525,000 41,000 190,000 45,000 105,000	166,475 533,775 49,060 184,783 42,907 105,000	166,475 533,775 49,060 177,708 42,803 104,795		- - - - 104 205	
TOTAL OPERATIONS WITHIN "CAPS"	21,427,200	21,457,200	21,037,511	220,122	199,567	-
Contingent	2,500	2,500	200		2,300	
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"	21,429,700	21,459,700	21,037,711	220,122	201,867	-
Detail: Salaries and Wages Other Expenses	11,397,850 10,031,850	11,158,800 10,300,900	11,056,796 9,980,915	250 219,872	101,754 100,113	- -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Statutory Expenditures:						
Public Employees' Retirement System	407,560	407,560	407,560	-	-	-
Social Security	420,000	420,000	406,193	13,807	13,807	13,807
Police and Firemen's Retirement System of NJ	2,209,320	2,209,320	2,208,714	606	606	606
Unemployment Comp Ins	30,000	-	-	-	-	-
Defined Contribution Pension Plan	6,200	6,200	4,309	1,891	1,891	1,891
Police and Firemen's Retirement System						
Pension Increase -						
Public Employees	14,000	14,000	13,853	147	147	147
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	3,087,080	3,057,080	3,040,629	-	16,451	-
Cash Deficit of Preceding Year	-	-	-	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	24,516,780	24,516,780	24,078,340	220,122	218,318	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Recycling Tax	30,000	30,000	30,000	-	-	-
Employee Group Health		-	-	-	-	-
Total Other Operations - Excluded from "CAPS"	30,000	30,000	30,000	-	-	-

CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Appropriations		Paid or		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Charged	Charged	Encumbered	Reserved	
Public and Private Revenues Offset by Appropriations							
Clean Communities Grant		35,221		35,221			
UEZ Special Engineering Grant		7,500		7,500			
UEZ Public Safety Police Yr16	1,050,000	1,050,000		1,050,000			
UEZ Bus Station Sec Guard	100,000	100,000		100,000			
SAFER Fire Grant	350,000	350,000		350,000			
Recycling Tonnage Grant	23,015	23,015		23,015			
Body Armor Fund	12,572	17,330		17,330			
Bulletproof Vest Partnership Grant		4,914		4,914			
Tarentino Community Policing Grant		15,684		15,684			
Safe and Secure Communities		90,000		90,000			
Municipal Aid & Urban Aid		273,802		273,802			
Summer Food Program		238,394		238,394			
Total Public and Private Programs Offset by Revenues	1,535,587	2,205,860		2,205,860	-	-	-
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	1,565,587	2,235,860		2,235,860	-	-	-
Detail:							
Salaries and Wages							-
Other Expenses	1,565,587	2,235,860		2,235,860	-	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	50,000	50,000		50,000			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	50,000	50,000		50,000	-	-	-

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Appropriations		Paid or		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Charged	Charged	Encumbered	Reserved	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"							
Payment of Bond Principal	1,677,000	1,677,000	1,677,000				-
Payment of Bond Anticipation Notes	346,000	346,000	346,000				-
Interest on Bonds	354,627	354,627	354,627				-
Interest on Notes	33,746	33,746	33,651				95
Green Trust Loan Repayments Principal and Interest	15,546	15,546	15,546				-
Demolition Loan Repayments Principal and Interest	21,857	21,857	21,857				-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	2,448,776	2,448,776	2,448,681		-	-	95
DEFERRED CHARGES							
Special Emergency Authorizations - 5 Years	393,686	393,686	393,686				-
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	393,686	393,686	393,686		-	-	-
Judgements	-	-					-
Transferred to Board of Education for Use of Local Schools	74,085	74,085	74,085				-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	4,532,134	5,202,407	5,202,312		-	-	95
SUBTOTAL GENERAL APPROPRIATIONS	29,048,914	29,719,187	29,280,652		220,122	218,318	95
Reserve for Uncollected Taxes	430,534	430,534	430,534				
TOTAL GENERAL APPROPRIATIONS	\$ 29,479,448	30,149,721	29,711,186		220,122	218,318	95
Budget		29,479,448					95
Appropriations by 40A:4-87		670,273				Cancelled Overexpenditures	-
Emergency Appropriations		-					95
		30,149,721					

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>PAID OR CHARGED</u>
Federal and State Grants	\$ 2,205,860
Deferred Charges	393,686
Reserve for Uncollected Taxes	430,534
Disbursed	<u>29,759,388</u>
	32,789,468
Appropriation Refunds	<u>3,078,282</u>
	<u><u>\$ 29,711,186</u></u>

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EXHIBIT B - TRUST FUND

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TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
<u>Animal Control Fund</u>		
Cash - Treasurer	\$ 6,586	6,453
	<u>6,586</u>	<u>6,453</u>
<u>Other Funds</u>		
Cash - Treasurer	1,964,625	1,930,726
Due from Current Fund	-	1,500
Due from Payroll Trust - Unemployment	9,024	9,024
	<u>1,973,649</u>	<u>1,941,250</u>
	<u>\$ 1,980,235</u>	<u>1,947,703</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE		
<u>Animal Control Fund</u>		
Reserve for Dog Expenditures	\$ 1,226	1,310
Due to State of New Jersey	4	-
Due to Current Account	<u>5,356</u>	<u>5,143</u>
	<u>6,586</u>	<u>6,453</u>
<u>Other Funds</u>		
Deposits for Redemption of Tax Sale		
Certificates	38,258	38,376
Premiums Received at Tax Sale	1,337,900	1,132,200
Reserve for Unemployment	51,882	40,314
Reserve for Bid Escrow	5,239	5,216
Reserve for Confiscated Funds	9,402	19,765
Reserve for Developer's Escrow	153,830	147,269
Reserve for Law Enforcement Trust	569	566
Reserve for Payroll Deductions	16,177	48,265
Reserve for Parking Offenses Adjudication Act	970	822
Reserve for Veterans Memorial Park Fund	24,123	23,957
Reserve for Fire Prevention Penalty	8,492	8,404
Reserve for Fire Prevention Dedicated Penalty	3,000	2,942
Reserve for Accumulated Absences	167,786	180,433
Reserve for Maintenance Escrow	71,868	141,253
Due to Unemployment Trust Fund -	9,024	9,024
Due to Current Fund -		
Accumulated Absence Trust	827	-
TTL Redemption	-	127
Fire Prevention Penalties	2,312	2,312
Veterans Memorial Park Fund	100	100
Payroll Clearing	20,806	20,806
Payroll Trust	51,084	119,099
	<u>1,973,649</u>	<u>1,941,250</u>
	<u>\$ 1,980,235</u>	<u>1,947,703</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

EXHIBIT C - CAPITAL FUND

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GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash	\$ 1,637,772	62,163
Deferred Charges to Future Taxation -		
Funded	10,058,595	11,334,985
Unfunded	2,960,568	525,068
Due from Current Fund	203,693	20,001
Due from Grant Fund	662,101	671,480
Due from State of New Jersey	9,379	178,280
	<u>15,532,108</u>	<u>12,791,977</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
Encumbrances Payable	330,854	228,836
General Serial Bonds	9,371,000	11,048,000
Loans Payable	837,662	286,985
Bond Anticipation Note Payable	2,781,500	346,000
Due to Utility Capital	422,115	422,115
Reserve to Pay Loans	160,347	-
Improvement Authorizations		
Funded	309,422	337,911
Unfunded	1,250,639	61
Capital Improvement Fund	28,200	81,700
Fund Balance	40,369	40,369
	<u>\$ 15,532,108</u>	<u>12,791,977</u>

There were bonds and notes authorized but not issued at December 31, 2017 and 2016 of \$179,068 and \$179,068.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31**

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 40,369	40,369
No activity		
Ending Balance	\$ <u>40,369</u>	<u>40,369</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

EXHIBIT D - SEWER UTILITY FUND

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**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
ASSETS		
Operating Fund:		
Cash - Treasurer	\$ 624,068	963,112
Due from Sewer Capital	117,333	64,625
	<u>741,401</u>	<u>1,027,737</u>
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	571,489	538,965
Sewer Utility Liens	113,678	80,826
	<u>685,167</u>	<u>619,791</u>
Deferred Charges:		
Overexpenditure of Appropriation	48,846	-
Expenditure without Appropriation	12,656	-
	<u>61,502</u>	<u>-</u>
Total of Operating Fund	<u>1,488,070</u>	<u>1,647,528</u>
Capital Fund:		
Cash - Treasurer	1,520,730	36,383
Due from General Capital Fund	422,115	422,115
Due from Current Fund	555	555
Fixed Capital	6,477,442	6,477,442
Fixed Capital - Authorized & Uncomp.	13,761,642	9,061,642
Total of Capital Fund	<u>22,182,484</u>	<u>15,998,137</u>
	<u><u>\$ 23,670,554</u></u>	<u><u>17,645,665</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
AS OF DECEMBER 31,**

	2017	2016
LIABILITIES, RESERVES AND FUND BALANCE		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 46,359	42,937
Reserve for Encumbrances	3,242	10,814
Accounts Payable	240	-
Utility Overpayments	318,818	178,952
Due to the Current Fund	6,178	40,217
Accrued Interest on Bonds and Notes	52,156	45,903
Reserve for California Avenue Pump Station	17,000	17,000
Reserve for Woodland Avenue Pump Station	25,000	25,000
Reserve for Megan's Landing Sewer Capacity Study	4,000	4,000
	<u>472,993</u>	<u>364,823</u>
Reserve for Receivables	685,167	619,791
Fund Balance	329,910	662,914
Total of Operating Fund	<u>1,488,070</u>	<u>1,647,528</u>
Capital Fund:		
Serial Bonds Payable	4,137,360	4,625,982
Bond Anticipation Notes	1,500,000	-
Capital Improvement Fund	146,538	146,538
Encumbrances Payable	113,353	124,957
Due to Sewer Operating Fund Improvement Authorizations	117,333	64,625
Funded	640,400	646,973
Unfunded	5,094,375	444,559
Reserves for:		
Amortization	6,477,442	6,477,442
Amortization - Deferred	3,955,683	3,467,061
Fund Balance	-	-
Total of Capital Fund	<u>22,182,484</u>	<u>15,998,137</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 23,670,554</u>	<u>17,645,665</u>

There were Bonds and Notes Authorized but not issued at December 31, 2017 and 2016 of \$4,168,599 and \$968,599 respectively.

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER UTILITY FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31,**

	2017	2016
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 421,580	69,638
Rents	4,682,110	4,685,904
Interest on Rents Receivable	94,458	132,178
Miscellaneous Revenue Anticipated	6,927	183,990
Army Corps of Engineers	330,476	339,467
City of Absecon	85,731	82,574
Other Credits to Income:		
Unexpended Balance of Appropriation		
Reserves	42,437	47,144
 Total Income	<u>5,663,719</u>	<u>5,540,895</u>
<u>Expenditures</u>		
Operating	3,828,846	3,536,080
Debt Service	590,143	554,286
Deferred Charges and Statutory		
Expenditures	105,000	102,956
Surplus (General Budget)	1,100,000	1,100,000
 Total Expenditures	<u>5,623,989</u>	<u>5,293,322</u>
 Excess in Revenue	39,730	247,573
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute deferred Charges to Budget of		
Succeeding Year	48,846	-
 Excess in Operations	88,576	247,573
 Fund Balance January 1	662,914	484,979
Decreased by:		
Utilization as Anticipated Revenue	421,580	69,638
 Balance December 31	<u>\$ 329,910</u>	<u>662,914</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
Beginning Balance	-	-
Decreased by:		
Surplus budgeted in Operating Fund	<u>-</u>	<u>-</u>
Ending Balance	<u><u>-</u></u>	<u><u>-</u></u>

**SEWER OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
AS OF DECEMBER 31, 2017**

	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Surplus Anticipated	\$ 421,580	421,580	
Rents	4,685,000	4,682,110	(2,890)
Miscellaneous	110,000	101,385	(8,615)
Army Corps of Engineers	315,000	330,476	15,476
City of Absecon	65,000	85,731	20,731
	<u>\$ 5,596,580</u>	<u>5,621,282</u>	<u>24,702</u>

ANALYSIS OF REALIZED REVENUES

Rents

Consumer Accounts Receivable:

Current Collected

4,662,778

Liens Collected

19,332

4,682,110

Miscellaneous

Other Miscellaneous

2,069

Plumbing Permits

2,150

Sewer Capital Interest

2,708

Interest on Sewer Rentals

94,458

101,385

SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS			EXPENDED		UNEXPENDED		OVER-
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELED	EXPENDED	
OPERATING								
Salaries and Wages	\$ 378,000	378,000	354,528		23,472			
Other Expenses	1,302,000	1,302,000	1,347,604	3,242	-			48,846
Atlantic County Sewerage Authority - Contractual	2,100,000	2,100,000	2,086,257		13,743			
	<u>3,780,000</u>	<u>3,780,000</u>	<u>3,788,389</u>	<u>3,242</u>	<u>37,215</u>	<u>-</u>	<u>-</u>	<u>48,846</u>
DEBT SERVICE								
Payment of Bond Principal	488,622	488,622	473,622			15,000		
Interest on Bonds	122,958	122,958	116,521			6,437		
Total Debt Service	<u>611,580</u>	<u>611,580</u>	<u>590,143</u>	<u>-</u>	<u>-</u>	<u>21,437</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES								
Deferred Charges:								
Overexpenditure of Appropriation	-	-			-			
Contribution to:								
Public Employees' Retirement System	70,000	70,000	70,000		-			
Social Security System	35,000	35,000	25,856		9,144			
Surplus (General Budget)	1,100,000	1,100,000	1,100,000		-			
	<u>1,205,000</u>	<u>1,205,000</u>	<u>1,195,856</u>	<u>-</u>	<u>9,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 5,596,580	5,596,580	5,574,388	5,574,388	3,242	46,359	21,437	48,846	48,846

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SEWER OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>PAID OR CHARGED</u>
Interest on Bonds and Notes	116,521
Deferred Charges	-
Disbursed	5,457,867
	<u><u>5,574,388</u></u>

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EXHIBIT G - GENERAL FIXED ASSET GROUP OF ACCOUNTS

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**STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS
AS OF DECEMBER 31,**

	<u>2017</u>	<u>2016</u>
General Fixed Assets:		
Land	\$ 6,229,600	6,229,600
Buildings	11,825,155	11,825,155
Equipment and Machinery	1,643,406	1,856,703
Vehicles	<u>3,855,997</u>	<u>3,819,784</u>
	<u>23,554,158</u>	<u>23,731,242</u>
 Investment in General Fixed Assets	 <u>\$ 23,554,158</u>	 <u>23,731,242</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL
STATEMENTS

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CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the City of Pleasantville include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Pleasantville, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City has no component units.

B. Description of Funds

The accounting policies of the City of Pleasantville 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 the respect to public funds. Under this method of accounting, the City of Pleasantville accounts for its financial transactions through the following separate funds:

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

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

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

Sewer Operating and Capital Funds -- account for the operations of the sewer utility and acquisition of sewer capital facilities other than those acquired in the Current and General Capital Funds.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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 policies in New Jersey follow.

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

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund, in addition the receivables for utility billings are recorded with offsetting reserves in the Utility Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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. Appropriation reserves covering unencumbered 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 bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

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 is not included on the various balance sheets.

General Fixed Assets -- The City has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Expenditures for long lived assets with an original cost in excess of \$5,000 are capitalized.

No depreciation has been provided for in the financial statements.

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

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

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. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2017 and 2016:

	Balance 12/31/2015	Additions	Retirements	Balance 12/31/2016
Land	\$ 6,229,600	-	-	6,229,600
Building	11,825,155	-	-	11,825,155
Equipment and Machinery	1,856,703	1,236,175	(268,381)	2,824,497
Vehicles	2,851,990	-	-	2,851,990
	<u>\$ 22,763,448</u>	<u>1,236,175</u>	<u>(268,381)</u>	<u>23,731,242</u>

	Balance 12/31/2016	Additions	Retirements/ Adjustment	Balance 12/31/2017
Land	\$ 6,229,600	-	-	6,229,600
Building	11,825,155	-	-	11,825,155
Equipment and Machinery	2,824,497	-	(1,181,091)	1,643,406
Vehicles	2,851,990	70,380	933,627	3,855,997
	<u>\$ 23,731,242</u>	<u>70,380</u>	<u>(247,464)</u>	<u>23,554,158</u>

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the City of Pleasantville to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Levy of Utility Charges – The City operates a sewer utility fund. Rates are determined by ordinance and changed as necessary. Sewer charges are based on flat fees and usage based on the type of entity. Charges are billed annually and due in quarterly installments on December 1, March 1, June 1 and September 1.

Interest on Delinquent Utility Charges -- It is the policy of the City to collect interest for the nonpayment of utility charges on or before the date when they would become delinquent. The Utility Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of charges becoming delinquent after due date and eighteen percent (18%) per annum on any amount of charges in excess of \$1,500.00 becoming delinquent after due date.

Capitalization of Interest -- It is the policy of the City of Pleasantville to treat interest on projects as a current expense and the interest is included in both the current and utility operating budgets.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the City's financial

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

F. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the City's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the City's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the City's financial reporting.

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2017 and 2016 statutory budgets included a reserve for uncollected taxes in the amount of \$430,534 and \$322,892. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2017 and 2016 statutory budgets was \$1,174,085 and \$363,494. In addition, the City operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the City. The utility budget must be a balanced cash basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2017 and 2016 statutory budgets was \$421,580 and \$69,638.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following significant budget transfers were approved in the 2017 and 2016 calendar years:

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

<u>Budget Category</u>	<u>2017</u>	<u>2016</u>
<u>Current Fund:</u>		
Legal Services		
Other Expenses	\$ -	65,000
Fire		
Salaries and Wages	(160,000)	41,000
Police		
Salaries and Wages	-	75,000
Division of Public Property		
Salaries and Wages	-	(69,000)
Contractual Trash Pickup	-	(46,700)
Contractual Recycling Pickup	-	(30,000)
Solid Waste Disposal Costs	(75,000)	-
Insurance		
Workers Compensation	-	(80,000)
Employee Group Health	465,000	572,900
EPL Settlements	-	(95,000)
Employee Group Opt-Outs	35,123	-
Fire Hydrant Service		
Fuel Oil	-	(34,000)
Telephone	-	(104,000)
Unemployment Compensation Insurance	(30,000)	(40,000)

<u>Budget Category</u>	<u>2017</u>	<u>2016</u>
<u>Utility Fund</u>		
Salaries and Wages	-	-
Other Expenses	-	-

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2017 and 2016, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2017</u>	<u>2016</u>
Clean Communites Program	\$ 35,221	\$ 41,547
Safe and Secure Communities	90,000	180,000
Municipal and Urban Aid Program	273,802	-
NJ DOT Transit Village Grant	-	500,000
Summer Food Service Program	238,394	258,892
NJ DOT Bikepath Lighting	-	360,000
NJ DOT Trust Fund	-	250,950

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City approved a special emergency appropriation in 2014 for \$500,000. The emergency was for a revaluation in the City. The unfunded balance as of December 31, 2017 was \$200,000. The City also approved a special emergency appropriation in 2014 for \$1,500,000. The emergency was used to fund payments of accumulated absences. The unfunded balance as of December 31, 2017 was \$363,370. The City approved a special emergency appropriation in 2015 for \$560,000 to fund payments of accumulated absences. The unfunded balance as of December 31, 2017 was \$336,000. The City approved a special emergency appropriation in 2017 for \$600,523 to fund payments of accumulated absences. The unfunded balance as of December 31, 2017 was \$600,523. During 2016 the City approved an emergency appropriation in the amount of \$815,000 to fund a legal settlement. This emergency was refunded by ordinance in 2017.

Note 3: INVESTMENTS

As of December 31, 2017 and 2016, the municipality held no investments.

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the City can invest in any one issuer.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2017 and 2016, \$1,881,068 and \$1,372,690 of the municipality's bank balance of \$14,215,511 and \$12,491,667 was exposed to custodial credit risk.

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2017 and 2016 consisted of the following:

	Balance 12/13/15	Issued	Retired	Balance 12/31/16	Amounts Due Within One Year
Bonds payable:					
General	\$ 12,730,000		1,682,000	11,048,000	1,677,000
Utility	5,192,947		566,965	4,625,982	488,622
Total	<u>\$ 17,922,947</u>	<u>-</u>	<u>2,248,965</u>	<u>15,673,982</u>	<u>2,165,622</u>
Other liabilities:					
Loans Payable	\$ 345,669		58,684	286,985	35,540
Compensated Absences Payable	<u>4,244,682</u>	<u>1,922,963</u>	<u>1,695,308</u>	<u>4,472,337</u>	
Total long-term liabilities	<u>\$ 22,513,298</u>	<u>1,922,963</u>	<u>4,002,957</u>	<u>20,433,304</u>	<u>2,201,162</u>
	Balance 12/13/16	Issued	Retired	Balance 12/31/17	Amounts Due Within One Year
Bonds payable:					
General	\$ 11,048,000		1,677,000	9,371,000	1,199,000
Utility	4,625,982		488,622	4,137,360	338,622
Total	<u>\$ 15,673,982</u>	<u>-</u>	<u>2,165,622</u>	<u>13,508,360</u>	<u>1,537,622</u>
Other liabilities:					
Loans Payable	\$ 286,985	584,217	33,540	837,662	78,075
Compensated Absences Payable	<u>4,472,337</u>	<u>1,280,376</u>	<u>1,797,957</u>	<u>3,954,756</u>	<u>-</u>
Total long-term liabilities	<u>\$ 20,433,304</u>	<u>1,864,593</u>	<u>3,997,119</u>	<u>18,300,778</u>	<u>1,615,697</u>

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

\$3,302,000 General Improvement Bond dated 11/15/02 payable in annual installments through 10/15/22. Interest is paid semiannually at rates varying from 2.00% to 5.25% per annum. These bonds were issued through the New Jersey Economic Development Authority and were underwritten by Commerce Capital Markets, Inc. The balance remaining as of December 31, 2017 was \$1,094,000.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

\$4,572,000 General Improvement Bond dated 7/1/07 payable in annual installments through 7/1/17. Interest is paid semiannually at rates varying from 4.00% to 4.25% per annum. The balance remaining as of December 31, 2017 was \$0.

\$3,165,000 Refunding Bonds dated 2/10/11 payable in annual installments through 10/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2017 was \$1,175,000.

\$5,689,000 General Improvement Bond dated 11/1/11 payable in annual installments through 10/1/24. Interest is paid semiannually at rates varying from 1.25% to 3.50% per annum. The balance remaining as of December 31, 2017 was \$3,605,000.

\$3,857,000 General Improvement Bond dated 8/13/15 payable in annual installments through 8/1/29. Interest is paid semiannually at rates varying from 2.00% to 3.50% per annum. The balance remaining as of December 31, 2017 was \$3,497,000.

\$250,000 Green Acres Loan dated 4/14/04 payable in semiannual installments through 8/8/24. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$7,773 are applied first to interest and then to principal. The balance remaining as of December 31, 2017 was \$101,075.

\$60,484 Green Acres Loan dated 4/7/06 payable in annual installments through 1/7/26. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$1,880 are applied first to interest and then to principal. The balance remaining as of December 31, 2017 was \$29,266.

\$434,150 Green Acres Loan dated 8/16/17 payable in annual installments through 8/16/30. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$19,046 are applied first to interest and then to principal. The balance remaining as of December 31, 2017 was \$434,150.

\$174,000 Demolition Loan dated 1/8/14 payable in annual installments through 1/8/24. Interest is paid annually at a rate of 0.72% per annum. The balance remaining as of December 31, 2017 was \$123,104.

\$150,067 Demolition Loan dated 10/13/17 payable in annual installments through 10/13/27. Interest is paid annually at a rate of 0.72% per annum. The balance remaining as of December 31, 2017 was \$150,067.

Outstanding bonds whose principal and interest are paid from the Utility Operating Fund of the City:

\$1,840,000 Sewer Utility Bond dated 7/1/07 payable in annual installments through 7/1/17. Interest is paid semiannually at rates varying from 4.00% to 4.25% per annum. The balance remaining as of December 31, 2017 was \$0.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

\$455,000 Refunding Bonds dated 2/10/11 payable in annual installments through 10/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2017 was \$160,000.

\$2,590,000 General Improvement Bond dated 11/1/11 payable in annual installments through 10/1/31. Interest is paid semiannually at rates varying from 2.25% to 3.50% per annum. The balance remaining as of December 31, 2017 was \$1,940,000.

\$425,000 New Jersey Environmental Infrastructure Trust Bonds dated 5/31/12 payable in annual installments through 8/1/31. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2017 was \$350,000.

\$464,561 New Jersey Environmental Infrastructure Trust Bonds dated 5/31/12 payable in semiannual installments through 8/1/31. The bonds carry an interest rate of 0.00% per annum. The balance remaining as of December 31, 2017 was \$237,360.

\$1,600,000 General Improvement Bond dated 8/13/15 payable in annual installments through 8/1/30. Interest is paid semiannually at rates varying from 2.00% to 3.50% per annum. The balance remaining as of December 31, 2017 was \$1,450,000.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General Fund</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	1,199,000	296,642	338,622	114,549
2019	1,208,000	259,206	343,622	107,024
2020	1,233,000	222,599	318,622	99,386
2021	1,249,000	183,642	323,622	91,911
2022	1,005,000	143,045	283,622	84,136
2023-2027	2,780,000	338,800	1,448,111	305,931
2028-2031	697,000	36,540	1,081,140	83,525
	<u>\$ 9,371,000</u>	<u>1,480,474</u>	<u>4,137,360</u>	<u>886,462</u>

Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 78,075	13,026
2019	79,236	11,867
2020	80,415	10,686
2021	81,618	9,485
2022	82,840	8,262
2023-2027	325,098	23,840
2028-2030	110,380	3,895
	<u>\$ 837,662</u>	<u>81,061</u>

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

As of December 31, 2017 the carrying value of the above bonds and notes approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 10,208,667	11,680,985	13,767,669
Sewer Utility - Bonds and Notes	4,137,360	4,625,982	5,192,947
Total Issued	<u>14,346,027</u>	<u>16,306,967</u>	<u>18,960,616</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	179,068	179,068	179,068
Sewer Utility - Bonds and Notes	4,168,599	968,599	968,599
Total Authorized But Not Issued	<u>4,347,667</u>	<u>1,147,667</u>	<u>1,147,667</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 18,693,694</u>	<u>17,454,634</u>	<u>20,108,283</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 1.698%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 13,140,000	13,140,000	-
Sewer Utility Debt	9,805,959	9,805,959	-
General Debt	13,169,230	-	13,169,230
	<u>\$ 36,115,189</u>	<u>22,945,959</u>	<u>13,169,230</u>

Net Debt \$13,169,230 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$775,527,081 = 1.698%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 27,143,448
Net Debt	13,169,230
Remaining Borrowing Power	<u>\$ 13,974,218</u>

The City of Pleasantville School District, as a K-12 school district, is permitted to borrow up to 4% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 6: NOTES PAYABLE

	Balance 12/31/15	Issued	Retired	Balance 12/31/16
Bond Anticipation Notes payable:				
General	\$ 692,000	-	346,000	346,000
	<u>\$ 692,000</u>	<u>-</u>	<u>346,000</u>	<u>346,000</u>

	Balance 12/31/16	Issued	Retired	Balance 12/31/17
Bond Anticipation Notes payable:				
General	\$ 346,000	2,781,500	346,000	2,781,500
Utility	-	1,500,000	-	1,500,000
	<u>\$ 346,000</u>	<u>4,281,500</u>	<u>346,000</u>	<u>4,281,500</u>

The notes outstanding as of December 31, 2017 consist of two notes, the first was issued 8/17/17 in the amount of \$3,466,500 and is due and payable on 8/16/18 with interest at 2.25%; the second in the amount of \$815,000 was issued on 12/20/17 and is due and payable on 12/19/18 with interest at 1.74%. As of December 31, 2017, the City has authorized but not issued bonds in the amount of \$179,068 and \$4,168,599 in the General Capital Fund and Utility Capital Fund respectively.

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2017 and 2016, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Current Fund	\$ 1,200,000	1,174,085
Utility Fund	300,000	421,580

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, 2017	2018 Budget Appropriation	Balance to Succeeding
Current fund:			
Expenditure w/o Appropriation	\$ 323,138	323,138	-
Overexpenditure of Appropriation Reserve	159,654	159,654	-
Special Emergency Appropriation	1,499,893	613,791	886,102
	<u>\$ 1,982,685</u>	<u>1,096,583</u>	<u>886,102</u>
Utility fund:			
Expenditure w/o Appropriation	\$ 12,656	12,656	-
Overexpenditure of Appropriation	48,846	48,846	-
	<u>\$ 61,502</u>	<u>61,502</u>	<u>-</u>

The appropriations in the 2018 Budget are not less than that required by statute.

Note 9: SCHOOL TAXES

Local District School Tax in the amounts of \$9,342,353 and \$9,297,825, have been raised for the 2017 and 2016 calendar years and are remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

Note 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/17	Balance 12/31/16
Prepaid Taxes	\$ 479,032	441,089
Cash Liability for Taxes Collected in Advance	<u>\$ 479,032</u>	<u>441,089</u>

Note 11: PENSION FUNDS

Description of Plans

Substantially all of the City's employees participate in the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS) cost sharing multiple-employer

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

defined benefit pension plans which have been established by State Statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at - <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

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

Police and Fireman's Retirement System

The contribution policy for the Police and Fireman's Retirement System (PFRS) is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute to an actuarially determined rate.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.20% through June 30, 2017 and 7.34% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 13.37% of covered payroll. The City's contributions to PERS for the years ended December 31, 2017, 2016, and 2015 were \$477,560, \$383,908 and \$391,686.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2017, 2016, and 2015 were \$2,192,475, \$2,185,520, and \$2,145,750.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

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

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

NOTE 12: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the City's pension liabilities. However, due to the fact that the City reports on the regulatory basis of accounting, no financial statement impact will be recognized. GASB statement 68 requires that the June 30, 2017 actuarial valuation be used for this disclosure, but as of the date of this report the 2017 actuarial valuations are not yet available from the Division of Pensions. The Division of Local Government Services has stated that disclosing the 2016 valuation is in compliance with the Regulatory Basis of Accounting described in Note 1.

The following represents the municipality's pension liabilities as June 30, 2016:

Public Employees' Retirement System

The City has a liability of \$15,132,917 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City's proportion is 0.05109514830%, which was an increase of 3.92% from its proportion measured as of June 30, 2015.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

For the year ended December 31, 2016, the City would have recognized pension expense of \$1,486,889. At December 31, 2016, the City would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 3,134,732	
Difference between expected and actual experience	281,426	
Net difference between projected and actual earnings on pension plan investments	577,032	
Changes in proportion and differences between City contributions and proportionate share of contributions	313,776	97,449
Total	<u>\$ 4,306,966</u>	<u>97,449</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 952,640
2018	952,640
2019	1,089,063
2020	911,364
2021	303,810
Total	<u>\$ 4,209,517</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	1.65% - 4.15% (based on age)
Thereafter	2.65% - 5.15% (based on age)
Investment rate of return:	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

base year of 2014 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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 experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflations. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount 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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate.

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.98%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.98%) or 1-percentage point higher (4.98%) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
City's proportionate share of the net pension liability	\$ 18,135,344	15,132,917	12,656,814

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Police and Firemen's Retirement System

The City has a liability of \$47,683,731 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the City's proportion is 0.24961960900%, which is a decrease of 0.03% from its proportion measured as of June 30, 2015.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

For the year ended December 31, 2016, the City would have recognized pension expense of \$4,862,695. At December 31, 2016, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 6,604,589	
Net difference between projected and actual earnings on pension plan investments	3,341,103	
Difference in Experience		312,574
Changes in proportion and differences between City contributions and proportionate share of contributions	-	805,029
Total	<u>\$ 9,945,692</u>	<u>1,117,603</u>

Amounts that would be reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ 2,134,744
2018	2,134,744
2019	2,833,436
2020	1,659,890
2021	65,275
Total	<u>\$ 8,828,089</u>

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases:	
Through 2026	2.10% - 8.98% (based on age)
Thereafter	3.10% - 9.98% (based on age)
Investment rate of return:	7.65%

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt (Except US)	5.00%	-0.25%
REIT	5.25%	5.63%

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Discount Rate

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the City's proportionate share of the 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, 2016, 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:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
City's proportionate share of the net pension liability	\$ 60,618,263	47,683,731	37,140,634

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2016 State special funding situation net pension liability amounts of \$1,604,141,087, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2016 State special funding situation pension expense of \$204,886,666 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a State administrative expense due to the special funding situation.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the City of Pleasantville was 0.24961960900%. The net pension liability amounts allocated to the City was \$4,004,251. For the fiscal year ending June 30, 2016 State special funding situation pension expense of \$511,437 is allocated to the City.

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued PFRS financial report.

Note 13: POST-RETIREMENT BENEFITS

Plan Description The City of Pleasantville utilizes Horizon Blue Cross Blue Shield of New Jersey to provide post-retirement benefits.

Plan Coverage The City currently has 3 collective bargaining units as well as several non-union employees. The employee's post employment benefits are dependent upon the collective bargaining unit to which they are a member as well as the year of retirement. The benefits by collective bargaining unit are:

Governmental Workers Union – Individuals who retired between 1/1/96 and 12/31/03 with at least 25 years of service to the City receive hospitalization and major medical coverage for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/04 and 12/31/17 with at least 25 years of service to the City receive hospitalization, major medical, dental, prescription and optical for the employee and the employee's family in effect at the time of retirement.

International Association of Fire Fighters Local 2616 – Individuals who retired between 1/1/96 and 12/31/97 with at least 25 years of service to the City receive hospitalization and major medical coverage for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/98 and 12/31/03 with at least 25 years of service to the City receive hospitalization, major medical coverage and prescription for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/04 and 12/31/17 with at least 25 years of service to the City receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

International Association of Fire Fighters, Superior Officers Local 9428 – Individuals who retired between 1/1/96 and 12/31/97 with at least 25 years of service to the City receive hospitalization and major medical coverage for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/98 and 12/31/03 with at least 25 years of service to the City receive hospitalization, major medical coverage and prescription for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/04 and 12/31/17 with at least 25 years of service to the City receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Policemen Benevolent Association Mainland Local 77 – Individuals who retired between 1/1/98 and 12/31/17 with at least 25 years of service in the Police and Fireman's Retirement System receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

Non Affiliated Employees - Individuals who retired with at least 25 years of service in the Public Employees' Retirement System with the City receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

The City is required to calculate the future cost to provide this service. The City is not required to fund OPEB calculation but only to report the amount.

Annual OPEB Cost. The City's annual OPEB valuations are as follows:

Plan assets at December 31, 2016	\$0
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The FYE 2016 Annual Required Contribution (ARC) is \$6,960,000 (assuming no prefunding of obligations). Benefit payments for the year ended December 31, 2016 were \$1,970,000.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of event in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

The city's calculation was based on trend assumptions along with information in published papers from other industry experts.

Note 14: ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$3,954,756 in 2017 and \$4,272,337 in 2016. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the City's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. The final amount of the settlement cannot exceed 180 days even though more may be accrued. This limitation is effective for all non-union employees, members of Police Mainland Local #77, and AFSCME Local #3103. Professional Firefighters Local #2616 permits employees to accumulate sick time without limitation. The amount shown above represents the total number of days of unpaid compensation without taking the 180 day limitation into account. The policy of

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City does not accrue the liability.

Note 15: ECONOMIC DEPENDENCY

The City of Pleasantville is not economically dependent on any one business or industry as a major source of tax revenue for the City.

Note 16: RISK MANAGEMENT

The City 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.

Property and Liability Insurance - The City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2017 and 2016 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The City is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The City has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

New Jersey Unemployment Compensation Insurance – The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the City 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 City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits and the ending balance of the City’s trust fund for the previous three years:

<u>Calendar Year</u>	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	30,000	3,643	-	22,075	51,882
2016	-	33,141	-	23,594	40,314
2015	-	29,913	-	24,659	30,767

Note 17: TAX ABATEMENT PROGRAM

The tax abatement program was established to encourage commercial and industrial development in the City of Pleasantville. It is a five-year program where real estate taxes on the approved buildings and residences are abated and payments are made in lieu. Agreements may be entered into for both improvements and construction projects. The value of the building improvements must exceed \$100,000 for commercial and the properties are tax-exempt until the project is complete. Once completed, the taxpayer pays no tax in the first year after completion. Beginning

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

in the second year, the taxpayer is assessed taxes on 20% of the assessed value, with annual increases of 20% until the end of five years.

The tax exemption program was established to encourage residential property improvements in the City of Pleasantville. This exemption is only permitted on properties more than twenty (20) years old and is also a five-year program. The Assessor's full and true value of the home improvements must not exceed \$15,000 and will not increase the value of the property for five years.

Note 18: DEFERRED COMPENSATION

Employees of the City of Pleasantville may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 19: URBAN ENTERPRISE ZONE

In February 1995, the City of Pleasantville was designated as an Urban Enterprise Zone by the State of New Jersey. This is a twenty (20) year program that allows retail merchants, excluding automobile dealers and restaurants, to charge 3.5% sales tax to their customers. It also allows the merchant to purchase their supplies tax-free. The zone is limited to contiguous commercial and industrial zones. The City's UEZ designation has been extended through 2017.

Under current legislation the Urban Enterprise Zone will no longer be funded by the State of New Jersey. As of December 31, 2011 the State has turned over all remaining funds in the City's account. All new projects must be funded with either the remaining funds provided by the State in 2011 or through the use of loan repayments made into the second generation fund maintained by the City. All funds sent to the City may be used for projects that meet the requirements of the Zone until the funds are completely spent.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

Note 20: INTERFUND BALANCES

During the most current calendar year ended December 31, 2017, the following interfunds were included on the balance sheets of the various funds of the City of Pleasantville:

	Due From	Due To
Current Fund:		
Utility Operating	\$ 6,178	
Animal Control Fund	5,356	
Fire Prevention Penalty Fund	2,312	
Veterans Memorial Fund	100	
Accumulated Absence Trust	827	
Payroll Trust	51,084	
Payroll Clearing	20,806	
General Capital		203,693
Utility Capital		555
Grant Fund		657,541
Grant Fund:		
Current Fund	657,541	
General Capital Fund		662,101
Trust Fund:		
Current - Animal Control Fund		5,356
Current - Accumulated Absence		827
Current - Fire Prev Penalty		2,312
Current - Veterans Memorial Park		100
Current - Payroll Clearing		20,806
Current - Payroll Trust		51,084
Payroll Trust - Unemployment Trust	9,024	
Unemployment - Payroll Trust		9,024
General Capital Fund:		
Grant Fund	662,101	
Current Fund	203,693	
Utility Capital		422,115
Sewer Operating:		
Current Fund		6,178
Sewer Capital	117,333	
Sewer Capital Fund:		
Current Fund	555	
Sewer Operating		117,333
General Capital	422,115	
	\$ <u>2,159,025</u>	<u>2,159,025</u>

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

The amount due to the Grant fund from the Current fund is due to the fact that there is only one bank account. The amount due to the General Capital fund from the Grant fund is due to a state grant funded improvement authorization. The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

Note 21: CONTINGENT LIABILITIES

From time to time, the City is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the City's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 22: LEASE OF CITY PROPERTY

The City leases the library building to Atlantic County on an annual basis at a rate of \$65,000 per year. The City also leases boat slips at the City's marina.

Note 23: SUBSEQUENT EVENTS

The City has evaluated subsequent events through April 13, 2018, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY DATA

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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Pleasantville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various funds and account group of the City, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated April 13, 2018, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and questioned costs*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *schedule of findings and questioned costs* to be material weaknesses: 2017-001 and 2017-002.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

City's Responses to Findings

The City's response to the findings identified in our audit is described in the accompanying *schedule of findings and questioned costs*. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Cocozza, Jr.
Harvey C. Cocozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

April 13, 2018



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Independent Auditor's Report

The Honorable Mayor and
Members of City Council
City of Pleasantville, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of Pleasantville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and NJ OMB Circular 15-08 that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2017. The City's major federal and state 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 and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state 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) and NJ OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 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 or state program occurred. An audit includes examining, on a test basis, evidence about the City'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 and state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the City 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 and state programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the City 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 City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, 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 City'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 and state 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 and state 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 and state 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.

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Coccozza, Jr.
Harvey C. Coccozza, Jr.
Certified Public Accountant
Registered Municipal Accountant
No. 551

April 13, 2018

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal or State Grant/Pass - Through Grantor/Program Title	CFDA Number	Federal FAIN Number	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2017	Receipts or Revenue Recognized	Budgetary Expenditures			(MEMO) Pass Through to Sub-Recipients	Adjustments	Unexpended Balance at 12/31/2017	(Memo Only) Cumulative Expenditures
							Pass Through	Source Direct	Total				
FEDERAL													
2013 Community Development Block Grant	14.218	B-13-UC-34-0111	1/1/15-12/31/15	97,221	\$ 10,187	-	-	-	-	-	-	10,187	87,034
FRA Grant - Pleasantville Rail Road Program	20.xxx	N/A	1/1/09-12/31/09	Subtotal 14,218	10,187	-	-	-	-	-	-	10,187	-
Total Department of Community Affairs				152,664	152,664	-	-	-	-	-	-	152,664	-
					162,851	-	-	-	-	-	-	162,851	-
U.S. Department of Commerce	11.300	N/A	2/1/98-1/31/00	845,600	114,860	-	-	-	-	-	-	114,860	730,740
Economic Development Administration													
Housing and Urban Development													
Pleasantville Housing Authority													
Drug Elimination	14.854	N/A	1/1/99-12/31/99	47,984	18,040	-	-	-	-	-	-	18,040	29,954
Department of Education													
Summer Food Program	10.559	SU-011204	1/1/17-12/31/17	238,394	-	238,394	120,709	-	120,709	-	-	117,685	120,709
Summer Food Program	10.559	SU-011204	1/1/16-12/31/16	238,892	148,600	-	-	-	-	-	-	148,600	10,282
Summer Food Program	10.559	SU-011204	1/1/15-12/31/15	170,385	170,385	-	-	-	-	-	-	170,385	91,586
Summer Food Program	10.559	SU-011204	1/1/13-12/31/13	189,885	48,000	-	9,080	-	9,080	-	-	38,920	13,586
Summer Food Program	10.559	SU-011204	1/1/12-12/31/12	169,457	70,402	-	-	-	-	-	-	70,402	99,955
Summer Food Program	10.559	SU-011204	1/1/11-12/31/11	151,352	42,842	-	-	-	-	-	-	42,842	108,550
Summer Food Program	10.559	SU-011204	1/1/10-12/31/10	107,007	22,519	-	-	-	-	-	-	22,519	84,488
Summer Food Program	10.559	SU-011204	1/1/09-12/31/09	160,191	16,458	-	-	-	-	-	-	16,458	143,733
Summer Food Program	10.559	SU-011204	1/1/08-12/31/08	138,322	35,571	-	-	-	-	-	-	35,571	102,751
Summer Food Program	10.559	SU-011204	1/1/07-12/31/07	111,535	98,679	-	129,789	-	129,789	-	-	98,679	12,856
Total Department of Education					581,788	238,394	129,789	-	129,789	-	-	690,393	
U.S. Department of Justice													
School Based Partnership COPS Grant	16.710	N/A	1/1/03-12/31/03	76,170	6,981	-	-	-	-	-	-	6,981	69,189
Local Law Enforcement Grant	16.710	N/A	1/1/03-12/31/03	93,269	41,888	-	-	-	-	-	-	41,888	51,381
				Subtotal 16,710	48,869	-	-	-	-	-	-	48,869	
Body Armor Fund	16.607	N/A	1/1/17-12/31/17	17,330	-	17,330	1,921	-	1,921	-	-	15,409	1,921
Body Armor Fund	16.607	N/A	1/1/13-12/31/13	4,050	2,038	-	-	-	-	-	-	2,038	2,012
Body Armor Fund	16.607	N/A	1/1/12-12/31/12	9,813	4,828	-	4,914	-	4,914	-	-	4,828	4,985
Bulletproof Vest Partnership Program	16.607	N/A	1/1/17-12/31/17	4,914	-	4,914	-	-	-	-	-	-	4,914
				Subtotal 16,607	6,866	22,244	6,835	-	6,835	-	-	22,275	
Justice Assistance Grant	16.738	JAG-11TF-14	1/1/15-12/31/15	15,382	383	-	-	-	-	-	-	383	14,999
Justice Assistance Grant	16.738	N/A	1/1/12-12/31/12	22,327	5	-	-	-	-	-	-	5	22,322
				Subtotal 16,738	388	-	-	-	-	-	-	388	
Total U.S. Department of Justice					56,123	22,244	6,835	-	6,835	-	-	71,532	
U.S. Department of Homeland Security													
Police Canine & Equipment	97.004	N/A	1/1/07 - 12/31/07	10,000	1,985	-	-	-	-	-	-	1,985	8,015
Total U.S. Department of Homeland Security					1,985	-	-	-	-	-	-	1,985	
Federal Emergency Management Assistance													
Staffing for Adequate Fire & Emergency Response	97.083	EMW2014FH00822	1/1/16-12/31/17	350,000	121,997	350,000	406,213	-	406,213	-	-	65,784	284,216
Sandy Shared Services Grant	97.067	EMW2015SS00039	1/1/15-12/31/15	120,000	-	-	3,071	-	3,071	-	-	86,929	33,071
Post Sandy Planning Grant	97.067	EMW2015SS00039	1/1/15-12/31/15	280,000	36,683	-	21,561	-	21,561	90,000	-	15,122	284,878
Additional Post Sandy Planning Grant	97.067	EMW2015SS00039	1/1/15-12/31/15	110,000	24,879	-	-	-	-	(90,000)	-	24,879	85,121
Bayview Ave Pump Station Generator	97.067	EMW2015SS00039	1/1/15-12/31/15	110,000	94,375	-	-	-	-	-	-	4,375	105,625
Hazard Mitigation - Generator	97.067	EMW2015SS00039	1/1/15-12/31/15	90,000	4,024	-	90,000	-	90,000	-	-	4,024	85,976
Homeland Security	97.067	N/A	1/1/09-12/31/09	189,460	1,050	350,000	430,845	-	430,845	-	-	1,050	188,410
Total Federal Emergency Management Assistance					283,008	350,000	430,845	-	430,845	-	-	202,163	
Total Federal Assistance					1,218,655	610,638	567,469	-	567,469	-	-	1,261,824	

SEE ACCOMPANYING AUDITOR'S REPORT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2017	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/2017	(Memo Only) Cumulative Expenditures
STATE									
State of New Jersey									
Department of Environmental Protection									
Stormwater Grant	N/A	1/1/06-12/31/06	12,029	2,083				2,083	9,946
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/17-12/31/17	23,015		23,015	21,730		1,285	21,730
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/15-12/31/15	22,789	22,789				22,789	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/14-12/31/14	23,352	23,352				23,352	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/13-12/31/13	23,041	23,041				23,041	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/12-12/31/12	9,703	9,703				9,703	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/11-12/31/11	24,446	24,446				24,446	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/09-12/31/09	19,010	19,010				19,010	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/08-12/31/08	9,015	9,015				9,015	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/07-12/31/07	2,086	2,086				2,086	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/05-12/31/05	380	380				380	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/03-12/31/03	720	720				720	-
Clean Communities Act	4900-765-178920	1/1/17-12/31/17	35,221	-	35,221	33,720		1,501	33,720
Clean Communities Act	4900-765-178920	1/1/16-12/31/16	73,547	450				450	73,097
Clean Communities Act	4900-765-178920	1/1/15-12/31/15	36,262	34,248				34,248	2,014
Clean Communities Act	4900-765-178920	1/1/13-12/31/13	31,802	31,802				31,802	-
Clean Communities Act	4900-765-178920	1/1/12-12/31/12	71,341	64,832	58,236	55,450	-	64,832	6,509
Total Department of Environmental Protection				267,957				270,743	
Department of Community Affairs									
Livable Communities Grant		1/1/04-12/31/04	80,000	3,945				3,945	76,055
REDI Incentive Study and Implementation	N/A	1/1/01-12/31/01	47,550	9,736				9,736	37,814
Smart Growth Implementation	N/A	1/1/02-12/31/02	5,605	5,605				5,605	-
Smart Growth Implementation	N/A	1/1/01-12/31/01	120,000	49,381				49,381	70,619
Smart Growth Implementation - Maina	N/A	1/1/07-12/31/07	33,185	32,544				32,544	641
Clean Vessel Program	N/A	1/1/07-12/31/07	6,281	6,281				6,281	-
Sustainable Jersey	N/A	1/1/15-12/31/15	2,000	1,229				1,229	771
Total Department of Community Affairs				108,721	-	-	-	108,721	
N.J. Economic Development Authority									
Economic Development Initiative	N/A	1/1/06-12/31/08	250,000	3,623				3,623	246,377
Economic Development Initiative	N/A	1/1/15-12/31/16	461,476	7,436	-	7,436	-	-	461,476
Total N.J. Economic Development Authority				11,059	-	-	-	3,623	
Division of Motor Vehicles									
Drunk Driving Enforcement Fund	1110-101-030000-129040	1/1/11-12/31/11	11,472	5,207				5,207	6,265
Buckle Up South Jersey	1110-101-030000-129040	1/1/16-12/31/16	12,591	2,347				2,347	10,244
Over the Limit Under Arrest	N/A	1/1/07-12/31/07	2,310	2,310				2,310	-
Over the Limit Under Arrest	N/A	1/1/08-12/31/08	5,000	5,000				5,000	-
Over the Limit Under Arrest	N/A	1/1/09-12/31/09	4,775	4,775				4,775	-
Over the Limit Under Arrest	N/A	1/1/11-12/31/11	29,380	29,380				29,380	-
Over the Limit Under Arrest	N/A	1/1/12-12/31/12	11,263	11,263				11,263	-
Click it or Ticket	N/A	1/1/16-12-31-16	5,000	2,850				2,850	2,150
NJ Division of Highway Safety	1160-206-030252-60	1/1/12-12/31/12	16,940	16,940				16,940	-
NJ Division of Highway Safety	1160-206-030252-60	1/1/04-12/31/04	18,000	10,062				10,062	7,938

SEE ACCOMPANYING AUDITOR'S REPORT

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2017**

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2017	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/2017	(Memo Only) Cumulative Expenditures
Alcohol Education Rehabilitation	N/A	1/1/11-12/31/11	830	623	-	-	-	623	207
Alcohol Education Rehabilitation	N/A	1/1/12-12/31/12	324	324	-	-	-	-	324
Alcohol Education Rehabilitation	N/A	1/1/14-12/31/14	950	950	-	187	-	763	187
Alcohol Education Rehabilitation	N/A	1/1/15-12/31/15	2,363	1,913	-	1,913	-	-	2,363
Aggressive Enforcement-Aggressive Driver	N/A	1/1/10-12/31/10	28,500	10,950	-	-	-	10,950	17,550
Aggressive Enforcement-Aggressive Driver	N/A	1/1/09-12/31/09	55,572	3,050	-	-	-	3,050	52,522
Emergency Management State Police Grant	N/A	1/1/08-12/31/08	5,000	5,000	-	-	-	5,000	-
Emergency Management State Police Grant	N/A	1/1/09-12/31/09	5,000	5,000	-	-	-	5,000	-
Total Division of Motor Vehicles				117,945	-	2,100	-	115,844	-
New Jersey Department of Transportation									
Reconstruction of Linden Avenue-Phase II	6320-480-601385-61	1/1/03-12/31/03	153,000	18,523	-	-	-	18,523	134,477
West Jersey Avenue Streetscape	6320-480-601385-61	1/1/00-12/31/00	306,000	16,878	-	-	-	16,878	289,122
Construction of Bike Path	6320-480-601385-61	1/1/00-12/31/00	248,000	12,256	-	-	-	12,256	235,744
Portland Avenue Reconstruction	6320-480-601385-61	1/1/16-12/31/16	250,950	250,950	-	250,950	-	-	250,950
Bike Path Extension	6320-480-601385-61	1/1/11-12/31/11	380,000	92,953	-	-	-	92,953	287,047
Bike Path Lighting	6320-480-601385-61	1/1/16-12/31/17	360,000	360,000	-	222,310	-	137,690	222,310
Transit City Grant - Washington Avenue	6320-480-601385-61	1/1/15-12/31/16	240,000	199,445	-	199,310	-	135	239,865
Transit Village Grant - Ansley Avenue	6320-480-601385-61	1/1/16-12/31/17	500,000	500,000	-	-	-	500,000	-
Safe Streets Program - Rt 9 & Park Ave	6320-480-601385-61	1/1/15-12/31/16	500,000	499,445	-	-	-	166,255	-
2015 Municipal Aid - Decature Avenue	6320-480-601385-61	1/1/15-12/31/16	240,950	240,950	-	333,190	-	240,950	-
Transportation Enhancement Fund	6320-480-078-6320	1/1/01-12/31/01	24,502	24,502	-	-	-	24,502	-
Pedestrian Safety	6320-480-078-6320	1/1/09-12/31/09	4,000	4,000	-	-	-	4,000	-
Safe Corridors	6320-480-601385-61	1/1/09-12/31/09	47,999	14,448	-	-	-	14,448	33,551
Safe Corridors	6320-480-601385-61	1/1/11-12/31/11	20,646	20,646	-	-	-	20,646	-
Safe Corridors	6320-480-601385-61	1/1/13-12/31/13	20,020	38	-	-	-	38	19,982
Municipal and Urban Aid - 2017	6320-480-601385-61	1/1/17-12/31/17	273,802	8,057	273,802	178,881	-	94,921	178,881
Municipal and Urban Aid - 2012	6320-480-601385-61	1/1/12-12/31/12	251,300	30,758	-	-	-	8,057	243,243
Commuter Path Safety Improvements	6320-480-601385-61	1/1/08-12/31/08	308,250	10,277	-	-	-	30,758	277,492
Highway Safety Grant	6320-480-601385-61	1/1/14-12/31/14	17,291	2,304,126	273,802	1,184,641	-	10,277	7,014
New Jersey Department of Law and Public Safety									
Safe and Secure Communities	100-066-1020-107-090940	1/1/17-12/31/17	90,000	-	90,000	90,000	-	-	90,000
Department of Commerce and Economic Development									
Urban Enterprise Zone									
Projects	763-020-2830	1/1/96-12/31/13	45,884,679	336,360	-	336,360	-	-	45,884,679
Zone Marketing Phase V	763-020-2830	1/1/09-12/31/09	285,040	25,115	-	-	-	25,115	259,925
Public Safety Year 17	763-020-2830	1/1/16-12/31/16	1,200,000	35,653	1,050,000	1,050,000	-	-	1,200,000
Bulkhead Project	763-020-2830	1/1/16-12/31/16	200,000	-	-	25,265	-	10,388	189,612
Special Engineering Grant	763-020-2830	1/1/17-12/31/17	7,500	-	7,500	7,500	-	-	7,500
Bus Station Security	763-020-2830	1/1/15-12/31/15	100,000	397,128	100,000	100,000	-	-	100,000
Total State Assistance				3,206,935	1,157,500	2,858,752	-	35,503	-
					1,579,538		-	1,927,721	

Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2017

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the City of Pleasantville, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs. The City has elected not to use the 10% de minimis indirect cost rate.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

	<u>Federal</u>	<u>State</u>
Expenditure per Schedule of Federal and State Awards	\$ 567,469	2,858,752
Add local funding		<u>22,028</u>
Expenditure per Audit Schedule A-12	<u>\$ 567,469</u>	<u>2,880,780</u>

State Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's report issued on
compliance major programsUnmodifiedAny audit findings disclosed that are required to
be reported in accordance with OMB Circular 15-08_____ yes X no

Identification of major programs:

GMIS Number(s)Name of State Program6320-480-601385-61New Jersey Dept of Transportation Trust Fund

Dollar Threshold used to distinguish between type A and
type B programs:\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

Part 2 -- Schedule of Financial Statement Findings

2017-001. Criteria

The general ledger is required to be maintained in an accurate manner in order for City personnel to determine the financial status at any point in time.

Condition

Significant adjusting entries were not posted to the general ledger during the 2017 calendar year which resulted in incomplete financial information provided to City officials throughout the year.

Cause

Due to staffing problems, the City's finance office did not post adjusting entries, such as interfund transfers and noncash budget items, to the general ledger and therefore did not have sufficient information to properly monitor the financial condition of the City.

Effect

The City does not have sufficient information to accurately monitor financial activity throughout the year.

Recommendation

That the Finance Department adequately monitor the financial information on an ongoing basis and post any necessary adjustments in a timely manner. We also suggest that a monthly report be submitted to City Council at the first meeting following the close of the month.

Management Response

The Finance Office will monitor the general ledger on a regular basis and ensure that all required journal entries are posted.

2017-002. Criteria

Chapter 131 of the Laws of 1989 states that a person or member of a board or body commits a crime of the fourth degree if he purposes and knowingly disburses public funds or incurs obligations in excess of the appropriation.

Condition

Expenditures without appropriations in the amount of \$323,138 were noted in the Current Fund, and overexpenditures of appropriation reserves in the amount of \$159,654 were noted in the Current Fund. Overexpenditures of appropriations in the amount of \$48,846 and expenditures without appropriations in the amount of \$12,656 were identified in the Sewer Utility Fund.

Cause

The overexpenditures were the result of insufficient budgeting during the year.

Effect

Overexpenditures of appropriations and appropriation reserves are deferred charges to be raised in the budget of the succeeding year and may require the City to reduce other appropriations to balance the budget.

Recommendation

That the Chief Financial Officer ensure purchases are not made without sufficient appropriations.

Management Response

Expenditures and expenses will be closely monitored throughout the budget year to ensure balances are sufficient.

Part 3 -- Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

NONE

STATUS OF PRIOR RECOMMENDATIONS

Finding 2016-001

Condition

The general ledger is required to be maintained in an accurate manner in order for City personnel to determine the financial status at any point in time.

Current Status

This recommendation was not cleared during 2017.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>State Grant Fund</u>
Balance December 31, 2016	\$ 5,023,127	2,992,971
Increased by Receipts:		
Tax Collector	34,689,153	
Clerk	57,798	
Revenue Accounts Receivable	3,558,701	
Miscellaneous Revenue	462,463	
Anticipated Utility Surplus - Sewer	1,100,000	
Appropriation Refunds	3,078,282	
Emergency Note	600,523	
UEZ Second Generation Loan Repayments		1,449,579
State of New Jersey:		
Senior Citizens & Veterans	90,516	
DCA Training Fees	13,704	
	<u>43,651,140</u>	<u>1,449,579</u>
	48,674,267	4,442,550
Decreased by Disbursements:		
2017 Appropriations	29,759,388	
2016 Appropriation Reserve	549,252	
County Taxes	3,871,311	
Local District School Tax	9,398,115	
Due to Local School - BPPT	153,435	
State of NJ - DCA Training Fees	8,659	
Special Emergency Note Payable	393,686	
Due to City Escrow Trust	1,500	
Reserve for Tax Lien Sale Costs	20,101	
Due to General Capital Fund	247,984	
Due to the Current Fund		1,379,830
	<u>44,403,431</u>	<u>1,379,830</u>
Balance December 31, 2017	\$ <u><u>4,270,836</u></u>	<u><u>3,062,720</u></u>

**CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR**

Balance December 31, 2016		\$	-
Increased by Receipts:			
Prepaid Taxes - 2018	479,032		
Revenue Accounts Receivable	188,888		
Taxes Receivable	33,926,732		
Miscellaneous Revenue	11,035		
Tax Title and Other Liens	83,466		
			<u>34,689,153</u>
			34,689,153
Payments to Treasurer			<u>34,689,153</u>
Balance December 31, 2017		\$	<u><u>-</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2016	2017 Levy	Added Taxes	Overpayments Created	Collections by Cash		Overpayments Applied	Cancellations	Cut and Clean	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2017
					2016	2017						
Arrears 2016	\$ 83,028			39,292		60,263		42,166	94,616	39,473	12,059	87,093
	45,746		12,104			-		13,254			-	44,596
2017	128,774	-	12,104	39,292	-	60,263	-	55,420		39,473	12,059	131,689
		34,954,527	41,548	224,901	441,089	33,972,741		475,028		263,128	(2,830)	66,160
\$	128,774	34,954,527	53,652	264,193	441,089	34,033,004	-	530,448		302,601	9,229	197,849
				Cash Collected		33,926,732						
				Senior Citizen & Veteran Allowances		106,272						
						<u>34,033,004</u>						

SEE ACCOMPANYING AUDITOR'S REPORT

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY**

Analysis of 2017 Property Tax Levy

Tax Yield

General Property Tax	\$	34,954,527	
Added Taxes (54:4-63.1,63.12 et.seq.)		<u>41,548</u>	
			<u><u>34,996,075</u></u>

Tax Levy

Local District School Tax (Abstract)		9,342,353	
County Tax (Abstract)		3,833,199	
Due County for Added and Omitted Taxes (54:4-63.1,63.12 et. seq.)		<u>4,671</u>	
			13,180,223

Local Tax for Municipal Purposes		21,780,636	
Add: Additional Tax Levied		<u>35,216</u>	

Local Tax for Municipal Purposes Levied			<u><u>21,815,852</u></u>
	\$		<u><u>34,996,075</u></u>

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2016		\$ 1,322,687
Increased by:		
Interest and Costs Accrued by Sale of December 18, 2017	11,062	
Other	40,133	
Transfers from Taxes Receivable	<u>302,601</u>	
		<u>353,796</u>
		1,676,483
Decreased by:		
Cancellation	67,922	
Transferred to Arrears	9,229	
Collection	<u>83,466</u>	
		<u>160,617</u>
Balance December 31, 2017		<u><u>1,515,866</u></u>

ANALYSIS OF BALANCE

Tax Title Liens	1,319,048	
Boarding Up/Demolition Liens	160,888	
Cleaning Liens	<u>35,930</u>	
		\$ <u><u>1,515,866</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2016	Accrued In 2017	Collector	Treasurer	Clerk	Balance Dec. 31, 2017
Clerk:						
Licenses:						
Alcoholic Beverages		22,150			22,150	
Other		35,648			35,648	
Fees and Permits		315,013		315,013		
Construction Code		319,984		319,984		
Interest on Delinquent Taxes		188,888	188,888			
Interest on Investments and Deposits		23,849		23,849		
Municipal Court:						
Fines and Costs	9,791	176,210		174,996		11,005
Uniform Fire Safety		45,083		45,083		
Rental of Municipal Property		65,000		65,000		
Payments in Lieu of Taxes		275,974		275,974		
Hotel Room Tax		47,812		47,812		
Rental Regulation Fee		159,550		159,550		
Energy Receipts Tax		1,877,302		1,877,302		
Consolidated Municipal Property						
Tax Relief Act		254,138		254,138		
	<u>9,791</u>	<u>3,806,601</u>	<u>188,888</u>	<u>3,558,701</u>	<u>57,798</u>	<u>11,005</u>

SEE ACCOMPANYING AUDITOR'S REPORT

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2016

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
General and Administrative					
Salary & Wages	\$ 836	836	-	836	
Other Expenses	10,500	10,500	2,481	8,019	
Mayor and City Council					
Salary & Wages	674	674	-	674	
Other Expenses	972	972	531	441	
City Clerk's Office					
Salary & Wages	622	622	-	622	
Other Expenses	4,584	4,584	105	4,479	
Technology Support and Equipment					
Other Expenses	19,254	19,254	18,421	833	
Elections					
Other Expenses	621	621	-	621	
Financial Administration					
Salary & Wages	642	642	-	642	
Other Expenses	4,050	4,050	3,569	481	
Assessment of Taxes					
Salary & Wages	1,829	1,829	-	1,829	
Other Expenses	938	938	40	898	
Collection of Taxes					
Salary & Wages	1,985	1,985	-	1,985	
Other Expenses	3,399	3,399	1,854	1,545	
Liquidation of Tax Title Liens					
Other Expenses	472	472	-	472	
Legal Services					
Salary & Wages	354	354	-	354	
Other Expenses	15,985	15,985	15,923	62	
Public Buildings and Grounds					
Other Expenses	6,370	6,370	2,584	3,786	
Planning and Zoning Board of Adjustment					
Salary & Wages	225	225	-	225	
Other Expenses	1,220	1,220	55	1,165	
Fire					
Salary & Wages	115,231	115,231	-	115,231	
Other Expenses	4,117	4,117	3,965	152	
Police					
Salary & Wages	2,792	2,792	-	2,792	
Other Expenses	14,187	14,187	6,189	7,998	
Emergency Management Service					
Other Expenses	1,645	1,645	1,645	-	
Fire Prevention Program					
Salary & Wages	338	338	-	338	
Other Expenses	492	492	133	359	
Telecommunications Unit					
Salary & Wages	2,712	2,712	-	2,712	
Other Expenses	6,250	6,250	6,000	250	
Municipal Court					
Salary & Wages	262	262	-	262	
Other Expenses	4,494	4,494	634	3,860	
Public Defender					
Salary & Wages	300	300	-	300	

SEE ACCOMPANYING AUDITOR'S REPORT

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2016**

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Division of Roads					
Salary & Wages	8,244	8,244	-	8,244	
Other Expenses	68,027	68,027	43,182	24,845	
Division of Public Property					
Salary & Wages	191	191	-	191	
Other Expenses	1,768	1,768	301	1,467	
Sanitation					
Contractual Trash Pickup	103,702	103,702	101,925	1,777	
Contractual Recycling Pickup	30,036	30,036	30,035	1	
Solid Waste Disposal costs	107,416	107,416	107,394	22	
Animal Control					
Other Expenses	4,500	4,500	2,637	1,863	
Senior Citizen Board					
Other Expenses	407	407	64	343	
Recreation					
Salary & Wages	2,275	2,275	-	2,275	
Other Expenses	6,079	6,079	1,394	4,685	
Insurance					
Workers Compensation	869	869	-	869	
Employee Group Health	1,727	1,727	161,381	-	159,654
EPL Settlements	1,224	1,224	-	1,224	
Employee Group Health Opt-Outs	396	396	-	396	
Crossing Guards					
Salary & Wages	17	17	-	17	
Other Expenses	194	194	-	194	
Construction Code Official					
Salary & Wages	541	541	-	541	
Other Expenses	11,033	11,033	70	10,963	
Housing Official					
Salary & Wages	495	495	-	495	
Other Expenses	678	678	209	469	
Unclassified:					
Fire Hydrant	179	179	-	179	
Electricity	1,639	1,639	1,285	354	
Fuel Oil	2,752	2,752	2,700	52	
Telephone	3,399	3,399	3,039	360	
Water	905	905	807	98	
Gasoline	20,291	20,291	17,848	2,443	
Contingent	100	100	-	100	
Public Employees' Retirement System	231	231	-	231	
Social Security	230	230	-	230	
Police and Firemen's Retirement System	10	10	-	10	
Defined Contribution Pension Plan	448	448	365	83	
Judgements	24,578	24,578	10,487	14,091	
Other Accounts - No Changes	-	-	-	-	
	<u>\$ 632,933</u>	<u>632,933</u>	<u>549,252</u>	<u>243,335</u>	<u>159,654</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2016		\$	73,151
Increased By:			
Levy - Calendar Year 2017			<u>9,342,353</u>
			9,415,504
Decreased By:			
Payments	<u>9,398,115</u>		<u>9,398,115</u>
Balance December 31, 2017		\$	<u><u>17,389</u></u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES**

<u>Purpose</u>	<u>Balance Dec. 31, 2016</u>	<u>Transferred from 2017 Revenues</u>	<u>Received</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2017</u>
STATE GRANTS:					
NJ Transportation Trust Fund Authority Act of 1984					
Transit Village - Ansley Avenue	\$ 500,000				500,000
Reconstruction of Milan Avenue	67,584				67,584
Municipal and Urban Aid - 2012	42,457				42,457
Local Aid/Pedestrian Safety	7,293				7,293
Bikeway Lighting	360,000		132,232		227,768
Transportation Enhancement Fund	24,502				24,502
Portland Avenue	250,950				250,950
E. West Jersey Avenue Transit Village	12,374				12,374
Safe Corridors	20,646				20,646
2013 Municipal Aid Program	55,022		55,022		-
2013 Municipal Aid Program	62,500		62,500		-
2014 Municipal Aid Program	239,890		179,918		59,972
Highway Safety Grant - 2014	17,291				17,291
2015 Transit Village	240,000		179,310		60,690
2015 Safe Streets	500,000				500,000
2015 Municipal Aid - Decature Ave	240,950				240,950
Highway Safety NJ Safe Corridors	20,020				20,020
JIF Safety Award	2,500				2,500
Municipal Alliance Program	26,794		10,656		16,138
Clean Communities Program	78,312	35,221	35,221		78,312
Click it or Ticket	2,850		2,650		200
Aggressive Enforcement - Aggressive Driver	23,987				23,987
Drunk Driving Enforcement Fund	7,712				7,712
Safe and Secure Neighborhoods Program	180,000	90,000	90,000		180,000
NJ Division of Highway Safety - Seat Belt Usage	8,400				8,400
NJ Division of Highway Safety - Buckle Up South Jersey	150				150
NJ Division of Highway Safety - Safety Belt Performance	2,000				2,000
NJ Department of Highway Safety	18,900				18,900
Green Acres - Brighton Recreation Complex Expansion	175,000				175,000
Smart Growth Community Planning & Implementation	45,605				45,605
COPS In Schools Grant	4,483				4,483
South Jersey Industries Recreation Grant	500				500
Department of Law & Public Safety-Click It or Ticket	4,978				4,978
Pedestrian Safety Grant	4,000				4,000
Highway Safety Grant	23,571				23,571
Highway Safety Grant - 2012	16,940				16,940
Donation - Pleasantville Dental Scoreboard	5,000				5,000
Commuter Path Systems Improvement	313,965				313,965
NJ Division of Engineering & Construction	83,457				83,457
Community Development Fund	130,041				130,041
Econ Dev Division Property Info System	16,500				16,500
NJ EDA - 2015 Main StreetScape	424,881		318,917		105,964
Recycling Tonnage Grant	-	23,015	23,015		-
Tarentino Community Policing Grant	-	15,684			15,684
Municipal Aid & Urban Aid - California Avenue	-	273,802			273,802
Pleasantville Urban Enterprise Zone					
Projects -					
Bus Station Security	-	100,000	100,000		-
Public Safety Year 17	-	1,050,000	1,050,000		-
Special Engineering Grant	-	7,500	7,500		-
Total State	4,262,005	1,595,222	2,246,941	-	3,610,286

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANT RECEIVABLES

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Transferred</u> <u>from</u> <u>2017</u> <u>Revenues</u>	<u>Received</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
FEDERAL GRANTS					
Small Cities Community Development Block Grant (1995, 1997, 1998, 1999) Housing Rehabilitation					
2009 CDBG	19,541				19,541
2011 CDBG	27,183				27,183
2013 CDBG - Super Storm Sandy - Capital	30,000		30,000		-
2013 CDBG	2,072				2,072
Federal Emergency Management Assistance -					
Hazard Mitigation Grant - Generator	90,000		85,977		4,023
Post Sandy Planning Grant	33,984		33,984		-
Additional Post Sandy Planning Grant	110,000				110,000
Bay Avenue Pump Station	200,000				200,000
US Department of Homeland Security					
SAFER Grant	121,994	350,000	406,213		65,781
US Department of Justice					
School Based Partnerships-Cops Grant	85,749				85,749
Local Law Enforcement Program	76,422				76,422
Body Armor Fund	1,684	17,330	17,330		1,684
Bulletproof Vest Partnership Grant	-	4,914			4,914
COPS Hiring Grant - ARRA	76,796				76,796
Justice Assistance Grant	15,382				15,382
US Department of Agriculture					
Summer Food Program	519,425	238,394	452,810		305,009
Federal Transit Administration - FRA Grant	152,664				152,664
US Dept of Commerce-Economic Development Administration	71,703				71,703
	<u>1,634,599</u>	<u>610,638</u>	<u>1,026,314</u>	<u>-</u>	<u>1,218,923</u>
\$	<u><u>5,896,604</u></u>	<u><u>2,205,860</u></u>	<u><u>3,273,255</u></u>	<u><u>-</u></u>	<u><u>4,829,209</u></u>

**CURRENT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED**

Grant	Balance Dec. 31, 2016	Transferred from 2017 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Adjustment	Cancelled	Balance Dec. 31, 2017
STATE GRANTS:									
NJ Transportation Trust Fund Authority Act of 1984	\$								
Reconstruction of Linden Avenue-Phase II	18,523								18,523
West Jersey Avenue Streetscape	16,878								16,878
Construction of Bike Path	12,256								12,256
Bike Path Extension	92,953								92,953
Transportation Enhancement Fund	24,502								24,502
Municipal and Urban Aid - 2012	8,057								8,057
Portland Avenue	250,950		36,576	214,374					-
Recycling Tonnage Grant	134,542	23,015	21,730						135,827
Clean Communities Act	96,634								96,634
Clean Communities Act - 2015	34,248								34,248
Clean Communities Act - 2016	450								450
Clean Communities Act - 2017	-	35,221	33,720						1,501
NJ DOT - Commuter Path Systems Improvements	30,758								30,758
NJ DOT - 2014 Highway Safety Grant	10,277								10,277
NJ DOT - 2015 Transit Village Imp. Washington Avenue	199,445		203,881	11,502	(16,073)				135
NJ DOT - 2015 Safe Streets to Imp Rt 9 & Park Avenue Safety	499,445		54,802	278,388					166,255
NJ DOT - 2015 Municipal Aid Program - Decature Ave Imp	240,950								240,950
NJ DOT - Bikepath Lighting	360,000		134,364	87,946					137,690
NJ DOT - Transit Village - Ansley Avenue	500,000								500,000
REDI - Incentive Study & Implementation	9,736								9,736
Drunk Driving Enforcement Fund	7,554		1,500		(1,500)				7,554
Safe and Secure Communities Program	-	90,000	90,000						-
Atlantic County Open Space Program - Financial Asst.	95,993								95,993
Municipal Drug Alliance	56,878		11,957						44,921
Click it or Ticket	8,098		3,510						4,588
Aggressive Enforcement - Aggressive Driver	2,850								2,850
JIF Safety Fund	14,000								14,000
Alcohol Education Rehabilitation	2,500								2,500
NJ State Police Emergency Management Assistance	3,810		2,100						1,710
NJ Division of Highway Safety	10,000								10,000
NJ Division of Highway Safety Grant	10,062								10,062
NJ Division of Highway Safety - Buckle Up South Jersey	16,940								16,940
NJ Division of Highway Safety - Over the Limit Under Arrest	2,310								2,310
Smart Growth Implementation	50,418								50,418
Livable Communities Grant	54,986								54,986
NJ Economic Development Initiative	3,945								3,945
NJ Economic Development - 2015 Main StreetScape	3,623								3,623
Smart Growth Marina Facility	7,436		404,653	20,228	(417,445)				-
	32,544								32,544

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**CURRENT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED**

	Balance Dec. 31, 2016	Transferred from 2017 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Adjustment	Cancelled	Balance Dec. 31, 2017
Grant	35,132								35,132
NJ Dept of Transportation-Safe Corridors	12,145								12,145
Donation - Recreation Boxing Program	25,000								25,000
Donation - Recreation Department	1,437								1,437
Donation - Pleasant Dental Scoreboard	16,142								16,142
Project Vision Club - Combat Youth Gang Activity	147,643								147,643
ACJA - Drainage Improvements	2,083								2,083
Stormwater Grant	4,000								4,000
Pedestrian Safety Grant	6,281								6,281
NJ Clean Vessel Grant	500								500
South Jersey Industries Recreation Grant	1,229								1,229
Sustainable Jersey Small Grants Program - 2015	49								49
2015 O.C.E.A.N. Inc. - After School Program	-	273,802	17,434	161,447					94,921
Muni Aid - 2017 California Ave	-	15,684	6,561						9,123
Tarentino Community Policing Grant									
Pleasantville Urban Enterprise Zone Revolving Loan Program (97-61)	336,360		221,872	114,488					-
Zone Marketing Phase V (09-192)	25,115	1,050,000	1,050,000						25,115
Public Safety Year 17	-		5,265	20,000					-
Bulkhead Project	35,653	100,000	100,000						10,388
Bus Station Security	-	7,500		7,500					-
Special Engineering Grant	-								-
Total State	3,573,320	1,595,222	2,399,925	915,873	(435,018)	-	-	-	2,287,762

CURRENT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS APPROPRIATED

Grant	Balance Dec. 31, 2016	Transferred from 2017 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Adjustment	Cancelled	Balance Dec. 31, 2017
FEDERAL GRANTS:									
Small Cities Community Development Block Grant									
2013 CDBG	8,547								8,547
2013 CDBG - Superstorm Sandy	-			402	(402)				-
2011 CDBG	-			3	(3)				-
CDBG Park Ave	1,640								1,640
US Department of Agriculture									
Summer Food Program	334,471		9,080						325,391
Summer Food Program - 2015	98,717								98,717
Summer Food Program - 2016	148,600								148,600
Summer Food Program - 2017	-	238,394	120,709						117,685
US Department of Justice									
School Based Partnership COPS Grant	6,981								6,981
Local Law Enforcement Program	41,888								41,888
Body Armor Fund	6,866	17,330	4,751	1,920	(4,750)				22,275
Justice Assistance Grant - 2012	5								5
Justice Assistance Grant - 2015	383								383
Bulletproof Vest Partnership Grant	-	4,914	4,914						-
US Department of Homeland Security									
Police Canine & Equipment	1,985								1,985
Federal Emergency Management Assistance									
Homeland Security									
SAFER Grant	1,050	350,000	406,213						1,050
Additional Post Sandy Planning	121,997								65,784
Bayview Avenue Pump Station Generator	24,879						(90,000)		24,879
Post Sandy Planning Grant	94,375		21,561	23	(23)				4,375
Hazard Mitigation - Generator	36,683								15,122
Hazard Mitigation - Generator - Local Match	4,024								4,024
Sandy Shared Services - Capital Grant	448		16,505	29,909	(43,343)		90,000		448
Housing and Urban Development									
Pleasantville Housing Authority Drug Elimination	18,040								18,040
Federal Transit Administration									
FRA grant - Pleasantville Railroad Rehabilitation	152,664								152,664
US Department of Commerce									
Economic Development									
Total Federal	114,860	610,638	583,733	32,257	(48,521)	-	-	-	114,860
Total All Grants	4,792,423	2,205,860	2,983,658	948,130	(483,539)	-	-	-	3,550,034

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CURRENT FUND
SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

<u>Grant</u>	Balance Dec. 31, 2016	Transferred to 2017 Appropriations	Received	Adjustments	Balance Dec. 31, 2017
Body Armor Fund	\$ 12,572	12,572			-
Recycling Tonnage Grant	23,015	23,015	21,730		21,730
Urban Enterprise Zone					
Second Generation Funds	3,034,882	1,157,500	1,449,579		3,326,961
	<u>\$ 3,070,469</u>	<u>1,193,087</u>	<u>1,471,309</u>	<u>-</u>	<u>3,348,691</u>

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**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2016	\$ 6,453	1,930,726
Increased By:		
Dog License Fees	423	
State License Fees	240	
Employee Withholdings		3,643
Tax Title Lien Redemption		3,762,045
Premiums Received		1,253,300
Confiscated Funds		3,380
Developers Deposits		87,007
Payroll Agency Trust		6,313,206
Payroll Clearing		8,738,483
Bid Deposit Escrow		23
Law Enforcement Trust Fund		3
Fire Prevention Penalty Fund		88
Fire Prevention Dedicated Penalty		79
Parking Offenses Adjudication Act		148
Veterans Memorial Park Fund		234
Maintenance Escrow		37,608
Accumulated Absence Trust		600,523
Due from Current	<u>31</u>	<u>-</u>
	<u>694</u>	<u>20,829,770</u>
	7,147	22,760,496
Decreased By:		
State of New Jersey	236	
Animal Control Fund Expenditures	292	
Unemployment Claims		22,075
Redemption of Tax Sale Certificates		3,758,262
Refund of Tax Sale Premiums		1,047,600
Confiscated Funds		13,743
Developers Escrow		80,446
Due to Current fund	33	-
Fire Prevention Dedicated Penalty		21
Payroll Agency Trust		6,411,775
Payroll Clearing		8,740,017
Veterans Memorial Park Fund		68
Accumulated Absence Trust		613,170
Maintenance Escrow		108,694
	<u>561</u>	<u>20,795,871</u>
Balance December 31, 2017	\$ <u><u>6,586</u></u>	<u><u>1,964,625</u></u>

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TRUST FUND
SCHEDULE OF CASH - TREASURER

Analysis of Other Cash

Bid Escrow Deposits	5,239
Tax Title Lien Redemption	1,376,158
Unemployment Trust	42,858
Developers Escrow	108,069
Zoning Board Escrow	45,761
Payroll Clearing Account	36,983
Payroll Agency Trust	60,108
Fire Prevention Penalty Fund	8,492
Fire Prevention Dedicated Penalty	5,312
Parking Offenses Adjudication Act	970
Law Enforcement Trust Fund	569
Veterans Memorial Park Fund	24,223
Maintenance Escrow	71,868
Accumulated Absence Trust	168,613
Confiscated Funds Account	9,402
	<hr/>
	1,964,625
	<hr/>
\$	

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance December 31, 2016	\$ 1,310
Increased by:	
Dog License Fees Collected	<u>423</u>
	1,733
Decreased by:	
Expenditures	292
Statutory Excess	<u>215</u>
Balance December 31, 2017	\$ <u><u>1,226</u></u>

License Fees Collected	<u>Year</u>	<u>Amount</u>
	2016	608
	2015	<u>618</u>
		<u><u>1,226</u></u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) CURRENT FUND -
ANIMAL CONTROL FUND

Balance December 31, 2016	\$	5,143
Increased by:		
Due to Current		31
Statutory Excess		215
		<u>246</u>
		5,389
Decreased by:		
Due to Current		33
		<u>33</u>
Balance December 31, 2017	\$	<u><u>5,356</u></u>

TRUST FUND
SCHEDULE OF AMOUNT DUE TO STATE OF NEW JERSEY -
DEPARTMENT OF HEALTH

Balance December 31, 2016	\$	-
Increased by:		
State License Fees	130	
Pilot Clinic Fee	26	
Animal Population Control Fee	84	
	<u>240</u>	240
		240
Decreased By:		
Payments		236
		<u>236</u>
Balance December 31, 2017	\$	<u><u>4</u></u>

TRUST FUND
SCHEDULE OF DEPOSITS FOR TAX TITLE LIEN REDEMPTIONS

Balance December 31, 2016	\$ 38,376
Increased by:	
Deposits for Redemptions	<u>3,762,045</u>
	3,800,421
Decreased by:	
Refunds - Certificates Received	3,758,262
Due to Current Fund	<u>3,901</u>
Balance December 31, 2017	\$ <u><u>38,258</u></u>

TRUST FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE

Balance December 31, 2016	\$ 1,132,200
Increased by:	
Premiums Received at Tax Sale	<u>1,253,300</u>
	2,385,500
Decreased by:	
Refunds upon Redemption	<u>1,047,600</u>
Balance December 31, 2017	\$ <u><u>1,337,900</u></u>

TRUST FUND
SCHEDULE OF UNEMPLOYMENT COMPENSATION TRUST

Balance December 31, 2016		\$ 40,314
Increased By:		
City Contribution	30,000	
Employee Withholdings	<u>3,643</u>	
		<u>33,643</u>
		73,957
Decreased by:		
Payments to State of New Jersey		<u>22,075</u>
Balance December 31, 2017		<u><u>\$ 51,882</u></u>

TRUST FUND
SCHEDULE OF BID ESCROW TRUST

Balance December 31, 2016		\$ 5,216
Increased by:		
Bid Deposited Received		<u>23</u>
		5,239
Decreased by:		
Bid Deposits Refunded	<u> </u>	<u>-</u>
Balance December 31, 2017		<u><u>\$ 5,239</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR CONFISCATED FUNDS

Balance December 31, 2016	\$	19,765
Increased by:		
City's Share of Forfeited Funds		<u>3,380</u>
		23,145
Decreased by:		
Miscellaneous		<u>13,743</u>
Balance December 31, 2017	\$	<u><u>9,402</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW

Balance December 31, 2016	\$	147,269
Increased by:		
Deposits from Developer's	<u>87,007</u>	<u>87,007</u>
		234,276
Decreased by:		
Payments to Professionals	80,446	
Refunds to Developers	<u>-</u>	<u>80,446</u>
Balance December 31, 2017	\$	<u><u>153,830</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST

Balance December 31, 2016		\$	566
Funds Received	<u>3</u>		
			3
			<u> </u>
Balance December 31, 2017		\$	<u><u>569</u></u>

**SCHEDULE OF CASH TREASURER
GENERAL CAPITAL FUND**

Balance December 31, 2016		\$ 62,163
Increased by:		
Capital Improvement Fund	50,000	
Note Proceeds	1,966,500	
State of NJ Green Acres	151,573	
Due from Current Fund	3,362	
	<hr/>	<hr/> 2,171,435
		2,233,598
Decreased by:		
Due to Current Fund		
Improvement Authorizations	<hr/> 595,826	595,826
		<hr/>
Balance December 31, 2017		\$ <u><u>1,637,772</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2016	\$ 81,700
Increased by:	
2017 Budget Appropriation	<u>50,000</u>
	131,700
Decreased by:	
Improvement Authorization	<u>103,500</u>
Balance December 31, 2017	<u><u>\$ 28,200</u></u>

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance December 31, 2016		\$	11,334,985
Increased by:			
Loan Issued	434,150		
Bonds Issued	<u>-</u>		
			<u>434,150</u>
Decreased by:			
2017 Budget Appropriation			
to Pay Bonds	1,677,000		
to Pay Loan	<u>33,540</u>		
			<u>1,710,540</u>
Balance December 31, 2017		\$	<u><u>10,058,595</u></u>

GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance #	Improvement Description	Balance Dec. 31, 2016	2017 Authorization	Raised in 2017 Budget	Adjustment	Transfer to Deferred Charges to Future Taxation- Funded	Analysis of Balance - December 31, 2017			
							Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
18-05	Installation of Water Lines - Cresson Avenue	\$ 110,000						110,000		
9-06	Installation of Water Lines - Cresson Avenue	64,368						64,368		
7-12	Demolition of Unsafe Buildings	4,000						4,000		
12-12	Tax Appeal Refunding	346,000		346,000			-			
10-15	Acquisition of Various Capital	700					700	639		61
1-17	Emergency Refunding	-	815,000				815,000			
10-17	Various Capital Improvements	-	1,966,500				1,966,500			
		<u>\$ 525,068</u>	<u>2,781,500</u>	<u>346,000</u>	<u>-</u>	<u>-</u>	<u>2,781,500</u>	<u>179,007</u>		<u>61</u>

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**GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
General Improvement Bonds	11/15/02	3,302,000	10/15/18	199,000	5.25%				
			10/15/19	208,000	4.63%				
			10/15/20	218,000	4.63%				
			10/15/21	229,000	4.75%				
			10/15/22	240,000	4.75%	\$ 1,284,000	190,000	1,094,000	
General Improvement Bonds	7/1/07	4,572,000				642,000	642,000	-	
Refunding Bond Issue	1/27/11	3,165,000	10/1/18	285,000	4.00%				
			10/1/19	285,000	4.00%				
			10/1/20	300,000	4.00%				
			10/1/21	305,000	4.00%	1,465,000	290,000	1,175,000	
General Improvement Bonds	11/1/11	5,689,000	10/1/18	515,000	2.25%				
			10/1/19	515,000	2.25%				
			10/1/20	515,000	2.50%				
			10/1/21	515,000	2.63%				
			10/1/22	515,000	3.00%				
			10/1/23	515,000	3.50%	3,975,000	370,000	3,605,000	
			10/1/24	515,000	3.50%				
General Improvement Bonds	8/13/15	3,857,000	8/1/18	200,000	2.00%				
			8/1/19	200,000	2.00%				
			8/1/20	200,000	2.00%				
			8/1/21	200,000	2.00%				
			8/1/22	250,000	2.00%				
			8/1/23	350,000	2.00%				
			8/1/24	350,000	3.00%				
			8/1/25	350,000	3.00%				
			8/1/26	350,000	3.00%				
			8/1/27	350,000	3.50%				
			8/1/28	350,000	3.50%	3,682,000	185,000	3,497,000	
			8/1/29	347,000	3.50%				
						\$ 11,048,000	-	1,677,000	9,371,000

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**GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
State of New Jersey Department of Community Affairs Multi Park Improvements	11/04/05	250,000	2/08/18	6,762	2.00%	114,399		13,324	101,075
			8/08/18	6,830					
			2/08/19	6,898					
			8/08/19	6,967					
			2/08/20	7,037					
			8/08/20	7,107					
			2/08/21	7,178					
			8/08/21	7,250					
			2/08/22	7,322					
			8/08/22	7,395					
			2/08/23	7,469					
			8/08/23	7,544					
			2/08/24	7,620					
			8/08/24	7,696					
Brighton Recreation Complex Acquisition (A)	4/7/06	60,484	1/7/18	1,588	2.00%	32,395		3,129	29,266
			7/7/18	1,604					
			1/7/19	1,620					
			7/7/19	1,636					
			1/7/20	1,652					
			7/7/20	1,669					
			1/7/21	1,686					
			7/7/21	1,702					
			1/7/22	1,719					
			7/7/22	1,737					
			1/7/23	1,754					
			7/7/23	1,772					
			1/7/24	1,789					
			7/7/24	1,807					
1/7/25	1,825								
7/7/25	1,844								
1/7/26	1,862								

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**GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2017		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
Demolition Loan	2014	170,000	1/8/18	17,210	4.00%	140,191		17,087	123,104
			1/8/19	17,334					
			1/8/20	17,459					
			1/8/21	17,585					
			1/8/22	17,711					
			1/8/23	17,839					
	1/8/24	17,966							
Demolition Loan	10/13/2017	150,067	10/13/18	14,527	4.00%	150,067			150,067
			10/13/19	14,631					
			10/13/20	14,737					
			10/13/21	14,843					
			10/13/22	14,950					
			10/13/23	15,057					
			10/13/24	15,166					
			10/13/25	15,275					
			10/13/26	15,385					
			10/13/27	15,496					
Multi Park Recreation Sports Facility	8/16/2017	434,150	2/16/18	14,704	2.00%	434,150			434,150
			8/16/18	14,851					
			2/16/19	15,000					
			8/16/19	15,150					
			2/16/20	15,301					
			8/16/20	15,454					
			2/16/21	15,609					
			8/16/21	15,765					
			2/16/22	15,923					
			8/16/22	16,082					
			2/16/23	16,243					
			8/16/23	16,405					
			2/16/24	16,569					
			8/16/24	16,735					
			2/16/25	16,902					
			8/16/25	17,071					
			2/16/26	17,242					
			8/16/26	17,414					
			2/16/27	17,588					
			8/16/27	17,764					
			2/16/28	17,942					
			8/16/28	18,121					
			2/16/29	18,303					
			8/16/29	18,486					
			2/16/30	18,670					
			8/16/30	18,856					
						286,985	584,217	33,540	837,662

SEE ACCOMPANYING AUDITOR'S REPORT

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
Tax Appeal Refunding	12-12	12/14/2012	12/7/2016	12/5/2017	1.25%	\$ 346,000		346,000	-
Emergency Refunding	1-17	12/20/2017	12/20/2017	12/19/2018	1.74%	-	815,000		815,000
Various Capital Improvements	10-17	8/17/2017	8/17/2017	8/16/2018	2.25%	-	1,966,500		1,966,500
						<u>\$ 346,000</u>	<u>2,781,500</u>	<u>346,000</u>	<u>2,781,500</u>

SEE ACCOMPANYING AUDITOR'S REPORT

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	2017 Authorizations	Authorizations Cancelled	Notes Issued	Balance Dec. 31, 2017
18-05	Installation of Cresson Ave. Water Lines	\$ 110,000				110,000
9-06	Installation of Water Lines-Cresson Avenue	64,368				64,368
7-12	Demolition of Unsafe Buildings	4,000				4,000
10-15	Acquisition of Various Capital	700				700
1-17	Emergency Refunding	-	815,000		815,000	-
10-17	Various Capital Improvements	-	1,966,500		1,966,500	-
		<u>\$ 179,068</u>	<u>2,781,500</u>	<u>-</u>	<u>2,781,500</u>	<u>179,068</u>

**SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2016	963,112	36,383
Increased By Receipts:		
Collector	4,920,516	
Bond Anticipation Notes		1,500,000
Miscellaneous Revenue	332,545	52,708
	<u>5,253,061</u>	<u>1,552,708</u>
	<u>6,216,173</u>	<u>1,589,091</u>
Decreased by Disbursements:		
2017 Appropriations	5,457,867	
2016 Appropriations	11,314	
Accrued Interest on Bonds and Notes	122,924	
Improvement Authorizations		68,361
	<u>5,592,105</u>	<u>68,361</u>
Balance December 31, 2017	<u><u>624,068</u></u>	<u><u>1,520,730</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND
SCHEDULE OF CASH - COLLECTOR**

Balance December 31, 2016		-
Increased by Receipts:		
Consumer Accounts Receivable	4,662,778	
Sewer Utility Liens	19,332	
Sewer Overpayments	141,798	
Penalties on Delinquent Accounts	94,458	
Plumbing Permits	<u>2,150</u>	
		<u>4,920,516</u>
		4,920,516
Decreased by Disbursements:		
Payments to Treasurer		<u>4,920,516</u>
Balance December 31, 2017		<u><u>-</u></u>

D-8

**SEWER OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2016		538,965
Increased by Receipts:		
Utility Rents Levied		<u>4,764,792</u>
		5,303,757
Decreased by Disbursements:		
Collection	4,662,778	
Overpayments Applied	14,804	
Transfer to Liens	30,285	
Cancellations	<u>24,401</u>	
		4,732,268
Balance December 31, 2017		<u><u>571,489</u></u>

D-9

**SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER UTILITY LIENS**

Balance December 31, 2016		80,826
Increased by:		
Penalties and Costs	3,654	
Adjustment	14,524	
Transfer from Consumer Accounts Receivable	30,285	
Transfer from Arrears	<u>4,498</u>	
		<u>52,961</u>
		133,787
Decreased by:		
Collections	19,332	
Cancellations	<u>777</u>	
		<u>20,109</u>
Balance December 31, 2017		<u><u>113,678</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND
SCHEDULE OF DEFERRED CHARGES**

	Balance Dec. 31, 2016	Added in 2017	2017 Budget	Balance Dec. 31, 2017
Overexpenditure of Appropriation	-	48,846		48,846
Expenditure without an Appropriation	-	12,656		12,656
	-	61,502	-	61,502

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL**

Account	Additions				Balance Dec. 31, 2017
	Balance Dec. 31, 2016	By Budget Capital Outlay	By Ordinance		
Northfield Sewer Extension and Woodland Ave. Sewer Pumping Station	46,000				46,000
Ansley Blvd. Sewer Extension	33,922				33,922
Sewer Extensions	18,077				18,077
Sewer Connection Project	1,149,375				1,149,375
Sewer Extensions - Maplewood Park	76,495				76,495
Sewer System Improvements	206,850				206,850
Sewer Expansions and Reconstruction	2,467,632				2,467,632
Acquisition of Equipment	87,149				87,149
Reconstruction of Sewer Lines	152,927				152,927
Reconstruction of Black Horse Pike & Doughty Road Pumping Station	44,415				44,415
Various Sewer Improvements	873,600				873,600
Various Sewer Improvements-1987	1,036,000				1,036,000
Reconstruction of California Avenue Pumping Station	105,000				105,000
Sewer Improvements -Video Camera and the Replacement of Sewer Mains along Chestnut Avenue	180,000				180,000
	6,477,442	-	-	-	6,477,442

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2016	Authorized	Adjustment	Balance Dec. 31, 2017
13-93	Various Sewer Improvements	5/17/93	2,700,000	2,700,000			2,700,000
30-05	Various Sewer Improvements	11/7/05	640,000	640,000			640,000
25-08	Various Sewer Improvements	10/20/08	1,250,000	1,250,000			1,250,000
41-09	Costs of Refunding	10/19/09	15,000	15,000			15,000
18-11	Various Sewer Improvements	10/5/11	1,340,000	1,340,000			1,340,000
1-12	Various Sewer Improvements	2/22/12	1,750,000	1,516,642			1,516,642
5-14	Various Sewer Improvements	4/21/14	500,000	500,000			500,000
9-15	Various Sewer Improvements	5/18/15	1,100,000	1,100,000			1,100,000
6-17	Sewer Lines and Improvements	5/1/2017	3,200,000	-	3,200,000		3,200,000
11-17	Various Sewer Improvements	7/17/2017	1,500,000	-	1,500,000		1,500,000
				<u>9,061,642</u>	<u>4,700,000</u>	<u>-</u>	<u>13,761,642</u>

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER CAPITAL FUND
SCHEDULE OF AMOUNT DUE TO/(FROM) SEWER OPERATING FUND

Balance December 31, 2016		64,625
Increased by:		
From Sewer Operating	50,000	
Interest Earned	<u>2,708</u>	
		<u>52,708</u>
Decreased by:		
Payments	<u>-</u>	
		<u>-</u>
Balance December 31, 2017		<u><u>117,333</u></u>

**SEWER OPERATING FUND
SCHEDULE OF 2016 APPROPRIATION RESERVES**

	Balance Dec. 31, 2016	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	9,583	9,583		9,583	
Other Expenses	32,086	32,086	11,314	20,772	
Contribution to:					
Social Security	12,082	12,082		12,082	
	53,751	53,751	11,314	42,437	-

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES AND ANALYSIS
OF BALANCE - DECEMBER 31, 2017

Balance December 31, 2016		45,903
Increased by:		
Budget Appropriation for:		
Interest on Bonds & Notes		<u>129,177</u>
		175,080
Decreased by Disbursements:		
Interest Paid - Treasurer	<u>122,924</u>	
		<u>122,924</u>
Balance December 31, 2017		<u><u>52,156</u></u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2017

	Principal Outstanding December 31, 2017	Interest Rate	From	To	Period	Amount
Serial Bonds						
	160,000	various	10/1/17	12/31/17	3 mos.	1,600
	1,940,000	various	10/1/17	12/31/17	3 mos.	15,328
	350,000	various	8/1/17	12/31/17	5 mos.	6,114
	1,450,000	various	8/1/17	12/31/17	5 mos.	16,458
BAN						
	1,500,000	2.25%	8/17/17	12/31/17	4.5 mos.	<u>12,656</u>
				Total		<u><u>52,156</u></u>

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATION**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		2017 Authorizations		Debt Authorized	Paid or Charged	Prior Year		Encumbered	Adjustment		Balance Dec. 31, 2017	
				Funded	Unfunded	Down Payment or Capital Improvement Fund	Improrvements			Encumbrances	Canceled				Funded	Unfunded
25-08	Various Sewer Improvements	10/20/08	1,250,000	\$	-							5			-	
1-12	Various Sewer Improvements	2/22/12	1,750,000		444,559					(5)						444,559
5-14	Various Sewer Improvements	4/21/14	500,000	421,600											421,600	
9-15	Various Sewer Improvements	5/18/15	1,100,000	225,373					26,177	(124,952)		105,348			218,800	
6-17	Sewer Lines and Improvements	5/1/2017	3,200,000					3,200,000								3,200,000
11-17	Various Sewer Improvements	7/17/2017	1,500,000					1,500,000	42,184			8,000			1,449,816	
								4,700,000	68,361	(124,957)	-	113,353	-	-	640,400	5,094,375
				646,973	444,559	-										

SEE ACCOMPANYING AUDITOR'S REPORT

D-17

**SEWER CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2016	146,538
No Activity in 2017	
Balance December 31, 2017	<u>146,538</u>

D-18

**SEWER CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION**

Balance December 31, 2016	6,477,442
No Activity in 2017	
Balance December 31, 2017	<u>6,477,442</u>

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2016	To Reserve for Amortization Fixed Capital	Capital Grant	Adjustment	Canceled	Paid From Operating Budget Bonds	Balance Dec. 31, 2017
13-93	Various Sewer Improvements	5/17/93	2,110,000					210,000	2,320,000
30-05	Various Sewer Improvements	11/7/05	446,593					38,681	485,274
25-08	Various Sewer Improvements	10/20/08	253,378					60,328	313,706
41-09	Costs of Refunding	10/19/2009	8,407					1,319	9,726
18-11	Various Sewer Improvements	10/5/11	271,622					64,672	336,294
1-12	Various Sewer Improvements	2/22/12	302,061					38,622	340,683
5-14	Various Sewer Improvements	4/21/14	23,438					23,438	46,876
9-15	Various Sewer Improvements	5/18/15	51,562					51,562	103,124
			<u>3,467,061</u>	-	-	-	-	<u>488,622</u>	<u>3,955,683</u>

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SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
Various Sewer Improvements	7/1/07	1,840,000				\$ 210,000		210,000	-
Refunding Bonds	1/27/11	455,000	10/1/18	40,000	4.000%				
			10/1/19	40,000	4.000%				
			10/1/20	40,000	4.000%				
			10/1/21	40,000	4.000%	200,000		40,000	160,000
Various Sewer Improvements	11/1/11	2,590,000	10/1/18	130,000	2.250%				
			10/1/19	135,000	2.250%				
			10/1/20	135,000	2.500%				
			10/1/21	140,000	2.625%				
			10/1/22	140,000	3.000%				
			10/1/23	140,000	3.500%				
			10/1/24	140,000	3.500%				
			10/1/25	140,000	3.500%				
			10/1/26	140,000	3.500%				
			10/1/27	140,000	3.500%				
			10/1/28	140,000	3.500%				
			10/1/29	140,000	3.500%				
			10/1/30	140,000	3.500%				
			10/1/31	140,000	3.500%	2,065,000		125,000	1,940,000

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	December 31, 2017	Amount					
NJEIT Series 2012A	5/3/12	425,000	8/1/18	20,000	20,000	5.000%				
			8/1/19	20,000	20,000	5.000%				
			8/1/20	20,000	20,000	5.000%				
			8/1/21	20,000	20,000	5.000%				
			8/1/22	20,000	20,000	5.000%				
			8/1/23	25,000	25,000	5.000%				
			8/1/24	25,000	25,000	5.000%				
			8/1/25	25,000	25,000	5.000%				
			8/1/26	25,000	25,000	5.000%				
			8/1/27	30,000	30,000	3.000%				
			8/1/28	30,000	30,000	3.000%				
			8/1/29	30,000	30,000	3.125%				
			8/1/30	30,000	30,000	3.200%				
			8/1/31	30,000	30,000	3.250%	365,000		15,000	350,000
NJEIT Series 2012ABC	5/3/12	371,218	2/1/18	7,874	7,874	0.000%				
			8/1/18	15,748	15,748	0.000%				
			2/1/19	7,874	7,874	0.000%				
			8/1/19	15,748	15,748	0.000%				
			2/1/20	7,874	7,874	0.000%				
			8/1/20	15,748	15,748	0.000%				
			2/1/21	7,874	7,874	0.000%				
			8/1/21	15,748	15,748	0.000%				
			2/1/22	7,874	7,874	0.000%				
			8/1/22	15,748	15,748	0.000%				
			2/1/23	7,874	7,874	0.000%				
			8/1/23	15,748	15,748	0.000%				
			2/1/24	7,874	7,874	0.000%				
			8/1/24	15,748	15,748	0.000%				
			2/1/25	7,874	7,874	0.000%				
			8/1/25	15,748	15,748	0.000%				
			2/1/26	7,874	7,874	0.000%				
			8/1/26	15,748	15,748	0.000%				
			2/1/27	7,874	7,874	0.000%				

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
			Date	Amount					
Various Sewer Improvements	8/13/2015	1,600,000	8/1/27	15,748	0.000%				
			2/1/28	1,140	0.000%	260,982		23,622	237,360
			8/1/2018	125,000	2.000%				
			8/1/2019	125,000	2.000%				
			8/1/2020	100,000	2.000%				
			8/1/2021	100,000	2.000%				
			8/1/2022	100,000	2.000%				
			8/1/2023	100,000	2.000%				
			8/1/2024	100,000	3.000%				
			8/1/2025	100,000	3.000%				
			8/1/2026	100,000	3.000%				
			8/1/2027	100,000	3.500%				
			8/1/2028	100,000	3.500%				
			8/1/2029	150,000	3.500%				
			8/1/2030	150,000	3.500%	1,525,000		75,000	1,450,000
						<u>\$ 4,625,982</u>	<u>-</u>	<u>488,622</u>	<u>4,137,360</u>

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance Dec. 31, 2016	Debt Authorized	Raised in Budget	Notes Issued	Capital Grant	Balance Dec. 31, 2017
13-93	Various Sewer Improvements	380,000					380,000
1-12	Various Sewer Improvements	588,599					588,599
6-17	Sewer Lines and Improvements	-	3,200,000				3,200,000
11-17	Various Sewer Improvements	-	1,500,000		1,500,000		-
		968,599	4,700,000	-	1,500,000	-	4,168,599

SEE ACCOMPANYING AUDITOR'S REPORT

SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
Various Sewer Improvements	8/17/2017	8/17/2017	8/16/2018	2.25%	-	1,500,000		1,500,000
					-	1,500,000	-	1,500,000

SEE ACCOMPANYING AUDITOR'S REPORT

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CITY OF PLEASANTVILLE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of 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 after public advertising for bids and bidding therefore, except as 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 \$40,000, except by contract or agreement".

The governing body of the municipality has the responsibility of determining whether the expenditures of any category will exceed \$40,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Counsel's opinion should be sought before a commitment is made.

The minutes indicate bids were requested by public advertising for the following items:
Demolition of various buildings, summer food program, and various road improvements.

The minutes indicate resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 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 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.

My examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$40,000 "for the performance of any work 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. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on May 20, 1991 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, NJS 54:4-67 permits the governing body of a municipality to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, NJSA 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000 on properties that fail to pay the delinquency prior to the end of the calendar year.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of the City of Pleasantville, County of Atlantic, and the State of New Jersey, as follows: 1) The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500 becoming delinquent after due date and if a delinquency is in excess of \$10,000 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency; 2) effective January 1, 1991, there will be a ten day grace period of quarterly tax payments made by cash, check or money order.

It appears from an examination of the collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 18, 2017 and was complete.

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

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

<u>Year</u>	<u>Number of Tax Title Liens</u>	<u>Liens Sewer & Other</u>
2017	174	76
2016	208	69
2015	186	65

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 tax-paying basis.

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2017 and 2018 Taxes	10
Payment of Delinquent Taxes & Liens	9
Payment of 2017 and 2018 Sewer Utility Charges	10
Municipal Court	10

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	Currently	
		<u>Cash Collections</u>	<u>Percent of Collections</u>
2017	\$34,996,075	34,413,830	98.34%
2016	35,462,631	34,158,500	96.32%
2015	34,309,272	33,518,526	97.70%
2014	33,878,576	34,022,406	97.54%
2013	33,874,369	33,205,605	98.03%

Comparative Schedule of Tax Rate Information

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	4.409	3.995	3.827	3.523	3.322
Apportionment of Tax Rate:					
Municipal	2.747	2.460	2.372	2.099	1.968
County	.484	.479	.435	.452	.450
Local School	1.178	1.056	1.020	.972	.904
Net Valuation Taxable	792,869,600	879,715,134	895,092,223	989,165,227	1,016,896,091

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 five years.

<u>Year</u>	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2017	\$1,319,048	131,689	1,450,737	4.15%
2016	1,230,364	128,774	1,359,138	3.83%
2015	1,199,975	107,548	1,307,523	3.81%
2014	966,060	61,781	1,027,841	2.95%
2013	735,315	43,679	778,991	2.30%

Uniform Construction Code

The City of Pleasantville construction code official is in compliance with uniform construction code rules NJAC 5:23.17(b) 2 and NJAC 5:23.4.17(b) 3.

Law Enforcement Trust Fund

In order to promote statewide uniformity and accountability, the State Attorney General has issued standards concerning the administration of seized and forfeited property and monies. Funds distributed to a municipality from seizures or forfeitures, or the sale of forfeited property is to be deposited into a special law

enforcement trust fund to be used for a law enforcement purpose. NJAC 13:77-1.4 defines a law enforcement purpose as a purpose which is calculated to enhance a law enforcement agency's ability to conduct criminal investigations, surveillance, arrests, and prosecutions and to respond more fully to the effects of crime and, for the purposes of these rules, shall be beyond that allocated by the law enforcement agency's annual budget. This special law enforcement trust fund must be under the direct control of funding entity. Any local governmental body which receives forfeited proceeds or property shall comply with auditing requirements specified under NJSA 40A:5-4.

Other Financial Statement Findings

NONE

STATUS OF PRIOR RECOMMENDATIONS

2016-002 – That the City obtain the required OPEB actuarial calculation.

Current Status – This finding was cleared in 2017.

RECOMMENDATIONS

* 1. That the Finance Department adequately monitor the financial information on an ongoing basis and post any necessary adjustments in a timely manner.

2. That the Finance Department adequately monitor the budget to ensure sufficient funds are available prior to encumbering and spending funds.

* - similar recommendation made in prior years.

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

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

Very truly yours,

Ford, Scott & Associates, L.L.C.
FORD, SCOTT & ASSOCIATES, L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

Harvey C. Cocozza, Jr.
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Certified Public Accountant
Registered Municipal Accountant
No. 551

April 13, 2018