

**CITY OF MILLVILLE**  
**COUNTY OF CUMBERLAND**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2018**

**CITY OF MILLVILLE**  
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**CITY OF MILLVILLE**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**



## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Board of Commissioners  
City of Millville  
Millville, New Jersey 08332

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Millville, in the County of Cumberland, State of New Jersey, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

**Opinions**

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

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

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

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

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

*Opinion on Regulatory Basis of Accounting*

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

**Emphasis of Matter**

*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 11). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

**Other Matters**

*Other Information*

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019 on our consideration of the City of Millville, in the County of Cumberland, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Millville's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Millville's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
November 27, 2019

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Board of Commissioners  
City of Millville  
Millville, New Jersey 08332

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the City of Millville, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 27, 2019. That report indicated that the City of Millville's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Millville'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*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
November 27, 2019

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

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash	SA-1	\$ 15,228,184.55	\$ 19,393,811.52
Change Funds	SA-2	2,200.00	2,200.00
Due from State of New Jersey:			
Veterans' and Senior Citizens' Deductions	SA-3	77,146.10	77,153.07
		<u>15,307,530.65</u>	<u>19,473,164.59</u>
Receivables and Other Assets with Full Reserves:			
Protested Checks Receivable	SA-4	5,159.79	14,114.94
Due from Bank		2,314.17	2,314.17
Delinquent Taxes Receivable	SA-5	685,425.81	943,656.44
Tax Title Liens Receivable	SA-6	304,225.78	118,438.81
Penalty Surcharge Receivable	SA-7		11,247.32
Property Maintenance Assessments Receivable	SA-8	217,572.36	169,853.08
Property Acquired for Taxes--Assessed Valuation	SA-9	3,986,130.00	2,733,330.00
Revenue Accounts Receivable	SA-10	19,171.00	29,385.46
Due Animal Control Fund	SB-5	11.72	58.04
Due Trust Other Fund	SB-2	3,759.63	
Due Water Utility Operating Fund	SD-15	87.27	1,561.55
		<u>5,223,857.53</u>	<u>4,023,959.81</u>
Deferred Charges:			
Emergency Authorizations	A-3	200,000.00	
		<u>20,731,388.18</u>	<u>23,497,124.40</u>
Federal and State Grant Fund:			
Cash	SA-1	365,366.33	879,824.45
Federal and State Grants Receivable	SA-22	3,209,322.99	2,779,262.67
		<u>3,574,689.32</u>	<u>3,659,087.12</u>
Total Federal and State Grant Fund		<u>\$ 24,306,077.50</u>	<u>\$ 27,156,211.52</u>

(Continued)

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,417,062.89	\$ 3,007,129.74
Reserve for Encumbrances	A-3	343,801.03	395,939.53
Accounts Payable	SA-12	141,459.70	263,109.57
Tax Overpayments	SA-14	7,617.34	13,681.16
Prepaid Taxes	SA-15	451,982.88	760,758.67
Due County for Added Taxes	SA-17	60,761.21	52,680.12
Local District School Taxes Payable	SA-16	3,058,119.14	2,964,105.14
Due State of New Jersey--Marriage License Fees	SA-13	357.00	304.00
Due State of New Jersey--Burial Fees		15.00	15.00
Due Trust Other Fund	SB-2		19,321.23
Due Community Development Fund	SB-4	420.39	1,220.39
Due Sewer Operating Fund	SE-16	2,145.15	5,317.58
Reserve for Tax Appeals	SA-19	2,544,335.92	2,760,241.07
Reserve for Insurance Proceeds	SA-20	153,897.44	180,604.07
Reserve for Proceeds from Sale of Municipal Assets	SA-21	127,790.00	127,790.00
		9,309,765.09	10,552,217.27
Reserves for Receivables		5,223,857.53	4,023,959.81
Fund Balance	A-1	6,197,765.56	8,920,947.32
<b>Total Regular Fund</b>		<b>20,731,388.18</b>	<b>23,497,124.40</b>
Federal and State Grant Fund:			
Reserve for Encumbrances	SA-23	556,834.63	282,968.55
Accounts Payable		5,386.65	5,386.65
Reserve for State and Federal Grants:			
Appropriated	SA-23	2,976,356.63	3,286,270.27
Unappropriated	SA-24	36,111.41	84,461.65
<b>Total Federal and State Grant Fund</b>		<b>3,574,689.32</b>	<b>3,659,087.12</b>
		<b>\$ 24,306,077.50</b>	<b>\$ 27,156,211.52</b>

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

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

	2018	2017
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 7,518,091.00	\$ 5,748,139.00
Miscellaneous Revenues Anticipated	8,936,980.68	9,704,133.14
Receipts from Delinquent Taxes	856,360.73	1,050,541.26
Receipts from Current Taxes	48,491,251.59	48,300,419.33
Non-Budget Revenue	505,319.42	787,803.22
Other Credits to Income:		
Cancellation of Accounts Payable	136,126.26	60,471.35
Cancellation of Tax Overpayments		10,076.34
Reserve Liquidated:		
Unexpended Balance of Appropriation Reserves	2,706,455.79	2,326,891.24
Interfund Loans Returned:		
Animal Control Fund	46.32	
Water Utility Operating Fund	1,474.28	
Sewer Utility Operating Fund		550.60
Total Income	<u>69,152,106.07</u>	<u>67,989,025.48</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	11,530,243.00	11,253,825.00
Other Expenses	12,308,434.00	12,342,808.00
Deferred Charges and Statutory Expenditures Within "CAPS"	2,797,595.00	2,688,030.00
Operations--Excluded from "CAPS":		
Salaries and Wages	140,000.00	90,000.00
Other Expenses	1,654,778.86	2,345,036.91
Capital Improvements--Excluded from "CAPS"	1,750,000.00	50,000.00
Municipal Debt Service--Excluded from "CAPS"	3,294,118.12	2,682,644.78
Deferred Charges--Excluded from "CAPS"		
County Taxes	18,759,991.74	18,521,461.31
Due County for Added and Omitted Taxes	60,761.21	52,680.12
Local District School Tax	12,247,999.00	12,007,842.00
Prior Year Senior Citizen and Veteran Deduction Disallowed	6,363.70	5,876.05
Interfund Loans Made:		
Animal Control Fund		44.51
Trust Other Fund	3,759.63	
Water Utility Operating Fund		1,383.15
Reserve Created:		
Protested Checks	3,152.57	14,114.94
Total Expenditures	<u>64,557,196.83</u>	<u>62,055,746.77</u>
Excess in Revenue	4,594,909.24	5,933,278.71
Adjustments to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Year	200,000.00	-
Statutory Excess to Fund Balance	4,794,909.24	5,933,278.71
Fund Balance		
Balance January 1	<u>8,920,947.32</u>	<u>8,735,807.61</u>
	13,715,856.56	14,669,086.32
Decreased by:		
Utilized as Anticipated Revenue	7,518,091.00	5,748,139.00
Balance December 31	<u>\$ 6,197,765.56</u>	<u>\$ 8,920,947.32</u>

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

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

	Budget	Special N.J.S. 40:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 7,518,091.00		\$ 7,518,091.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	14,500.00		14,730.00	\$ 230.00
Other	18,000.00		11,701.00	(6,299.00)
Fees and Permits	870,000.00		1,058,485.25	188,485.25
Fines and Costs:				
Municipal Court	371,000.00		395,139.30	24,139.30
Interest and Costs on Taxes	175,000.00		169,476.19	(5,523.81)
Interest on Investments and Deposits	80,000.00		149,926.94	69,926.94
Manufactured Homes Annual Service Fee	230,000.00		239,211.45	9,211.45
Cable T.V. Franchise Fee	85,000.00		105,005.57	20,005.57
Rent--Millville Library	176,680.00		176,680.00	
Consolidated Municipal Property Tax Relief Aid (N.J.S.A. 52:27D-118.35)	92,903.00		92,903.00	
Energy Receipts Tax	4,126,970.00		4,126,970.00	
Open Space PILOT (Reserve for Garden State Preservation Trust)	29,852.00		29,852.00	
Uniform Construction Code Fees	110,000.00		140,544.60	30,544.60
Public and Private Revenues Offset with Appropriations:				
N.J. Department of Transportation:				
FY18 - 6th Street Road Reconstruction		\$ 388,100.00	388,100.00	
Clean Communities		60,341.82	60,341.82	
Click It or Ticket		5,500.00	5,500.00	
Drunk Driving Enforcement Grant		5,071.89	5,071.89	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Safe & Secure Communities Program		90,000.00	90,000.00	
Municipal Alliance Program		31,594.00	31,594.00	
Recycling Tonnage Grant		74,514.15	74,514.15	
Bulletproof Vest Partnership		14,477.00	14,477.00	
Holly City Development Corporation - Community Policing		50,000.00	50,000.00	
Additional Revenues Offset with Appropriations:				
Millville Board of Education - Gasoline	20,000.00		9,345.03	(10,654.97)
Shared Services Agreement - Tax Assessor	30,000.00		31,000.08	1,000.08
Other Special Items:				
Utility Operating Surplus of Prior Years:				
Water Utility	201,586.00		201,586.00	
Sewer Utility	385,290.00		385,290.00	
Uniform Fire Safety Act	118,000.00		120,048.05	2,048.05
Payments in Lieu of Taxes--Abatements	391,000.00		378,181.51	(12,818.49)
Hotel Motel Tax	125,000.00		156,495.12	31,495.12
Payment in Lieu of Taxes--Housing Authority	75,670.00		77,721.45	2,051.45
Payment in Lieu of Taxes--Senior Center	33,359.00		34,589.28	1,230.28
Reserve for Payment of Debt	107,000.00		107,000.00	
<b>Total Miscellaneous Revenues</b>	<b>7,866,810.00</b>	<b>725,098.86</b>	<b>8,936,980.68</b>	<b>345,071.82</b>
Receipts from Delinquent Taxes	652,000.00		856,360.73	204,360.73
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	18,690,053.00		19,599,382.64	909,329.64
<b>Budget Totals</b>	<b>34,726,954.00</b>	<b>725,098.86</b>	<b>36,910,815.05</b>	<b>1,458,762.19</b>
Non-Budget Revenue			505,319.42	505,319.42
	<b>\$ 34,726,954.00</b>	<b>\$ 725,098.86</b>	<b>\$ 37,416,134.47</b>	<b>\$ 1,964,081.61</b>

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2018

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Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 48,491,251.59
Allocated to:	
School, County and Revenue Allocation District	<u>31,068,751.95</u>
Balance for Support of Municipal Budget Appropriations	17,422,499.64
Add:	
Appropriation "Reserve for Uncollected Taxes"	<u>2,176,883.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 19,599,382.64</u></u>

## Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 780,014.51
Tax Title Lien Collection	<u>76,346.22</u>
	<u><u>\$ 856,360.73</u></u>

## Fees and Permits--Other:

City Clerk	\$ 896,080.00
Searches for Taxes and Municipal Improvements	350.00
Housing Inspector Fees and Permits	33,756.00
Street Opening Permits	100,363.00
Planning and Zoning Board Fees	27,609.25
Police Fees and Permits	<u>327.00</u>
	<u><u>\$ 1,058,485.25</u></u>

## Interest and Costs on Taxes:

Receipts	\$ 166,161.24
Penalty Surcharge Receivable--Collections	<u>3,314.95</u>
	<u><u>\$ 169,476.19</u></u>

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2018

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Analysis of Non-Budget Revenues

State of N.J.:			
Administrative Cost Reimbursement - Senior Citizen & Veterans	\$	4,765.88	
Workers Compensation		36,240.97	
Sale of Municipal Assets		18,884.23	
T-Mobile Rent Proceeds		40,887.18	
Sprint Rent Proceeds		34,264.28	
AT&T Rent Proceeds		25,599.42	
Tax Sale Costs		52,849.46	
Interest on Clean Up Assessment		2,416.84	
Sale of City Maps		8.00	
Photocopies		149.39	
Firearms Registration		1,213.00	
Accident Reports		439.00	
Confiscated Funds		2,370.23	
Insurance Refunds		76,490.00	
Other Miscellaneous		81,483.10	
FEMA Reimbursement		<u>57,735.12</u>	
			\$ 435,796.10
Property Maintenance Assessments			<u>69,523.32</u>
			<u>\$ 505,319.42</u>

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

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS"						
General Government Functions						
Salaries and Wages	\$ 36,500.00	\$ 36,500.00	\$ 15,351.83		\$ 21,148.17	
Other Expenses	15,294.00	15,294.00	7,000.44	1,102.03	7,191.53	
Human Resources						
Salaries and Wages	82,000.00	82,000.00	81,398.89		601.11	
Other Expenses	12,885.00	12,885.00	4,633.65	3,858.40	4,392.95	
Board of Commissioners						
Salaries and Wages	58,500.00	58,500.00	57,064.56		1,435.44	
Other Expenses	7,585.00	7,585.00	4,397.53		3,187.47	
Municipal Clerk's Office						
Salaries and Wages	288,500.00	288,500.00	285,240.83		3,259.17	
Other Expenses	83,175.00	83,175.00	63,701.31	5,653.21	13,820.48	
Financial Administration						
Salaries and Wages	459,000.00	447,825.00	363,532.03		84,292.97	
Other Expenses	47,150.00	47,150.00	33,734.85	5,185.47	8,229.68	
Annual Audit	50,000.00	50,000.00	223.17		49,776.83	
Information Systems						
Salaries and Wages	4,068.00	4,068.00			4,068.00	
Other Expenses	164,500.00	164,500.00	146,330.89	2,500.00	15,669.11	
Collection of Taxes						
Salaries and Wages	182,000.00	182,000.00	136,871.81		45,128.19	
Other Expenses	28,050.00	28,050.00	23,396.61	4,045.00	608.39	
Assessment of Taxes						
Salaries and Wages	242,000.00	242,000.00	194,557.31		47,442.69	
Other Expenses	101,400.00	126,400.00	68,580.72	11,830.52	45,988.76	
Legal Services and Costs						
Other Expenses	333,250.00	383,250.00	347,840.33	35,171.63	238.04	
Municipal Court						
Salaries and Wages	363,000.00	363,000.00	317,322.05		45,677.95	
Other Expenses	65,200.00	65,200.00	45,831.14	511.38	18,857.48	

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
General Government Functions (Cont'd)						
Public Defender	\$ 37,500.00	\$ 38,675.00	\$ 31,475.00	\$ 6,025.00	\$ 1,175.00	
Other Expenses						
Engineering Services and Costs						
Salaries and Wages	265,000.00	185,000.00	174,612.51		10,387.49	
Other Expenses	47,000.00	127,000.00	113,018.44	6,083.75	7,897.81	
Economic Development						
Other Expenses	30,000.00	13,000.00	5.35	10,000.00	2994.65	
Land Use Administration						
Planning/Community Development						
Salaries and Wages	33,000.00	33,000.00	26,884.76		6,115.24	
Other Expenses	27,600.00	27,600.00	24,267.64	332.33	3,000.03	
Planning Board						
Salaries and Wages	36,400.00	36,400.00	8,076.96		28,323.04	
Other Expenses	19,600.00	19,600.00	14,583.17	59.64	4,957.19	
Zoning Board of Adjustment						
Salaries and Wages	32,000.00	32,000.00	32,000.00			
Other Expenses	23,500.00	23,500.00	12,871.39	85.00	10,543.61	
Bureau of Permits and Inspections						
Salaries and Wages	282,000.00	272,000.00	218,951.75		53,048.25	
Other Expenses	69,350.00	86,350.00	35,736.65	35,620.72	14,992.63	
Insurance						
Surety Bond Premiums	5,000.00	5,000.00	1,250.00		3,750.00	
General Liability	400,000.00	400,000.00	397,500.00	2,500.00		
Workers Compensation	950,000.00	950,000.00	688,395.04		261,604.96	
Employee Group Health	4,628,500.00	4,628,500.00	4,216,626.68		411,873.32	
Health Benefits Waiver	72,000.00	72,000.00	72,000.00			

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	
OPERATIONS--WITHIN "CAPS" (CONT'D)					
Public Safety Functions					
Police					
Salaries and Wages	\$ 6,470,150.00	\$ 6,470,150.00	\$ 6,420,802.30		\$ 49,347.70
Other Expenses	497,100.00	505,100.00	445,671.44	34,090.75	25,337.81
Office of Emergency Management					
Salaries and Wages	15,000.00	15,000.00	14,194.56		805.44
Other Expenses	25,675.00	25,675.00	10,967.06	3,877.19	10,830.75
Aid to Ambulance Squads	105,000.00	105,000.00	105,000.00		
Fire Department					
Salaries and Wages	1,006,500.00	1,006,500.00	1,006,489.27		10.73
Other Expenses	101,300.00	101,300.00	94,011.84	5,292.58	1,995.58
Municipal Prosecutor's Office					
Other Expenses	74,000.00	74,000.00	52,800.00	4,800.00	16,400.00
Uniform Fire Safety Act					
Salaries and Wages	97,300.00	97,300.00	85,280.64		12,019.36
Other Expenses	46,600.00	46,600.00	42,100.78	4,499.22	
Public Works Functions					
Streets and Roads Maintenance					
Salaries and Wages	757,000.00	757,000.00	706,944.45		50,055.55
Other Expenses	199,350.00	199,350.00	139,635.92	26,866.22	32,847.86
Shade Tree Commission					
Salaries and Wages	1,000.00	1,000.00	1,000.00		
Other Expenses	7,000.00	7,000.00	5,909.43	700.00	390.57
Solid Waste and Recycling Collection					
Salaries and Wages	7,500.00	7,500.00	1,660.70		5,839.30
Other Expenses	939,750.00	939,750.00	825,206.57	55,060.42	59,483.01
Solid Waste Recycling -- Apartments -- NJSA 40A:4-45.3kk	15,000.00	15,000.00		2,000.00	13000
Public Buildings and Grounds					
Salaries and Wages	137,000.00	137,000.00	75,790.91		61,209.09
Other Expenses	182,625.00	182,625.00	154,450.48	17,407.69	10,766.83

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Public Works Functions						
Fleet Management						
Salaries and Wages	\$ 185,000.00	\$ 185,000.00	\$ 185,000.00			
Other Expenses	40,350.00	32,350.00	24,434.39	\$ 681.63	\$ 7,233.98	
Health and Human Services Functions						
Animal Control Services						
Salaries and Wages	65,000.00	65,000.00	60,231.69		4,768.31	
Other Expenses	96,000.00	96,000.00	83,076.05	778.00	12,145.95	
Contributions to Social Services Agencies -- Office on Aging	6,900.00	6,900.00		6,900.00		
Parks & Recreation Functions						
Recreation Services & Programs						
Salaries and Wages	108,000.00	108,000.00	102,098.63		5,901.37	
Other Expenses	56,950.00	56,950.00	37,574.24	4,904.97	14,470.79	
Federal and State Downtown Maintenance						
Salaries and Wages	35,000.00	35,000.00	35,000.00			
Other Expenses	36,000.00	36,000.00	24,606.61	8,417.36	2,976.03	
Parks and Playgrounds						
Salaries and Wages	211,000.00	211,000.00	201,407.33		9,592.67	
Other Expenses	132,900.00	132,900.00	109,951.79	5,719.58	17,228.63	
Celebration of Public Event, Anniversary, or Holiday						
Other Expenses	31,250.00	31,250.00	24,884.08		6,365.92	
Uniform Construction Code						
State Uniform Construction Code (NJAC 5:23-4.17)						
Construction Official						
Other Expenses	26,970.00	36,970.00	12,664.14	6,409.60	17,896.26	
Reserve for Payment of Unused Accumulated Sick Pay						
Unclassified	100,000.00	100,000.00	100,000.00			
Utilities:						
Electricity	496,200.00	476,200.00	345,695.30		130,504.70	
Street Lighting	662,000.00	657,000.00	539,203.31	1,991.74	115,804.95	
Telephone	244,000.00	244,000.00	191,871.42		52,128.58	
Natural Gas	107,500.00	107,500.00	106,076.19		1,423.81	

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>OPERATIONS--WITHIN "CAPS" (CONT'D)</b>						
Utilities:						
Gasoline	\$ 259,500.00	\$ 219,500.00	\$ 169,177.88		\$ 50,322.12	
Landfill/Solid Waste Disposal Costs	668,800.00	668,800.00	550,953.03		117,846.97	
Total Operations--Within "CAPS" Contingent	23,836,677.00	23,836,677.00	21,357,087.72	320,961.03	2,158,628.25	2,000.00
Total Operations Including Contingent--Within "CAPS"	23,838,677.00	23,838,677.00	21,357,087.72	320,961.03	2,160,628.25	-
Detail:						
Salaries and Wages	11,631,418.00	11,530,243.00	10,979,765.77	-	550,477.23	-
Other Expenses (Including Contingent)	12,207,259.00	12,308,434.00	10,377,321.95	320,961.03	1,610,151.02	-
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	610,207.00	610,207.00	610,207.00			
Social Security (O.A.S.I.)	500,000.00	500,000.00	423,454.22		76,545.78	
Police and Fireman's Retirement System of N.J.	1,552,388.00	1,552,388.00	1,552,388.00			
Unemployment Insurance	50,000.00	50,000.00	4,739.05		45,260.95	
Defined Contribution Retirement Program	50,000.00	50,000.00	24,359.93		25,640.07	
Additional Public Employees Retirement System	35,000.00	35,000.00	16,381.23		18,618.77	
Total Deferred Charges and Statutory Expenditures-- Municipal-Within "CAPS"	2,797,595.00	2,797,595.00	2,631,529.43	-	166,065.57	-
Total General Appropriations for Municipal Purposes--Within "CAPS"	26,636,272.00	26,636,272.00	23,988,617.15	320,961.03	2,326,693.82	-

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	
<b>OPERATIONS--EXCLUDED FROM "CAPS"</b>					
Reserve for Tax Appeals	\$ 180,000.00	\$ 180,000.00	\$ 180,000.00		
Interest on Tax Appeals	10,000.00	10,000.00			\$ 10,000.00
Aid to Library (N.J.S.A. 40:54-35)	709,680.00	709,680.00	709,680.00		
Recycling Tax (P.L. 2007, c.311)	40,000.00	40,000.00	26,838.87		13,161.13
Length of Service Award Program	30,000.00	30,000.00	19,550.00		10,450.00
<b>OPERATIONS--EXCLUDED FROM "CAPS"</b>					
Interlocal Service Agreements:					
Millville Board of Education -- Gasoline	20,000.00	20,000.00	10,055.61		9,944.39
Tax Assessor - Upper Deerfield Township	30,000.00	30,000.00	30,000.00		
Public and Private Programs Off-set by Revenues:					
Matching Funds for Grants	50,000.00	42,101.50			42,101.50
Recycling Tonnage Grant (NJSA 40A:4-87 +\$74,514.15)		74,514.15	74,514.15		
N.J. Department of Transportation:					
FY18 - 6th Street Road Reconstruction (NJSA 40A:4-87 +\$388,100.00)		388,100.00	388,100.00		
Municipal Alliance Program (NJSA 40A:4-87 +\$39,462.50)		39,492.50	39,492.50		
Clean Communities Program (NJSA 40A:4-87 +\$60,341.82)		60,341.82	60,341.82		
Click It or Ticket (NJSA 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Bulletproof Vest Partnership (NJSA 40A:4-87 +\$14,477.00)		14,477.00	14,477.00		
Drive Sober or Get Pulled Over (NJSA 40A:4-87 +\$5,500.00)		5,500.00	5,500.00		
Drunk Driving Enforcement Fund (NJSA 40A:4-87 +\$5,071.89)		5,071.89	5,071.89		
Safe and Secure Communities Grant (NJSA 40A:4-87 +\$90,000.00)		90,000.00	90,000.00		
Holly City Dev. Corp. - Community Policing (NJSA 40A:4-87 +\$50,000.00)		50,000.00	50,000.00		
<b>Total Public and Private Programs Offset by Revenues</b>	<b>50,000.00</b>	<b>775,098.86</b>	<b>732,997.36</b>	<b>-</b>	<b>42,101.50</b>
<b>Total Operations--Excluded from "CAPS"</b>	<b>1,069,680.00</b>	<b>1,794,778.86</b>	<b>1,709,121.84</b>	<b>-</b>	<b>85,657.02</b>
<b>Detail:</b>					
Salaries and Wages	-	140,000.00	140,000.00	-	-
Other Expenses	1,069,680.00	1,654,778.86	1,569,121.84	-	85,657.02

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2018

	Appropriations		Paid or Charged		Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered Reserved	
<b>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00		
Demolition of Building	1,500,000.00	1,500,000.00	1,472,447.95	\$ 22,840.00	\$ 4,712.05
Demolition (N.J.S.A. 40A:4-46 + \$200,000.00)		200,000.00	200,000.00		
<b>Total Capital Improvements--Excluded from "CAPS"</b>	<b>1,550,000.00</b>	<b>1,750,000.00</b>	<b>1,722,447.95</b>	<b>22,840.00</b>	<b>4,712.05</b>
<b>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	2,495,000.00	2,495,000.00	2,495,000.00		
Interest on Bonds	732,647.00	732,647.00	732,646.40		\$ 0.60
Green Trust Loan Program:					
Principal	57,118.11	57,118.11	57,118.10		0.01
Interest	9,353.89	9,353.89	9,353.62		0.27
<b>Total Municipal Debt Service-Excluded From "CAPS"</b>	<b>3,294,119.00</b>	<b>3,294,119.00</b>	<b>3,294,118.12</b>	<b>-</b>	<b>0.88</b>

(Continued)

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

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 5,913,799.00	\$ 6,838,897.86	\$ 6,725,687.91	\$ 22,840.00	\$ 90,369.07	\$ 0.88
Subtotal General Appropriations	32,550,071.00	33,475,169.86	30,714,305.06	343,801.03	2,417,062.89	0.88
Reserve for Uncollected Taxes	2,176,883.00	2,176,883.00	2,176,883.00			
Total General Appropriations	\$ 34,726,954.00	\$ 35,652,052.86	\$ 32,891,188.06	\$ 343,801.03	\$ 2,417,062.89	\$ 0.88
Appropriations by 40A:4-87	\$ 725,098.86					
Appropriations by 40A:4-46	200,000.00					
Budget	<u>34,726,954.00</u>					
	\$ 35,652,052.86					
Reserve for Federal, State and Other Grants -- Appropriated			\$ 732,997.36			
Reserve for Tax Appeals			180,000.00			
Reserve for Uncollected Taxes			2,176,883.00			
Disbursed			<u>29,801,307.70</u>			
			\$ 32,891,188.06			

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

**CITY OF MILLVILLE**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>Animal Control Fund:</b>			
Cash	SB-1	\$ 3,400.84	\$ 11,118.56
Protested Checks		49.00	49.00
		<u>3,449.84</u>	<u>11,167.56</u>
<b>Other Funds:</b>			
Cash	SB-1	5,523,134.67	5,722,911.08
Investments - Length of Service Awards Program	SB-8	376,619.92	397,360.99
Due Water Utility Operating Fund	SD-1	1,095.64	3,348.83
Due Current Fund	SB-2		19,321.23
Due from Bank	SB-1	137.86	137.86
Mortgage and Loan Receivable--UEZ Assistance Program	SB-13	2,794,792.55	2,940,347.62
		<u>8,695,780.64</u>	<u>9,083,427.61</u>
<b>Community Development Fund:</b>			
Cash	SB-1	316,376.11	262,148.51
Due Current Fund	SB-4	420.39	1,220.39
Due Trust Other Funds	SB-3	1,024.15	1,817.10
Community Development Block Grants Receivable	SB-10	540,786.82	434,101.56
Home Investment Partnership Program Receivable	SB-14	352,664.45	457,227.80
Mortgages Receivable--Reserve for Rehabilitation Projects	SB-11	63,643.89	77,446.22
Mortgages Receivable--Reserve for U.D.A.G.	SB-12	92,322.90	104,119.85
		<u>1,367,238.71</u>	<u>1,338,081.43</u>
		<u>\$ 10,066,469.19</u>	<u>\$ 10,432,676.60</u>

(Continued)

**CITY OF MILLVILLE**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES AND RESERVES</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>Animal Control Fund:</b>			
Due Current Fund	SB-5	\$ 11.72	\$ 58.04
Due State of New Jersey-Animal Registration Fees	SB-6		0.20
Due to Employee		39.00	39.00
Reserve for Animal Control	SB-7	3,399.12	11,070.32
<b>Total Animal Control Fund</b>		<b>3,449.84</b>	<b>11,167.56</b>
<b>Other Funds:</b>			
Due Community Development Fund	SB-3	1,024.15	1,817.10
Due to Current Fund	SB-2	3,759.63	
Due Sewer Operating Fund	SE-1	2,209.54	1,957.06
<b>Miscellaneous Trust Reserves:</b>			
Outside Employment for Police	SB-15	37,146.87	24,721.61
Public Defender	SB-15	76,851.75	71,526.75
Planning Board Escrows	SB-15	299,312.11	255,522.22
Unemployment Compensation Insurance	SB-15	13,237.21	34,558.89
Landfill Closure	SB-15	150,057.59	149,047.21
Municipal Alliance Grant Funds	SB-15	2,200.89	1,312.71
Self-Insurance Funds	SB-15	1,916,345.92	2,107,934.45
Neighborhood Preservation Program	SB-15	315.00	315.00
State Law Enforcement Fund	SB-15	15,891.85	15,891.85
Snow Removal	SB-15	41,237.07	46,855.47
Vanaman Memorial Park Donations	SB-15	1,052.00	1,052.00
Memorial in Patriot Park Donations	SB-15	5,295.88	5,195.88
Parking Offenses Adjudication Act	SB-15	11,502.00	10,720.00
COAH Fees	SB-15	36,151.21	22,651.30
Millville Garden Rent Revenue	SB-15	7,755.93	7,755.93
Neighborhood Opportunity Fund	SB-15	2,860.00	2,860.00
Recreation Donations	SB-15	4,909.70	4,909.70
Uniform Fire Safety Act Penalties	SB-15	19,081.62	5,722.21
Employee Accumulated Absences	SB-15	1,083,549.11	966,299.11
Length of Service Awards Program	SB-15	376,619.92	397,360.99
Reserve for Sheldon Estate Bequest	SB-16	6,644.53	6,642.55
Reserve for Payroll Taxes Payable	SB-9	176,245.78	169,900.61
Reserve for Tax Title Lien Redemption	SB-16	664,566.91	1,000,483.56
Reserve for Revolving Loan Fund--UEZ Assistance Program	SB-18	729,633.14	614,535.05
Reserve for UEZ 1st Generation Project	SB-19	215,530.78	215,530.78
Reserve for Mortgage Receivable--UEZ Assistance Program	SB-13	2,794,792.55	2,940,347.62
<b>Total Other Funds</b>		<b>8,695,780.64</b>	<b>9,083,427.61</b>

(Continued)

**CITY OF MILLVILLE**  
**TRUST FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES AND RESERVES (CONT'D)</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Community Development Fund:			
Reserve for Mortgage Notes Receivable	SB-11	\$ 63,643.89	\$ 77,446.22
Reserve for Mortgage Notes Receivable--U.D.A.G.	SB-12	92,322.90	104,119.85
Reserve for Community Development Funds	SB-17	582,604.75	489,746.35
Reserve for Revolving Loan Fund--Rehabilitation Program	SB-20	116,087.34	121,147.31
Reserve for Home Investment Partnership Program	SB-21	376,193.53	402,393.53
Reserve for Revolving Loan Fund--U.D.A.G.	SB-22	134,456.70	141,645.88
Reserve for U.D.A.G. Interest	SB-23	1,879.60	1,532.29
Reserve for Third Ward Neighborhood Preservation		50.00	50.00
		<hr/>	<hr/>
Total Community Development Fund		1,367,238.71	1,338,081.43
		<hr/>	<hr/>
		\$ 10,066,469.19	\$ 10,432,676.60
		<hr/>	<hr/>

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

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash	SC-1	\$ 2,451,125.96	\$ 4,191,983.64
Grants Receivable	SC-3	135,039.27	135,039.27
Deferred Charges to Future Taxation:			
Funded	SC-6	20,022,771.23	22,574,889.33
Unfunded	SC-7	2,051,060.54	1,631,060.54
		<u>\$ 24,659,997.00</u>	<u>\$ 28,532,972.78</u>
<u>LIABILITIES, RESERVES</u>			
<u>AND FUND BALANCE</u>			
General Serial Bonds	SC-12	\$ 19,598,000.00	\$ 22,093,000.00
Due State of New Jersey:			
Green Trust Loan Payable	SC-10	424,771.23	481,889.33
Improvement Authorizations:			
Funded	SC-11	732,649.54	1,438,638.48
Unfunded	SC-11	1,108,635.82	1,068,257.69
Reserve for Encumbrances	SC-9	553,940.26	1,122,187.13
Reserve for Preliminary Expenses	SC-5	2,850.00	2,850.00
Reserve for Payment of Debt	SC-4	957,033.58	1,064,033.58
Capital Improvement Fund	SC-8	356,859.86	336,859.86
Reserve for Grants Receivable	SC-3	135,039.27	135,039.27
Fund Balance	C-1	790,217.44	790,217.44
		<u>\$ 24,659,997.00</u>	<u>\$ 28,532,972.78</u>

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

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Schedule of General Capital Fund Balance -- Regulatory Basis  
As of December 31, 2018

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Balance Dec. 31, 2018	<u>\$ 790,217.44</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>Operating Fund:</b>			
Cash	SD-1	\$ 3,314,883.76	\$ 3,443,732.14
Due Sewer Operating Fund	SD-1	64.27	
		<u>3,314,948.03</u>	<u>3,443,732.14</u>
<b>Receivables with Full Reserves:</b>			
Consumer Accounts Receivable	SD-4	227,256.20	118,112.76
Water Utility Liens	SD-8	12,019.65	838.76
Fire Hydrant Rentals	SD-6	500.16	200.84
Other Accounts Receivable	SD-7	3,160.94	4,029.18
		<u>242,936.95</u>	<u>123,181.54</u>
Total Operating Fund		<u>3,557,884.98</u>	<u>3,566,913.68</u>
<b>Assessment Trust Fund:</b>			
Cash	SD-1	11,000.00	11,000.00
Total Assessment Trust Fund		<u>11,000.00</u>	<u>11,000.00</u>
<b>Capital Fund:</b>			
Cash	SD-1	2,432,423.98	2,963,609.20
Fixed Capital	SD-9	22,033,177.58	22,012,247.58
Fixed Capital Authorized and Uncompleted	SD-10	2,198,236.31	2,198,236.31
Total Capital Fund		<u>26,663,837.87</u>	<u>27,174,093.09</u>
		<u>\$ 30,232,722.85</u>	<u>\$ 30,752,006.77</u>

(Continued)

**CITY OF MILLVILLE**  
**WATER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4/SD-11	\$ 696,335.47	\$ 495,321.92
Reserve for Encumbrances	D-4/SD-11	92,572.32	147,486.85
Accrued Interest on Bonds, Notes, and Loans	SD-12	59,695.63	62,437.31
Accounts Payable	SD-13	12,510.00	4,964.00
Water Rental Overpayments	SD-14	13,373.57	4,950.26
Due Current Fund	SD-15	87.27	1,561.55
Due Trust Other Fund	SD-1	1,095.64	3,348.83
Due Sewer Operating Fund	SE-1		855.93
Reserve for Insurance Proceeds	SD-5	15,217.20	15,217.20
Reserve for Sale of Municipal Assets		2,130.00	2,130.00
		<hr/>	<hr/>
		893,017.10	738,273.85
Reserve for Receivables	D	242,936.95	123,181.54
Fund Balance	D-1	2,421,930.93	2,705,458.29
		<hr/>	<hr/>
Total Operating Fund		3,557,884.98	3,566,913.68
Assessment Trust Fund:			
Fund Balance		11,000.00	11,000.00
		<hr/>	<hr/>
Total Assessment Trust Fund		11,000.00	11,000.00
Capital Fund:			
Serial Bonds	SD-21	3,786,000.00	4,041,000.00
NJ Environmental Infrastructure Loan Payable	SD-20	3,083,852.86	3,346,233.52
Improvement Authorizations:			
Funded	SD-17	855,768.29	1,226,119.84
Unfunded	SD-17	845.22	239,405.37
Capital Improvement Fund		169,402.58	169,402.58
Reserve for Encumbrances	SD-16	78,463.00	736.52
Reserve for:			
Amortization	SD-18	15,720,247.67	15,444,317.67
Deferred Amortization	SD-19	1,640,468.14	1,378,087.48
Reserve for Payment of Debt		594,825.02	594,825.02
Fund Balance	D-2	733,965.09	733,965.09
		<hr/>	<hr/>
Total Capital Fund		26,663,837.87	27,174,093.09
		<hr/>	<hr/>
		\$ 30,232,722.85	\$ 30,752,006.77

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

**CITY OF MILLVILLE**  
**WATER UTILITY FUND**  
 Statements of Operation and Changes in Operating Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance	\$ 693,918.00	\$ 457,043.00
Water Rents	3,213,913.29	3,429,151.58
Fire Hydrant Service	12,775.68	12,503.21
Miscellaneous	109,540.79	115,279.53
Other Credits to Income:		
Protested Checks	1,000.00	500.00
Accounts Payable Canceled	4,954.00	3,419.23
Unexpended Balance of Appropriation Reserves	528,860.05	398,504.76
	<hr/>	<hr/>
Total Income	4,564,961.81	4,416,401.31
	<hr/>	<hr/>
<u>Expenditures</u>		
Operating	2,962,454.00	2,774,796.00
Capital Improvements	145,000.00	145,000.00
Debt Service	678,506.32	600,352.88
Deferred Charges and Statutory Expenditures	163,000.00	167,000.00
Refund of Prior Year Revenue		855.93
Reserve Created:		
Protested Checks	4,024.85	553.17
	<hr/>	<hr/>
Total Expenditures	3,952,985.17	3,688,557.98
	<hr/>	<hr/>
Excess in Revenue	611,976.64	727,843.33
	<hr/>	<hr/>
<u>Fund Balance</u>		
Balance January 1	2,705,458.29	2,636,243.96
	<hr/>	<hr/>
	3,317,434.93	3,364,087.29
Decreased by:		
Utilized as Revenue by Water Operating Budget	693,918.00	457,043.00
Utilized as Revenue by Current Fund Budget	201,586.00	201,586.00
	<hr/>	<hr/>
Balance December 31	<u>\$ 2,421,930.93</u>	<u>\$ 2,705,458.29</u>

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

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Schedule of Capital Fund Balance -- Regulatory Basis  
As of December 31, 2018

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Balance Dec. 31, 2018	<u>\$ 733,965.09</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance	\$ 693,918.00	\$ 693,918.00	
Rents	3,200,000.00	3,213,913.29	\$ 13,913.29
Fire Hydrant Service	11,400.00	12,775.68	1,375.68
Miscellaneous	52,000.00	109,540.79	57,540.79
	<u>\$ 3,957,318.00</u>	<u>\$ 4,030,147.76</u>	<u>\$ 72,829.76</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable	\$ 3,211,460.48
Water Utility Liens	<u>2,452.81</u>
	<u>\$ 3,213,913.29</u>

Miscellaneous:

Interest on Delinquent Accounts	\$ 13,624.83
Other Accounts Receivable:	
Water Service Contracts (Tap Fees)	3,100.00
Connecting Fees	30,080.00
Water Turn on and Turn Off Fees	<u>12,567.87</u>
	\$ 59,372.70
Interest on Deposits	42,197.99
Meters and Miscellaneous	<u>7,970.10</u>
	<u>\$ 109,540.79</u>

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

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Original Budget	Budget After Modification		Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 1,221,200.00	\$ 1,221,200.00	\$ 1,050,669.83	\$ 170,530.17		
Other Expenses	1,741,254.00	1,741,254.00	1,269,425.04	87,775.32	384,053.64	
Total Operating	2,962,454.00	2,962,454.00	2,320,094.87	87,775.32	554,583.81	-
Capital Improvements:						
Capital Outlay	145,000.00	145,000.00	20,930.00	4,797.00	119,273.00	
Debt Service:						
Payment of Bond Principal	255,000.00	255,000.00	255,000.00			\$ 1,638.22
Interest on Bonds	128,283.00	128,283.00	126,644.78			6,719.46
Water Supply Bond Loan	303,581.00	303,581.00	296,861.54			
Total Debt Service	686,864.00	686,864.00	678,506.32	-	-	8,357.68
Deferred Charges and Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	85,000.00	85,000.00	77,506.28		7,493.72	
Public Employees' Retirement System	68,000.00	68,000.00	62,496.58		5,503.42	
Disability Insurance	10,000.00	10,000.00	518.48		9,481.52	
Total Statutory Expenditures	163,000.00	163,000.00	140,521.34	-	22,478.66	-
Total Water Utility Appropriations	\$ 3,957,318.00	\$ 3,957,318.00	\$ 3,160,052.53	\$ 92,572.32	\$ 696,335.47	\$ 8,357.68
Interest on Bonds, Loans and Notes Disbursed			\$ 161,125.66			
			<u>2,998,926.87</u>			
			<u>\$ 3,160,052.53</u>			

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

**CITY OF MILLVILLE**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>Operating Fund:</b>			
Cash	SE-1	\$ 5,684,593.69	\$ 5,480,177.90
Due from Current Fund	SE-16	2,145.15	5,317.58
Due from Trust Other Fund	SE-1	2,209.54	1,957.06
Due from Water Operating Fund	SE-1		855.93
		<u>5,688,948.38</u>	<u>5,488,308.47</u>
<b>Receivables with Full Reserves:</b>			
Consumer Accounts Receivable	SE-4	418,662.50	230,646.00
Sewer Utility Liens	SE-5	19,057.27	2,560.87
Due from Bank	SE-1		522.56
Other Accounts Receivable - Connection Fees	SE-7		17,943.36
Other Accounts Receivable - Protested Checks	SE-7	221.40	2,111.58
		<u>437,941.17</u>	<u>253,784.37</u>
<b>Total Operating Fund</b>		<u>6,126,889.55</u>	<u>5,742,092.84</u>
<b>Assessment Trust Fund:</b>			
Cash	SE-1	61,504.82	61,504.82
Assessments Receivable	SE-8	983.53	983.53
<b>Total Assessment Trust Fund</b>		<u>62,488.35</u>	<u>62,488.35</u>
<b>Capital Fund:</b>			
Cash	SE-1	1,476,393.23	270,115.72
Due from State of NJ -- Environmental Infrastructure Trust	SE-6	52,618.75	2,545,618.75
Due from Sewer Utility Operating Fund		100,000.00	100,000.00
Fixed Capital	SE-9	28,488,023.31	28,308,116.31
Fixed Capital Authorized and Uncompleted	SE-10	19,853,116.64	19,853,116.64
<b>Total Capital Fund</b>		<u>49,970,151.93</u>	<u>51,076,967.42</u>
		<u>\$ 56,159,529.83</u>	<u>\$ 56,881,548.61</u>

(Continued)

**CITY OF MILLVILLE**  
**SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2018 and 2017

LIABILITIES, RESERVES  
AND FUND BALANCE

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-5/SE-11	\$ 389,083.17	\$ 656,972.29
Reserve for Encumbrances	E-5/SE-11	170,466.32	331,347.97
Accrued Interest on Bonds, Notes and Loans	SE-12	83,666.68	55,076.20
Sewer Rental Overpayments	SE-13	16,699.92	8,507.47
Accounts Payable	SE-14	18,060.00	130,253.90
Reserve for Insurance Proceeds		706.86	706.86
Due to Sewer Utility Capital Fund		100,000.00	100,000.00
Due to Water Operating Fund	SE-1	64.27	
Reserve for Sale of Municipal Assets		4,641.10	4,641.10
		<u>783,388.32</u>	<u>1,287,505.79</u>
Reserve for Receivables		437,941.17	253,784.37
Fund Balance	E-1	4,905,560.06	4,200,802.68
		<u>6,126,889.55</u>	<u>5,742,092.84</u>
Total Operating Fund			
Assessment Trust Fund:			
Reserve for Assessments and Liens	SE-17	983.53	983.53
Fund Balance	E-2	61,504.82	61,504.82
		<u>62,488.35</u>	<u>62,488.35</u>
Total Assessment Trust Fund			
Capital Fund:			
Serial Bonds Payable	SE-23	3,035,000.00	3,430,000.00
New Jersey Environmental Infrastructure Loans Payable	SE-22	11,474,039.46	12,075,943.85
Improvement Authorizations:			
Funded	SE-21	177,099.66	177,011.25
Unfunded	SE-21	287,017.48	163,709.19
Contracts Payable	SE-15	8,425.00	1,518,544.19
Capital Improvement Fund	SE-20	801,951.59	701,951.59
Reserve for:			
Deferred Reserve for Amortization	SE-18	3,253,922.72	3,097,539.10
Amortization	SE-19	30,042,318.75	29,021,890.98
Reserve for Payment of Debt	SE-3	561,957.65	561,957.65
Fund Balance	E-3	328,419.62	328,419.62
		<u>49,970,151.93</u>	<u>51,076,967.42</u>
Total Capital Fund		<u>\$ 56,159,529.83</u>	<u>\$ 56,881,548.61</u>

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

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
 Statements of Operations and Changes in Operating Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2018 and 2017

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized		\$ 166,019.00
Rents	\$ 6,052,034.52	6,066,454.83
Miscellaneous	125,614.13	121,035.42
Other Credits to Income:		
Due from Bank -- Liquidated	522.56	
Unexpended Balance of Appropriation Reserves	720,378.26	733,956.71
Accounts Payable Canceled	130,253.90	124,181.28
	7,028,803.37	7,211,647.24
 <u>Expenditures</u>		
Operating	4,250,650.00	4,245,884.00
Capital Improvements	210,000.00	180,000.00
Debt Service	1,230,070.30	941,980.26
Deferred Charges and Statutory Expenditures	235,000.00	225,000.00
Other Debits to Income:		
Accounts Receivable Cancelled	522.56	
Reserve for Protested Checks Receivable-- Created	12,513.13	
	5,938,755.99	5,592,864.26
 Total Expenditures	5,938,755.99	5,592,864.26
 Excess in Revenue	1,090,047.38	1,618,782.98
 <u>Fund Balance</u>		
Balance January 1	4,200,802.68	3,133,328.70
	5,290,850.06	4,752,111.68
Decreased by:		
Utilized as Revenue		166,019.00
Utilized as Revenue in Current Fund	385,290.00	385,290.00
	4,905,560.06	4,200,802.68
 Balance December 31	\$ 4,905,560.06	\$ 4,200,802.68

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

**CITY OF MILLVILLE**  
**SEWER UTILITY ASSESSMENT FUND**  
Schedule of Assessment Trust Fund Balance--Regulatory Basis  
As of December 31, 2018

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Balance Dec. 31, 2018	<u>\$ 61,504.82</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Schedule of Capital Fund Balance--Regulatory Basis  
As of December 31, 2018

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Balance Dec. 31, 2018	<u>\$ 328,419.62</u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Revenues -- Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Rents	\$ 5,884,358.00	\$ 6,052,034.52	\$ 167,676.52
Miscellaneous	86,800.00	125,614.13	38,814.13
	<u>\$ 5,971,158.00</u>	<u>\$ 6,177,648.65</u>	<u>\$ 206,490.65</u>

Analysis of Realized Revenues

Rents:

Consumer Accounts Receivable	\$ 6,047,749.06
Sewer Utility Liens	<u>4,285.46</u>
	<u>\$ 6,052,034.52</u>

Miscellaneous:

Interest on Delinquent Accounts	\$ 27,545.51
Connection Fees	49,110.63
Miscellaneous	442.96
Interest Earned on Deposits	<u>48,515.03</u>
	<u>\$ 125,614.13</u>

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

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Expenditures--Regulatory Basis  
For the Year Ended December 31, 2018

	Appropriations		Expended			Unexpended Balance Canceled
	Original Budget	Budget After Modification	Paid or Charged	Encumbrances	Reserved	
Operating:						
Salaries and Wages	\$ 1,398,000.00	\$ 1,398,000.00	\$ 1,347,994.23		\$ 50,005.77	
Other Expenses	2,852,650.00	2,852,650.00	2,378,877.41	\$ 170,466.32	303,306.27	
Total Operating	4,250,650.00	4,250,650.00	3,726,871.64	170,466.32	353,312.04	-
Capital Improvements:						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00			
Capital Outlay	110,000.00	110,000.00	110,000.00			
Total Capital Improvements	210,000.00	210,000.00	210,000.00	-	-	-
Debt Service:						
Payment of Bond Principal	395,000.00	395,000.00	395,000.00			
Interest on Bonds	126,979.00	126,979.00	123,425.33		\$ 3,553.67	
NJ Wastewater Treatment Loans	753,529.00	753,529.00	711,644.97		41,884.03	
Total Debt Service	1,275,508.00	1,275,508.00	1,230,070.30	-	45,437.70	
Deferred Charges & Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	120,000.00	120,000.00	96,627.61		23,372.39	
Public Employees' Retirement System	103,000.00	103,000.00	101,556.94		1,443.06	
Unemployment Compensation Insurance	10,000.00	10,000.00			10,000.00	
Disability Insurance	2,000.00	2,000.00	1,044.32		955.68	
Total Deferred Charges and Statutory Expenditures	235,000.00	235,000.00	199,228.87	-	35,771.13	-
Total Sewer Utility Appropriations	\$ 5,971,158.00	\$ 5,971,158.00	\$ 5,366,170.81	\$ 170,466.32	\$ 389,083.17	\$ 45,437.70
Interest on Bonds, Notes and Loans Disbursed			\$ 233,165.91			
			5,133,004.90			
			\$ 5,366,170.81			

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

**CITY OF MILLVILLE**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis  
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
General Fixed Assets:			
Land & Land Improvements	\$ 45,415,231.63	\$ 911,146.87	\$ 46,326,378.50
Buildings	6,612,745.34		6,612,745.34
Equipment & Vehicles	13,992,200.20	1,470,445.23	15,462,645.43
Total General Fixed Assets	<u>\$ 66,020,177.17</u>	<u>\$ 2,381,592.10</u>	<u>\$ 68,401,769.27</u>
Total Investment in General Fixed Assets	<u>\$ 66,020,177.17</u>		<u>\$ 68,401,769.27</u>

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

**CITY OF MILLVILLE**  
Notes to Financial Statements  
For the Year Ended December 31, 2018

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The City of Millville (hereafter referred to as the "City") was incorporated as a City by an act of the State Legislature in 1866. In 1913, the Walsh Act was passed and the City began operating under its present Commission form of government. There are five elected Commissioners, one of whom serves as Mayor. The City is located in Cumberland County, approximately 45 miles from Philadelphia, Pennsylvania and comprises approximately 44 square miles. The present population according to the 2010 census is 28,400.

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

Millville Public Library  
210 Buck St.  
Millville, NJ 08332

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

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

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

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

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

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

In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds and an account group which are described as follows (cont'd):

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

**Water Utility Operating and Capital Funds** - The Water Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

**Water Utility Assessment Fund** - The Water Utility Assessment Fund accounts for special assessments levied against property owners for water improvements which benefit property owners, rather than the City as a whole.

**Sewer Utility Operating and Capital Funds** - The Sewer Utility Operating and Capital Funds account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility.

**Sewer Utility Assessment Fund** - The Sewer Utility Assessment Fund accounts special assessments levied against property owners for sewer improvements which benefit property owners, rather than the City as a whole.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

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

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

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

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

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current 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.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Cumberland and the City of Millville School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

**School Taxes** - The City is responsible for levying, collecting, and remitting school taxes for the City of Millville School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018.

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

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

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

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

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

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

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2018, the City's bank balances of \$37,843,420.77 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 37,066,825.35
Uninsured and Uncollateralized	<u>776,595.42</u>
Total	<u><u>\$ 37,843,420.77</u></u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	\$ 3.369	\$ 3.338	\$ 3.296	\$ 3.222	\$ 3.228
Apportionment of Tax Rate:					
Municipal	\$ 1.267	\$ 1.266	\$ 1.266	\$ 1.266	\$ 1.266
County	1.272	1.257	1.230	1.190	1.207
Local School	.830	.815	.800	.766	.755

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2018	\$ 1,476,288,125.00
2017	1,474,534,621.00
2016	1,472,483,710.00
2015	1,479,230,971.00
2014	1,470,934,168.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 49,897,116.09	\$ 48,491,251.59	97.18%
2017	49,360,037.10	48,300,419.33	97.85%
2016	48,610,325.27	47,471,646.14	97.66%
2015	47,776,082.47	46,596,724.48	97.53%
2014	47,925,631.59	46,705,619.57	97.45%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 304,225.78	\$ 685,425.81	\$ 989,651.59	1.98%
2017	118,438.81	943,656.44	1,062,095.25	2.15%
2016	274,634.93	1,133,582.11	1,408,217.04	2.85%
2015	390,232.33	1,074,774.92	1,465,007.25	3.01%
2014	601,587.58	892,609.98	1,494,197.56	3.13%

**Note 3: PROPERTY TAXES (CONT'D)**

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

<u>Year</u>	<u>Number</u>
2018	85
2017	38
2016	36
2015	94
2014	75

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2018	\$ 3,986,130.00
2017	2,733,330.00
2016	2,732,230.00
2015	2,163,330.00
2014	1,195,830.00

**Note 5: WATER UTILITY SERVICE CHARGES**

The following is a five-year comparison of water utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2018	\$ 118,112.76	\$ 838.76	\$ 3,391,419.39	\$ 3,510,370.91	\$ 3,213,913.29
2017	163,398.72	706.26	3,383,998.12	3,548,103.10	3,429,151.58
2016	147,214.55	2,994.46	3,591,482.02	3,741,691.03	3,574,808.95
2015	225,313.18	3,767.19	3,407,595.08	3,636,675.45	3,484,416.81
2014	221,291.28	5,494.12	3,398,810.19	3,625,595.59	3,394,068.29

**Note 6: SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2018	\$ 230,646.00	\$ 2,560.87	\$ 6,343,919.23	\$ 6,577,126.10	\$ 6,052,034.52
2017	283,783.86	1,468.87	6,041,749.45	6,327,002.18	6,066,454.83
2016	251,817.09	671.10	5,978,065.90	6,230,554.09	5,946,099.13
2015	413,110.81	4,926.53	5,750,568.47	6,168,605.81	5,910,050.47
2014	392,599.58	6,294.78	5,928,836.28	6,327,730.64	5,907,805.05

**Note 7: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 6,197,765.56	\$ 4,881,695.00	78.77%
2017	8,920,947.32	7,518,091.00	84.27%
2016	8,735,807.61	5,748,139.00	65.80%
2015	10,299,845.56	5,862,830.00	56.92%
2014	11,444,884.73	5,638,730.00	49.27%

**Water Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 2,421,930.93	\$ 921,468.00	38.05%
2017	2,705,458.29	895,504.00	33.10%
2016	2,636,243.96	658,629.00	24.98%
2015	2,401,111.11	705,734.75	29.39%
2014	2,157,622.72	657,750.50	30.48%

**Note 7: FUND BALANCES APPROPRIATED (CONT'D)**

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

**Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 4,905,560.06	\$ 754,659.00	15.38%
2017	4,200,802.68	385,290.00	9.17%
2016	3,133,328.70	551,309.00	17.59%
2015	3,222,925.99	850,065.28	26.38%
2014	2,742,203.62	792,194.68	28.89%

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 3,858.62	\$ 2,565.54
Trust - Community Development	1,444.54	
Trust - Animal Control		11.72
Trust - Other	1,095.64	6,993.32
Water Utility - Operating	64.27	1,182.91
Sewer Utility - Operating	4,354.69	100,064.27
Sewer Utility - Capital	100,000.00	
Totals	<u>\$ 110,817.76</u>	<u>\$ 110,817.76</u>

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

**Note 9: PENSION PLANS**

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

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

**General Information about the Pension Plans****Plan Descriptions**

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

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

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

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

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

**Tier Definition**

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

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

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

**Contributions**

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

The City's contractually required contribution rate for the year ended December 31, 2018 was 13.73% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Public Employees' Retirement System (Cont'd)** - Based on the most recent PERS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$782,922.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$773,601.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$429,767.52.

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

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

The City's contractually required contribution rate for the year ended December 31, 2018 was 27.66% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$5,927,886.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$1,552,388.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$604,268.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2018 was 3.08% of the City's covered payroll.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2018 is \$182,564.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2017 was \$151,670.00, which was paid on April 1, 2018.

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

For the year ended December 31, 2018, employee contributions totaled \$10,833.91, and the City's contributions were \$5,909.51. There were no forfeitures during the year.

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

**Public Employees' Retirement System** - At December 31, 2018, the City's proportionate share of the PERS net pension liability was \$15,497,840.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The 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. For the June 30, 2018 measurement date, the City's proportion was 0.0787111860%, which was a decrease of (0.0047955797%) from its proportion measured as of June 30, 2017.

At December 31, 2018, the City's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$644,316.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City's contribution to PERS was \$773,601.00, and was paid on April 1, 2018.

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

City's Proportionate Share of Net Pension Liability	\$ 22,693,895.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	<u>3,082,590.00</u>
	<u>\$ 25,776,485.00</u>

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The 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 and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the City's proportion was 0.1677097604%, which was a decrease of (0.0076976547%) from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the City, was 0.1677097604%, which was a decrease of (0.0076976547%) from its proportion, on-behalf of the City, measured as of June 30, 2017.

At December 31, 2018, the City's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,143,580.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City's contribution to PFRS was \$1,552,388.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the City, calculated by the Plan as of the June 30, 2018 measurement date is \$365,128.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 295,546.00	\$ 230,881.00	\$ 526,427.00	\$ 79,912.00	\$ 93,913.00	\$ 173,825.00
Changes of Assumptions	2,553,787.00	1,947,966.00	4,501,753.00	4,955,385.00	5,816,054.00	10,771,439.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	145,370.00	124,156.00	269,526.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	373,174.00	367,248.00	740,422.00	1,665,081.00	2,924,488.00	4,589,569.00
City Contributions Subsequent to the Measurement Date	391,461.00	819,805.00	1,211,266.00	-	-	-
	<u>\$ 3,613,968.00</u>	<u>\$ 3,365,900.00</u>	<u>\$ 6,979,868.00</u>	<u>\$ 6,845,748.00</u>	<u>\$ 8,958,611.00</u>	<u>\$ 15,804,359.00</u>

\$391,461.00 and \$819,805.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the City's year end of December 31, 2018.

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

**Note 9: PENSION PLANS (CONT'D)****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2019	\$ (107,243.00)	\$ (442,592.00)	\$ (549,835.00)
2020	(451,718.00)	(1,358,407.00)	(1,810,125.00)
2021	(1,463,290.00)	(2,524,094.00)	(3,987,384.00)
2022	(1,183,544.00)	(1,562,458.00)	(2,746,002.00)
2023	(417,446.00)	(524,965.00)	(942,411.00)
	<u>\$ (3,623,241.00)</u>	<u>\$ (6,412,516.00)</u>	<u>\$ (10,035,757.00)</u>

**Actuarial Assumptions**

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

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

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

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

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

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

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

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	<b>PERS</b>		
	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 19,486,748.00	\$ 15,497,840.00	\$ 12,151,401.00

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

	<b>PFRS</b>		
	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
City's Proportionate Share of the Net Pension Liability	\$ 30,372,962.00	\$ 22,693,895.00	\$ 16,360,063.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	4,125,664.18	3,082,590.00	2,222,243.80
	<u>\$ 34,498,626.18</u>	<u>\$ 25,776,485.00</u>	<u>\$ 18,582,306.80</u>

**Pension Plan Fiduciary Net Position**

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

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.0787111860%	0.0835067657%	0.0869501822%
City's Proportionate Share of the Net Pension Liability	\$ 15,497,840.00	\$ 19,439,040.00	\$ 25,752,150.00
City's Covered Payroll (Plan Measurement Period)	\$ 5,407,328.00	\$ 5,716,328.00	\$ 5,971,600.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	286.61%	340.06%	431.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.0902109235%	0.0858453883%	0.0830261391%
City's Proportionate Share of the Net Pension Liability	\$ 20,250,545.00	\$ 16,072,605.00	\$ 15,867,945.00
City's Covered Payroll (Plan Measurement Period)	\$ 6,178,560.00	\$ 6,009,304.00	\$ 5,787,888.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	327.76%	267.46%	274.16%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 9: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the City's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Contractually Required Contribution	\$ 782,922.00	\$ 773,601.00	\$ 772,453.00
City's Contribution in Relation to the Contractually Required Contribution	(782,922.00)	(773,601.00)	(772,453.00)
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,700,297.00	\$ 5,453,054.00	\$ 5,642,285.00
City's Contributions as a Percentage of Covered Payroll	13.73%	14.19%	13.69%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 775,572.00	\$ 707,697.00	\$ 625,585.00
City's Contribution in Relation to the Contractually Required Contribution	(775,572.00)	(707,697.00)	(625,585.00)
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,994,904.00	\$ 6,193,627.00	\$ 6,140,792.00
City's Contributions as a Percentage of Covered Payroll	12.94%	11.43%	10.19%

Note 9: **PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Schedule of the City's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)**

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.1677097604%	0.1754074151%	0.1859257362%
City's Proportionate Share of the Net Pension Liability	\$ 22,693,895.00	\$ 27,079,514.00	\$ 35,516,572.00
State's Proportionate Share of the Net Pension Liability associated with the City	<u>3,082,590.00</u>	<u>3,033,134.00</u>	<u>2,982,511.00</u>
Total	<u>\$ 25,776,485.00</u>	<u>\$ 30,112,648.00</u>	<u>\$ 38,499,083.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 5,570,024.00	\$ 5,524,428.00	\$ 6,025,780.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.43%	490.18%	589.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.1986241402%	0.1887112842%	0.1915114609%
City's Proportionate Share of the Net Pension Liability	\$ 33,083,858.00	\$ 23,738,129.00	\$ 25,459,721.00
State's Proportionate Share of the Net Pension Liability associated with the City	<u>2,901,343.00</u>	<u>2,556,198.00</u>	<u>2,373,155.00</u>
Total	<u>\$ 35,985,201.00</u>	<u>\$ 26,294,327.00</u>	<u>\$ 27,832,876.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 6,277,748.00	\$ 5,964,540.00	\$ 5,813,944.40
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	527.00%	397.99%	437.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 9: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the City's Contributions - Police and Firemen's Retirement System (PFRS) (Last Six Years)*

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Contractually Required Contribution	\$ 1,639,610.00	\$ 1,552,388.00	\$ 1,515,928.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,639,610.00)</u>	<u>(1,552,388.00)</u>	<u>(1,515,928.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,927,886.00	\$ 5,563,901.00	\$ 5,524,825.00
City's Contributions as a Percentage of Covered Payroll	27.66%	27.90%	27.44%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 1,614,518.00	\$ 1,449,433.00	\$ 1,397,225.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,614,518.00)</u>	<u>(1,449,433.00)</u>	<u>(1,397,225.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 5,815,293.00	\$ 6,184,573.00	\$ 6,018,794.00
City's Contributions as a Percentage of Covered Payroll	27.76%	23.44%	23.21%

**Note 9: PENSION PLANS (CONT'D)****Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

None

**Changes in Assumptions**

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

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

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

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

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

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

**Changes in Assumptions**

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

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

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

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

**Note 10: LENGTH OF SERVICE AWARDS PROGRAM**

**Plan Description** - The City's length of service awards program (the "Plan"), which is a defined contribution plan reported in the City's trust fund, was created by a City Ordinance adopted on June 1, 1999 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27.

The voters of the City approved the adoption of the Plan at the general election held on November 2, 1999, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2000. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The City's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

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

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

The City elected to contribute \$1,150.00 for the year ended December 31, 2018, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The City has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the City's total expenditure to the Plan was \$19,550.00.

**Note 10: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)**

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

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

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

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

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

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

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

**Supplementary Length of Service Award Program Information**

In accordance with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the following schedule of City contributions to the length of service award program is presented. This schedule is presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

	Year Ended December 31,				
	2018	2017	2016	2015	2014
City's Plan Calculated Contribution	\$ 19,550.00	\$ 18,400.00	\$ 16,100.00	\$ 11,500.00	\$ 16,100.00
City's Contributions in Relation to the Plan Calculated Contribution	(19,550.00)	(18,400.00)	(16,100.00)	(11,500.00)	(16,100.00)
City's Plan Calculated Contribution Deficiency (Excess)	-	-	-	-	-

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description and Benefits Provided** - The City provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, vision, and prescription plan. The City provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree populations: Council 18 employees retiring with at least fifteen (15) years of service with the City and the duration of the benefit is five (5) years for fifteen (15) years of service, eight (8) years for twenty (20) years of service, and thirteen (13) years with twenty-five (25) years of service; Police, Superior and Fire employees retiring with at least twenty-five (25) years of service with the City and the duration of the benefit is twelve (12) years; Administrative employees retiring with at least fifteen (15) years of service with the City and the duration of the benefit is five (5) years for fifteen (15) years of service, nine (9) years for twenty (20) years of service, and thirteen (13) years with twenty-five (25) years of service.

Coverage is provided for the retirees and their spouse up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. This provision is part of a labor agreement between the City and Council 18, Police, Superior, Fire and Administrative. The Plan is administered by the City; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the City provides the retirees with a detailed accounting of the costs.

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

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	146
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	<u>193</u>
	<u><u>339</u></u>

**Total OPEB Liability**

The Township's total OPEB liability of \$19,478,385.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

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

Inflation	2.50% Annually
Salary Increases	See "Salary Increases" Table
Discount Rate	4.10%
Healthcare Cost Trend Rates	See "Health Care Cost Trend Rates" Table
Retirees' Share of Benefit-Related Costs	See "Retirees' Share of Benefit-Related Costs" Table

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions and Other Inputs (Cont'd)****Salary Increases**

	Annual Rate of Increase (%)	
	FYE 2016 to FYE 2026	FYE 2026 and Later
Public Employees' Retirement System (PERS)		
Age 25	3.90%	4.90%
Age 30	3.65%	4.65%
Age 35	3.40%	4.40%
Age 40	3.15%	4.15%
Age 45	2.90%	3.90%
Age 50	2.65%	3.65%
Age 55	2.40%	3.40%
Age 60	2.15%	3.15%
Age 65	1.65%	2.65%
Police and Firemen's Retirement System (PFRS)		
Age 25	8.98%	9.98%
Age 30	5.97%	6.97%
Age 35	4.17%	5.17%
Age 40	3.33%	4.33%
Age 45	2.90%	3.90%

**Health Care Cost Trend Rates**

To Fiscal Year Ending	Annual Rate of Increase (%)				
	Medical				
	Pre-65	Post-65	RX	Dental	Vision
2018	6.40%	5.50%	7.10%	5.00%	3.00%
2019	6.20%	5.40%	7.00%	5.00%	3.00%
2020	6.00%	5.30%	6.90%	5.00%	3.00%
2021	5.90%	5.20%	6.80%	5.00%	3.00%
2022	5.80%	5.10%	6.70%	5.00%	3.00%
2023	5.70%	5.00%	6.60%	5.00%	3.00%
2024	5.60%	5.00%	6.50%	5.00%	3.00%
2025	5.35%	5.00%	6.25%	5.00%	3.00%
2026	5.10%	5.00%	6.00%	5.00%	3.00%
2027	5.00%	5.00%	5.50%	5.00%	3.00%
2028	5.00%	5.00%	5.00%	5.00%	3.00%
2029 & Later	5.00%	5.00%	5.00%	5.00%	3.00%

**Retirees' Share of Benefit-Related Costs**

Retirement Allowance (RA)	Single	Family
RA < \$20k	4.50%	3.43%
\$20k =< RA < \$25k	5.50%	3.43%
\$25k =< RA < \$30k	7.50%	4.43%
\$30k =< RA < \$35k	10.00%	5.85%
\$35k =< RA < \$40k	11.00%	6.85%
\$40k =< RA < \$45k	12.00%	7.85%
\$45k =< RA < \$50k	14.00%	9.85%
\$50k =< RA < \$55k	20.00%	14.55%
\$55k =< RA < \$60k	23.00%	16.55%
\$60k =< RA < \$65k	27.00%	20.40%
\$65k =< RA < \$70k	29.00%	22.40%
\$70k =< RA < \$75k	32.00%	25.40%
\$75k =< RA < \$80k	33.00%	26.40%
\$80k =< RA < \$85k	34.00%	27.40%
\$85k =< RA < \$90k	34.00%	29.40%
\$90k =< RA < \$95k	34.00%	29.70%
\$95k =< RA < \$100k	35.00%	29.85%
\$100k =< RA < \$110k	35.00%	34.55%
\$110k =< RA	35.00%	35.00%

The discount rate was based on the 20-Bond General Obligation (GO) Index.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions and Other Inputs (Cont'd)** - Mortality rates were based on the following:

*Pre-Retirement* - RP-2014 Headcount-Weighted Healthy White-Collar Employee Male / Female Mortality Projected with Scale MP-2018

*Post-Retirement* - RP-2014 Headcount-Weighted Healthy White-Collar Annuitant Male / Female Mortality Projected with Scale MP-2018

An experience study was not performed on the actuarial assumptions used in the December 31, 2018 valuation since the Plan had insufficient data to produce a study with credible results. Mortality rates, termination rates and retirement rates were based on standard tables issued by the Society of Actuaries. The actuary has used their professional judgement in applying these assumptions to this Plan.

**Changes in Total OPEB Liability**

Balance at December 31, 2017		\$ 20,480,528.00
Changes for the Year:		
Service Cost	\$ 994,987.00	
Interest Cost	707,022.00	
Benefit Payments	(1,845,104.00)	
Changes in Assumptions	(859,048.00)	
Difference Between Expected and Actual Experience	-	
Net Changes		(1,002,143.00)
Balance at December 31, 2018		\$ 19,478,385.00

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

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44% at December 31, 2017 to 4.10% at December 31, 2018.

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

	<b>1.00% Decrease (3.10%)</b>	<b>Current Discount Rate (4.10%)</b>	<b>1.00% Increase (5.10%)</b>
Total OPEB Liability	\$ 20,797,018.00	\$ 19,478,385.00	\$ 18,258,498.00

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

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

	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
Total OPEB Liability	<u>\$ 17,659,684.00</u>	<u>\$ 19,478,385.00</u>	<u>\$ 21,608,324.00</u>

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - For the year ended December 31, 2018, the City recognized OPEB expense of \$1,556,606.00. As of December 31, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ -	\$ -
Difference Between Expected and Actual Experience	-	713,645.000
Contributions Subsequent to the Measurement Date	-	-
	<u>\$ -</u>	<u>\$ 713,645.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending Dec. 31,</u>	
2019	\$ (145,403.00)
2020	(145,403.00)
2021	(145,403.00)
2022	(145,403.00)
2023	(132,033.00)
Thereafter	-
	<u>\$ (713,645.00)</u>

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Supplementary OPEB Information**

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

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

Service Cost	\$ 994,987.000
Interest Cost	707,022.00
Benefit Payments	(1,845,104.00)
Changes in Assumptions	(859,048.00)
Difference Between Expected and Actual Experience	-
Net Change in Total OPEB Liability	(1,002,143.00)
Total OPEB Liability - Beginning of Year	<u>20,480,528.00</u>
Total OPEB Liability - End of Year	<u>\$ 19,478,385.00</u>
Covered-Employee Payroll	\$ 11,628,183.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	167.51%

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

None

**Changes in Assumptions**

The discount rate changed from 3.44% as of the December 31, 2017 measurement date to 4.10% as of the December 31, 2018 measurement date.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****General Information about the OPEB Plan**

**Plan Description and Benefits Provided** - The City contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****General Information about the OPEB Plan (Cont'd)**

**Contributions** - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The City was billed monthly by the Plan and paid \$1,122,736.56 for the year ended December 31, 2018, representing 9.66% of the City's covered payroll. During the year ended December 31, 2018, active employees were required to contribute \$725,934.48 and retirees were required to contribute \$53,323.56, totaling \$779,258.04.

*Special Funding Situation Component* - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the City, is \$675,192.00 for the year ended December 31, 2018 representing 5.81% of the City's covered payroll.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liability** - At December 31, 2018 the City's and State's proportionate share of the net OPEB liability were as follows:

City's Proportionate Share of Net OPEB Liability	\$ 28,288,586.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the City	<u>22,304,781.00</u>
	<u>\$ 50,593,367.00</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The City's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the City's proportion was 0.180566% which was an increase of 0.008048% from its proportion measured as of the June 30, 2017 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the City was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the City was 0.358953% which was an increase of 0.006878% from its proportion measured as of the June 30, 2017 measurement date.

**OPEB Expense** - At December 31, 2018, the City's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is \$949,277.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City made contributions to the Plan totaling \$1,122,736.56.

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the City, calculated by the Plan as of the June 30, 2018 measurement date is \$675,192.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 11: **POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ -	\$ 5,743,592.00
Changes of Assumptions	-	7,175,770.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	14,949.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	1,600,927.00	2,270,574.00
City Contributions Subsequent to the Measurement Date	265,512.21	-
	<u>\$ 1,881,388.21</u>	<u>\$ 15,189,936.00</u>

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

\$265,512.21 reported as deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be included as a reduction of the City's net OPEB liability during the year ending December 31, 2019. The City will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14

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

<u>Year Ending Dec. 31,</u>	
2019	\$ (2,046,546.00)
2020	(2,046,546.00)
2021	(2,046,546.00)
2022	(2,048,125.00)
2023	(2,050,678.00)
Thereafter	<u>(3,335,619.00)</u>
	<u>\$ (13,574,060.00)</u>

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

\* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

**Discount Rate** - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Health Care Trend Assumptions** - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the City's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plans measurement date, for the City and the State of New Jersey, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(2.87%)</u></b>	<b>Current Discount Rate <u>(3.87%)</u></b>	<b>1% Increase <u>(4.87%)</u></b>
City's Proportionate Share of the Net OPEB Liability	\$ 33,189,990.00	\$ 28,288,586.00	\$ 24,373,473.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	<u>26,169,405.00</u>	<u>22,304,781.00</u>	<u>19,217,821.00</u>
	<u>\$ 59,359,395.00</u>	<u>\$ 50,593,367.00</u>	<u>\$ 43,591,294.00</u>

**Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The City's and State's proportionate share of the net OPEB Liability as of June 30, 2018, the Plans measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
City's Proportionate Share of the Net OPEB Liability	\$ 23,597,216.00	\$ 28,288,586.00	\$ 34,359,915.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	<u>18,605,764.00</u>	<u>22,304,781.00</u>	<u>27,091,859.00</u>
	<u>\$ 42,202,980.00</u>	<u>\$ 50,593,367.00</u>	<u>\$ 61,451,774.00</u>

**OPEB Plan Fiduciary Net Position**

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

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)****Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

***Schedule of the City's Proportionate Share of the net OPEB Liability (Last 2 Years)***

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.180566%	0.172518%
City's Proportionate Share of the Net OPEB Liability	\$ 28,288,586.00	\$ 35,220,910.00
State's Proportionate Share of the Net OPEB Liability Associated with the City	<u>22,304,781.00</u>	<u>30,614,376.00</u>
Total	<u>\$ 50,593,367.00</u>	<u>\$ 65,835,286.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 11,226,334.00	\$ 11,028,104.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	251.98%	319.37%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

**Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)*****Schedule of the City's Contributions (Last 2 Years)***

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
City's Required Contributions	\$ 1,122,736.56	\$ 1,748,603.88
City's Contributions in Relation to the Required Contribution	<u>(1,122,736.56)</u>	<u>(1,748,603.88)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 11,628,183.00	\$ 11,016,955.00
City's Contributions as a Percentage of Covered Payroll	9.66%	15.87%

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

None

**Changes in Assumptions**

In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

**Note 12: COMPENSATED ABSENCES**

Under the existing policy of the City, full-time employees are entitled to accumulate annual unused sick leave and vacation days. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The City compensates employees for unused sick leave and vacation days upon termination or retirement. For unused sick leave, however, the current policy provides one compensated day for every two days accumulated.

The City has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2018, the balance of the fund was \$1,083,549.11. It is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$2,732,748.64.

**Note 13: DEFERRED COMPENSATION SALARY ACCOUNT**

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

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

**Note 14: SANITARY LANDFILL ESCROW CLOSURE FUND**

The City operates a municipal landfill located in the southern part of the City. The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy.

The City has received State approval for its Landfill Closure Plan. As of December 31, 2018 the Reserve for Landfill Closure had a balance of \$150,057.59. However, the escrow closure fund balance at year-end does not represent the estimated cost of closure as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with the closure are not known.

**Note 15: CAPITAL DEBT**

**General Obligation Bonds**

General Obligation Bonds, Series 2008 - On September 1, 2008, the City issued \$7,816,000.00 of general improvement, water utility, and sewer utility bonds, with interest rates ranging from 3.0% to 5.0%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds was September 1, 2018.

General Obligation Bonds, Series 2011 - On November 1, 2011, the City issued \$16,185,000.00 of general improvement, water utility, sewer utility, and revenue allocation district bonds, with interest rates ranging from 3.0% to 5.0%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is November 1, 2023.

General Obligation Refunding Bonds, Series 2012 - On September 5, 2012, the City issued \$8,015,000.00 in general obligation refunding bonds, with interest rates ranging from 1.00% to 2.50%, to advance refund \$1,735,000.00 in outstanding 2001 general improvement bonds with an interest rate of 4.10%, \$5,124,000.00 in outstanding 2004 general improvement bonds with an interest rate of 4.125%, \$154,000.00 in outstanding 2004 water utility bonds with an interest rate of 4.125%, and \$592,000.00 in outstanding 2004 sewer utility bonds with an interest rate of 4.125%. The final maturity of the bonds is July 15, 2020.

General Obligation Refunding Bonds, Series 2016 - On April 21, 2016, the City issued \$4,265,000.00 in general obligation refunding bonds, with interest rates ranging from 2.00% to 3.00%, to advance refund \$1,751,000.00 in outstanding 2008 general improvement bonds with an interest rate of 5.0%, \$1,405,000.00 in outstanding 2008 water utility bonds with an interest rate of 5.0%, and \$965,000.00 in outstanding 2008 sewer utility bonds with an interest rate of 5.0%. The final maturity of the bonds is September 1, 2028.

General Obligation Bonds, Series 2017 - On July 26, 2017, the City issued \$13,469,000.00 of general improvement, water utility, and sewer utility bonds, with interest rates ranging from 2.0% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is July 15, 2037.

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

**Bonded Debt issued and Outstanding**

Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2019	\$ 2,555,000.00	\$ 650,427.50	\$ 265,000.00	\$ 119,355.00	\$ 395,000.00	\$ 108,675.00	\$ 4,093,457.50
2020	2,595,000.00	561,740.00	260,000.00	110,605.00	445,000.00	91,575.00	4,063,920.00
2021	2,480,000.00	465,565.00	260,000.00	101,405.00	445,000.00	72,225.00	3,824,195.00
2022	2,500,000.00	375,665.00	290,000.00	92,805.00	450,000.00	53,375.00	3,761,845.00
2023	2,614,000.00	300,665.00	321,000.00	84,105.00	455,000.00	39,875.00	3,814,645.00
2024-28	5,050,000.00	692,225.00	1,320,000.00	284,175.00	745,000.00	81,125.00	8,172,525.00
2029-33	1,804,000.00	81,240.00	600,000.00	130,375.00	100,000.00	4,500.00	2,720,115.00
2034-37			470,000.00	37,550.00			507,550.00
Totals	\$ 19,598,000.00	\$ 3,127,527.50	\$ 3,786,000.00	\$ 960,375.00	\$ 3,035,000.00	\$ 451,350.00	\$ 30,958,252.50

**Note 15: CAPITAL DEBT (CONT'D)****General Debt - New Jersey Environmental Infrastructure Loans**

The City entered into loan agreements with the State of New Jersey Environmental Infrastructure Trust. The loans consists of two parts - a Trust Loan repayable at market interest rates and a Fund Loan repayable with no interest.

Water Utility NJEIT Loan Series 2003A - On October 15, 2003, the City entered into a loan agreement in the amount of \$1,451,680.00 with the New Jersey Environmental Infrastructure Trust. The final payment of the loan is September 1, 2023.

Water Utility NJEIT Loan Series 2013A - On May 22, 2013, the City entered into a loan agreement in the amount of \$3,660,000.00 with the New Jersey Environmental Infrastructure Trust. The final payment of the loan is August 1, 2032.

Sewer Utility NJEIT Loan Series 1999 - On October 15, 1999, the City entered into a loan agreement in the amount of \$2,419,936.00 with the New Jersey Environmental Infrastructure Trust. The final payment of the loan is August 1, 2019.

Sewer Utility NJEIT Loan Series 2003A - On October 15, 2003, the City entered into a loan agreement in the amount of \$2,850,000.00 with the New Jersey Environmental Infrastructure Trust. The final payment of the loan is September 1, 2023.

Sewer Utility NJEIT Loan Series 2010A - On March 10, 2010, the City entered into a loan agreement in the amount of \$4,286,975.00 with the New Jersey Environmental Infrastructure Trust. The final payment of the loan is August 1, 2029.

Sewer Utility NJEIT Loan Series 2018A - On December 1, 2017, the City entered into a loan agreement in the amount of \$9,423,760.00 with the New Jersey Environmental Infrastructure Trust. The final payment of the loan is September 1, 2037.

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

**Schedule of NJEIT Loans**

<u>Year</u>	<u>Water Utility</u>		<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 269,252.20	\$ 37,687.50	\$ 812,681.60	\$ 149,050.00	\$ 1,268,671.30
2020	267,736.78	33,587.50	727,833.41	132,600.00	1,161,757.69
2021	279,252.19	29,487.50	737,833.41	120,600.00	1,167,173.10
2022	262,609.60	25,212.50	753,000.39	109,725.00	1,150,547.49
2023	246,101.68	20,800.00	762,863.95	97,350.00	1,127,115.63
2024-28	965,508.40	59,350.00	2,993,580.85	341,537.50	4,359,976.75
2029-33	793,392.01	17,250.00	2,615,480.85	171,712.50	3,597,835.36
2034-37			2,070,765.00	53,425.04	2,124,190.04
Totals	\$ 3,083,852.86	\$ 223,375.00	\$ 11,474,039.46	\$ 1,176,000.04	\$ 15,957,267.36

**Note 15: CAPITAL DEBT (CONT'D)****General Debt - New Jersey Green Acres Loans**

The City entered into 3 loan agreements with the State of New Jersey under the Green Acres and Recreational Act. Provisions of these agreements require the City to repay the loans in semi-annual installments over twenty years bearing interest at two percent commencing nine months from the date of the final receipt of funds. The remaining principal balance on these 3 loans as of December 31, 2018 was \$424,771.23.

Green Trust Loan - On July 22, 2003, the City entered into a loan agreement in the amount of \$250,000.00 with the State of New Jersey with an interest rate of 2.00%, for the Green Acres-Sharp Street Recreation Complex. The final payment of the loan is April 4, 2022.

Green Trust Loan - On December 9, 2005, the City entered into a loan agreement in the amount of \$250,000.00 with the State of New Jersey with an interest rate of 2.00%, for the Public Marina. The final payment of the loan is September 6, 2024.

Green Trust Loan - On March 29, 2010, the City entered into a loan agreement in the amount of \$500,000.00 with the State of New Jersey with an interest rate of 2.00%, for the Waterfront IV&V project. The final payment of the loan is December 31, 2027.

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

**Schedule of Green Trust Loans**

<u>Year</u>	<u>Principal</u>	<u>General</u> <u>Interest</u>	<u>Total</u>
2019	\$ 58,266.18	\$ 8,205.55	\$ 66,471.73
2020	59,437.35	7,034.38	66,471.73
2021	60,632.02	5,839.71	66,471.73
2022	53,733.72	4,621.00	58,354.72
2023	46,615.58	3,622.12	50,237.70
2024-27	146,086.38	6,162.44	152,248.82
Totals	<u>\$ 424,771.23</u>	<u>\$ 35,485.20</u>	<u>\$ 526,728.15</u>

**Note 15: CAPITAL DEBT (CONT'D)**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 20,022,771.23	\$ 22,574,889.33	\$ 20,218,783.99
Water Utility:			
Bonds, Loans and Notes	6,869,852.86	7,387,233.52	6,732,604.83
Sewer Utility:			
Bonds, Loans and Notes	14,509,039.46	15,505,943.85	8,479,435.07
Total Issued	<u>41,401,663.55</u>	<u>45,468,066.70</u>	<u>35,430,823.89</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes	2,051,060.54	1,631,060.54	5,369,058.54
Water Utility:			
Bonds, Loans and Notes	845.22	845.22	9,000.22
Sewer Utility:			
Bonds, Loans and Notes	577,315.02	577,315.02	8,301,075.02
Total Authorized but not Issued	<u>2,629,220.78</u>	<u>2,209,220.78</u>	<u>13,679,133.78</u>
Total Issued and Authorized but not Issued	<u>44,030,884.33</u>	<u>47,677,287.48</u>	<u>49,109,957.67</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Bonds	957,033.58	1,064,033.58	1,121,153.58
Water Utility:			
Self-Liquidating	6,870,698.08	7,388,078.74	6,741,605.05
Sewer Utility:			
Self-Liquidating	15,086,354.48	16,083,258.87	16,780,510.09
Total Deductions	<u>22,914,086.14</u>	<u>24,535,371.19</u>	<u>24,643,268.72</u>
<b>Net Debt</b>	<u>\$ 21,116,798.19</u>	<u>\$ 23,141,916.29</u>	<u>\$ 24,466,688.95</u>

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.341%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Self-Liquidating	\$ 21,957,052.56	\$ 21,957,052.56	
General	22,073,831.77	957,033.58	\$ 21,116,798.19
	<u>\$ 44,030,884.33</u>	<u>\$ 22,914,086.14</u>	<u>\$ 21,116,798.19</u>

Net debt \$21,116,798.19 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,574,473,766.67, equals 1.341%.

**Note 15: CAPITAL DEBT (CONT'D)****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	55,106,581.83
Less: Net Debt		<u>21,116,798.19</u>
Remaining Borrowing Power	\$	<u><u>33,989,783.64</u></u>

**Calculation of "Self-Liquidating Purpose,"  
Water Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	4,032,755.99
Deductions:		
Operating and Maintenance Costs	\$	3,125,454.00
Debt Service		<u>678,506.32</u>
Total Deductions		<u>3,803,960.32</u>
Excess in Revenue	\$	<u><u>228,795.67</u></u>

**Calculation of "Self-Liquidating Purpose,"  
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	6,177,648.65
Deductions:		
Operating and Maintenance Costs	\$	4,485,650.00
Debt Service		<u>1,230,070.30</u>
Total Deductions		<u>5,715,720.30</u>
Excess in Revenue	\$	<u><u>461,928.35</u></u>

**Note 16: SCHOOL TAXES**

Millville School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 4,849,119.14	\$ 4,755,105.14
Deferred	<u>1,791,000.00</u>	<u>1,791,000.00</u>
Taxes Payable	<u>\$ 3,058,119.14</u>	<u>\$ 2,964,105.14</u>

**Note 17: 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.

**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, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

<u>Year</u>	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018			\$ 21,321.68	\$ 13,237.21
2017	\$ 19,312.34	\$ 37,148.38	49,050.06	34,558.89
2016			88,306.45	27,148.23

**Joint Insurance Pool** - The City of Millville is a member of the Atlantic County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

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

**Note 17: RISK MANAGEMENT (CONT'D)**

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

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

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

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

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2018, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
 Greentree Centre/525 Lincoln Drive West  
 PO Box 488  
 Marlton, New Jersey 08053  
[www.acmjif.org](http://www.acmjif.org)

Municipal Excess Liability Joint Insurance Fund  
 250 Pehle Ave, Suite 701  
 Saddlebrook, New Jersey 07663

**Self-Insurance Reserve** – In addition to the commercial insurance and the insurance provided by the public entity risk pools, the City maintained a self-insurance fund for employee medical insurance and general liability claims. As of December 31, 2018 the balance in the Reserve for Self-Insurance Fund in the Trust Other Fund was \$1,916,345.92. After February 28, 2006 medical insurance was provided by a commercial carrier until February 16, 2010, when the City authorized participation in the State Health Benefits Program. In addition, the Reserve for Self-Insurance Fund is used to satisfy deductibles for commercial insurance and public entity risk pool claims.

The following is a summary of the claims liability of the City's trust fund for self-insured workers' compensation for the current and previous year:

	<u>2018</u>	<u>2017</u>
Incurred Claims	\$ 191,588.53	\$ 2,398.11
Payment of Claims	<u>(191,588.53)</u>	<u>(2,398.11)</u>

There have been no settlements that exceed the City's coverage for years ended December 31, 2018, 2017 and 2016.

**Note 18: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

<u>Description</u>	<u>Balance</u> <u>December 31, 2018</u>	<u>2019</u> <u>Budget</u> <u>Appropriation</u>
Current Fund:		
Emergency Authorization	\$ 200,000.00	\$ 200,000.00

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

**Note 19: CONTINGENCIES**

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

**Litigation** - The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the City, from such litigation is either unknown or potential losses, if any, cannot be determined at this time.

**Note 20: CONCENTRATIONS**

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

**Note 21: TAX ABATEMENTS**

The City enters into property tax abatement agreements with local businesses under the state Long Term Tax Exemption Law. Under the Law, municipalities may grant property tax abatements to Urban Renewal Entities to undertake commercial and residential redevelopment projects, relocation projects for residents displaced by the redevelopment area, and low and moderate income housing projects.

For the year ended December 31, 2018, the City abated property taxes totaling \$1,669,758.03 including the following tax abatement agreements that each exceeded ten percent (10%) of the total amount abated:

- A seventy-four percent (74%) property tax abatement to a motor sports park. The abatement amounted to \$498,799.98.
- A forty-six percent (47%) property tax reduction for a department store retailer. The abatement amounted to \$230,870.69.
- An eighty-seven percent (89%) property tax reduction for the housing authority. The abatement amounted to \$601,034.35.

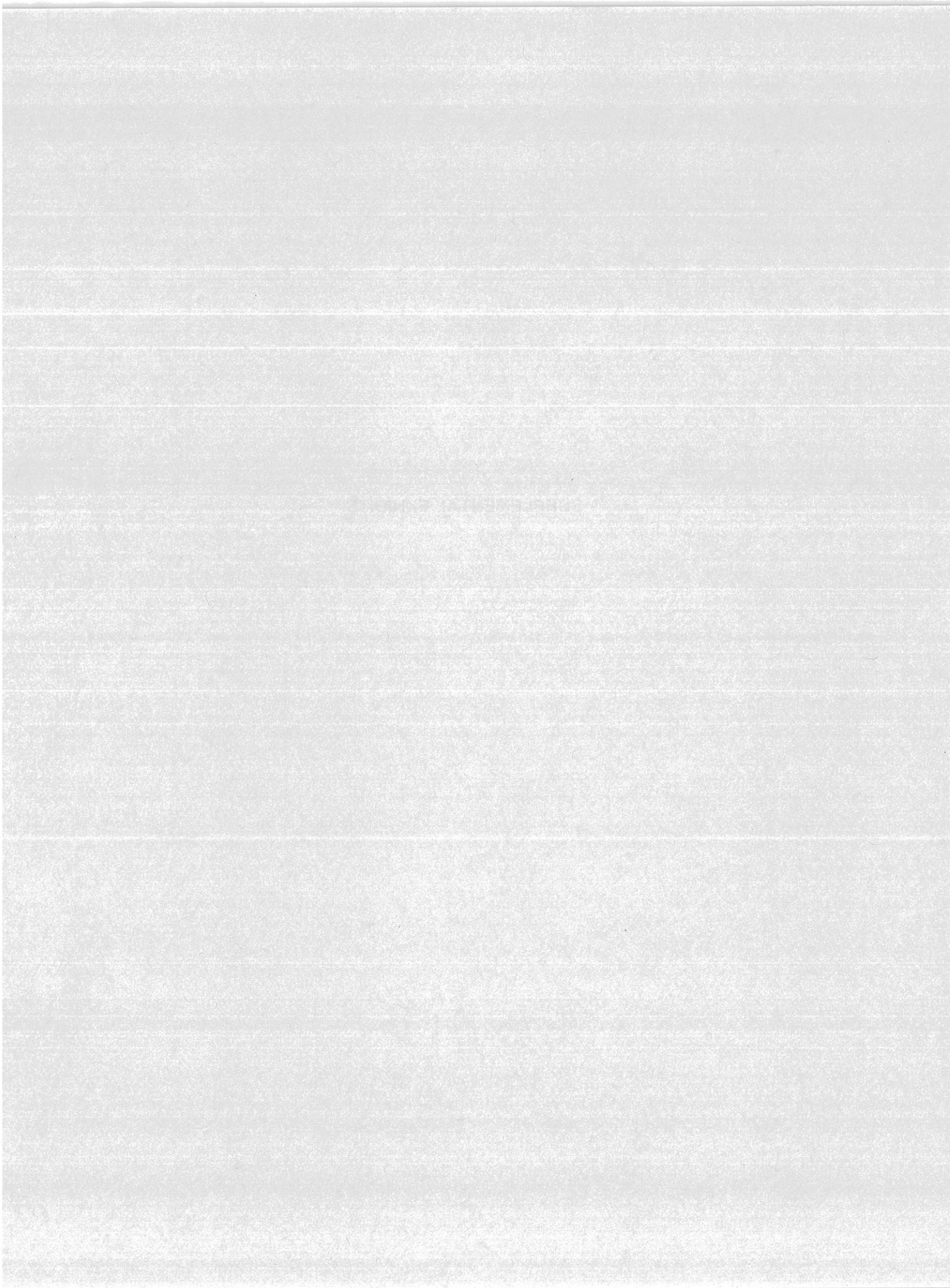
**Note 22: SUBSEQUENT EVENTS**

**Tax Appeals** - As of December 31, 2018, several tax appeals were on file against the City. Based upon information provided by the tax assessor, if such appeals are not settled in favor of the City, the estimated impact of the tax refunds could be material.

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements</b>		
Various Capital Improvements	6/18/2019	\$ 1,510,500.00
<b>Water/Sewer Utility Improvements</b>		
Improvements to the Water and Sewer Utility Systems	6/18/2019	2,825,000.00

**SUPPLEMENTAL EXHIBITS**



**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**



CITY OF MILLVILLE  
CURRENT FUND  
Statement of Current Cash  
Treasurer  
For the Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2017	\$ 19,393,811.52	\$ 879,824.45
Increased by Receipts:		
Animal Control Fund	\$ 46.32	
Water Utility Operating Fund	1,474.28	
Interest and Costs on Taxes	166,161.24	
Interest on Investments and Deposits	149,926.94	
Consolidated Municipal Property Tax Relief Aid	92,903.00	
Energy Receipts Tax	4,126,970.00	
Reserve for Payment of Debt Service	107,000.00	
Utility Surplus of Prior Years:		
Water Utility	201,586.00	
Sewer Utility	385,290.00	
Miscellaneous Revenue not Anticipated	435,796.10	
Due from State of New Jersey-- Veterans' and Senior Citizens' Deductions	236,701.48	
Taxes Receivable	48,028,785.28	
Tax Title Liens	76,346.22	
Penalty Surcharge Receivable	3,314.95	
Property Maintenance Assessments Receivable	69,523.32	
Revenue Accounts Receivable	2,948,877.69	
Tax Overpayments	7,018.76	
Prepaid Taxes	451,982.88	
State Library Aid	12,430.00	
Due State of New Jersey--Marriage License Fees	3,928.00	
Reserve for Garden State Preservation Trust Fund	29,852.00	
Reserve for Insurance Proceeds	57,927.97	
Federal and State Grants Receivable		\$ 246,688.30
Federal and State Grants Appropriated:		
Interest Earned and Refunds		2,886.40
Matching Funds For Grants		7,898.50
	57,593,842.43	257,473.20
Carried Forward	76,987,653.95	1,137,297.65

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Current Cash  
 Treasurer  
 For the Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Brought Forward	\$ 76,987,653.95	\$ 1,137,297.65
Decreased by Disbursements:		
Trust Other Fund	\$ 23,080.86	
Community Development Fund	800.00	
Sewer Utility Operating Fund	3,172.43	
Protested Checks	3,152.57	
2018 Appropriations	29,801,307.70	
2017 Appropriation Reserves	670,962.09	
Accounts Payable	11,175.00	
Local School Taxes Payable	12,153,985.00	
County Taxes	18,759,991.74	
County Added and Omitted Taxes	52,680.12	
Refund of Tax Overpayments	87.47	
Reserve for Tax Appeals	170,236.32	
State Library Aid	12,430.00	
Due State of New Jersey--Marriage License Fees	3,875.00	
Reserve for Insurance Proceeds	84,634.60	
Matching Funds For Grants	7,898.50	
Federal and State Grants--Appropriated		<u>\$ 771,931.32</u>
	<u>61,759,469.40</u>	<u>771,931.32</u>
Balance December 31, 2018	<u>\$ 15,228,184.55</u>	<u>\$ 365,366.33</u>

CITY OF MILLVILLE  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2018

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<u>Office</u>	<u>Amount</u>
Tax Collector	\$ 1,000.00
Water and Sewer Department	300.00
Municipal Court	200.00
Clerk	700.00
	<hr/>
	\$ 2,200.00

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Due From State of New Jersey  
Veterans' and Senior Citizens' Deductions  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 77,153.07
Increased by:		
Deductions per Tax Billings	\$ 243,000.00	
Deductions Allowed by Tax Collector	4,750.00	
	\$ 247,750.00	
Less: Deductions Disallowed by Tax Collector 2018	4,691.79	
	243,058.21	
Less: Deductions Disallowed by Tax Collector 2017	6,363.70	
		236,694.51
		313,847.58
Decreased By:		
Receipts		236,701.48
Balance Dec. 31, 2018		\$ 77,146.10

Exhibit SA-4

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Protested Checks  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 14,114.94
Increased by:		
Checks Protested	3,152.57	
		17,267.51
Decreased by:		
Canceled by Resolution	12,107.72	
Balance Dec. 31, 2018		\$ 5,159.79

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2018

Year	Balance Dec. 31, 2017	Current 2018 Levy	Added Taxes	Collections		Due from State of New Jersey	Over- Payments Applied	Cancellations by Tax Appeals Funded by Reserve for Tax Appeals	Transfer to Foreclosed Property	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2018
				2017	2018							
Arrears	\$ 4,906.27				\$ 403.55					\$ 1,166.66	\$ 1,460.73	\$ 3,336.06
2016	8,444.66				3,293.89							3,690.04
2017	930,305.51	\$ 6,363.70	6,363.70		620,752.92			\$ 155,564.15		2,817.14	150,228.25	7,306.75
2018	943,656.44		6,363.70	624,450.36				155,564.15		3,983.80	151,688.98	14,332.85
		\$ 49,897,116.09	\$ 760,758.67	47,404,334.92	\$ 243,058.21	\$ 12,995.11		70,104.68	\$ 44,749.69	521,753.24	168,268.61	671,092.96
	\$ 943,656.44	\$ 49,897,116.09	\$ 6,363.70	\$ 760,758.67	\$ 48,028,785.28	\$ 243,058.21	\$ 12,995.11	\$ 225,668.83	\$ 44,749.69	\$ 525,737.04	\$ 319,957.59	\$ 685,425.81

Analysis of Year 2018 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 49,736,146.93
Added Taxes (54.4-53 et seq.)	160,969.16
	<u>\$ 49,897,116.09</u>
Tax Levy	
Local District School Tax:	
School Budget	\$ 17,757,415.38
County Taxes:	
County Tax	841,547.42
County Health Tax	161,028.94
County Open Space	
	<u>18,759,991.74</u>
Due County for Added and Omitted Taxes	60,761.21
Total County Taxes	<u>18,820,752.95</u>
Local Tax for Municipal Purposes	18,690,053.00
Addition to Local Tax for Municipal Purposes	<u>138,311.14</u>
Local Tax for Municipal Purposes Levied	<u>\$ 49,897,116.09</u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 118,438.81
Increased by:		
Transfers from Taxes Receivable	\$ 319,957.59	
Transfers from Penalty Surcharge Receivable	6,919.06	
Interest and Costs Accrued at Tax Sale	<u>78,580.08</u>	
		<u>405,456.73</u>
		523,895.54
Decreased by:		
Transfer to Foreclosed Property	136,383.86	
Canceled	6,939.68	
Collections	<u>76,346.22</u>	
		<u>219,669.76</u>
Balance Dec. 31, 2018		<u><u>\$ 304,225.78</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Penalty Surcharge Receivable  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 11,247.32
Decreased by:		
Canceled	\$ 1,013.31	
Transfer to Tax Title Lien	6,919.06	
Collections	<u>3,314.95</u>	
		<u>\$ 11,247.32</u>

Exhibit SA-8

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Property Maintenance Assessments Receivable  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 169,853.08
Increased by:		
Assessments Levied		<u>190,215.87</u>
		360,068.95
Decreased by:		
Transferred to Foreclosed Property	\$ 72,973.27	
Collections	<u>69,523.32</u>	
		<u>142,496.59</u>
Balance Dec. 31, 2018		<u>\$ 217,572.36</u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Property Acquired for Taxes--Assessed Valuation  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 2,733,330.00
Increased by:		
Transfers from Taxes Receivable	\$ 44,749.69	
Transfers from Tax Title Liens	136,383.86	
Transfers from Property Maintenance Assessments	72,973.27	
Adjustment to Assessed Value	985,644.18	
Legal Fees	<u>13,049.00</u>	
		<u>1,252,800.00</u>
Balance Dec. 31, 2018		<u>\$ 3,986,130.00</u>

**CITY OF MILLVILLE  
CURRENT FUND**

Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	Accrued in <u>2018</u>	Collections	Balance <u>Dec. 31, 2018</u>
City Clerk:				
Licenses:				
Alcoholic Beverages	\$	14,730.00	\$ 14,730.00	
Other		11,701.00	11,701.00	
Fees and Permits		896,080.00	896,080.00	
Construction Code Official		140,544.60	140,544.60	
Uniform Fire Safety Act Fees and Permits		120,048.05	120,048.05	
Tax Search Fees and Municipal Improvement				
Search Fees		350.00	350.00	
Street Opening Permits		100,363.00	100,363.00	
Planning and Zoning Board Fees		27,609.25	27,609.25	
Municipal Court--Fines and Costs	\$ 29,385.46	384,924.84	395,139.30	\$ 19,171.00
Housing Inspector Fees and Permits		33,756.00	33,756.00	
Police Fees and Permits		327.00	327.00	
Manufactured Homes Annual Service Fee		239,211.45	239,211.45	
Cable TV--Franchise Fee		105,005.57	105,005.57	
Gasoline -- Millville Board of Education		9,345.03	9,345.03	
Shared Services Agreement - Tax Assessor		31,000.08	31,000.08	
Payment in Lieu of Taxes--Housing Authority		77,721.45	77,721.45	
Payments in Lieu of Taxes--Abatements		378,181.51	378,181.51	
Payment in Lieu of Taxes--Senior Center		34,589.28	34,589.28	
Hotel Motel Tax		156,495.12	156,495.12	
Rent--Millville Library		176,680.00	176,680.00	
	<u>\$ 29,385.46</u>	<u>\$ 2,938,663.23</u>	<u>\$ 2,948,877.69</u>	<u>\$ 19,171.00</u>

**CITY OF MILLVILLE**  
**CURRENT FUND**

Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Disbursed	Accounts Payable	Balanced Lapsed
	Reserved	Encumbered				
OPERATIONS--WITHIN "CAPS"						
General Government Functions						
General Administration						
Salaries and Wages	\$ 8,530.75	\$	8,530.75	\$	500.00	8,030.75
Other Expenses	9,110.60		9,110.60	709.09		8,401.51
Human Resources						
Salaries and Wages	9,632.29		9,632.29		1,170.00	8,462.29
Other Expenses	4,716.38	1,434.07	6,150.45	1,488.98		4,661.47
Board of Commissioners						
Salaries and Wages	1,362.78		1,362.78			1,362.78
Other Expenses	3,834.76	318.38	4,153.14	852.87		3,300.27
Municipal Clerk's Office						
Salaries and Wages	33,612.50		33,612.50	1,801.61	2,470.00	29,340.89
Other Expenses	10,508.81	1,416.03	11,924.84	4,145.05		7,779.79
Financial Administration						
Salaries and Wages	55,818.83		55,818.83	3,677.68	3,300.00	48,841.15
Other Expenses	9,392.94	2,786.67	12,179.61	2,634.04		9,545.57
Annual Audit	50,000.00		50,000.00	49,130.00		870.00
Information Technology						
Salaries and Wages	4,000.00		4,000.00			4,000.00
Other Expenses	29,112.85	144.58	29,257.43	2,558.56		26,698.87
Collection of Taxes						
Salaries and Wages	5,840.62		5,840.62	1,307.79	2,500.00	2,032.83
Other Expenses	553.98	287.75	841.73	249.78		591.95
Assessment of Taxes						
Salaries and Wages	8,448.36		8,448.36			4,764.68
Other Expenses	69,680.83	1,834.00	71,514.83	9,886.66	400.00	61,228.17
Legal Services and Costs						
Other Expenses	47,005.74	3,233.07	50,238.81	11,993.17	1,875.00	36,370.64

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**

Statement of 2017 Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Disbursed	Accounts Payable	Balanced Lapsed
	<u>Reserved</u>	<u>Encumbered</u>				
OPERATIONS-- WITHIN "CAPS" (CONT'D)						
General Government Functions (Cont'd)						
Municipal Court						
Salaries and Wages	\$ 47,257.26	\$	\$ 47,257.26	\$ 274.33	\$ 2,000.00	\$ 44,982.93
Other Expenses	3,505.09	1,497.02	5,002.11	3,539.58		1,462.53
Public Defender						
Other Expenses	4,086.25	4,755.00	8,841.25	1,180.00		7,661.25
Engineering Services and Costs						
Salaries and Wages	46,743.25		46,743.25	1,275.70	2,500.00	42,967.55
Other Expenses	32,063.22	34,982.20	67,045.42	3,122.94		63,922.48
Land Use Administration						
Planning/Community Development						
Other Expenses	851.52	3,857.13	4,708.65	2,864.41		1,844.24
Planning Board						
Salaries and Wages	3,114.67		3,114.67			3,114.67
Other Expenses	3,103.25		603.25	57.31		545.94
Zoning Board Adjustment						
Salaries and Wages	405.43		405.43			405.43
Other Expenses	2,930.55	354.40	784.95	370.50		414.45
Bureau of Permits and Inspections						
Salaries and Wages	61,943.86		61,943.86	1,458.31	2,500.00	57,985.55
Other Expenses	31,115.51	2,263.96	38,379.47	3,793.41		34,586.06

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**

Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Disbursed	Accounts Payable	Balanced Lapsed
	Reserved	Encumbered				
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Insurance	\$	\$	\$			\$
Surety Bond Premiums	3,750.00		3,750.00			3,750.00
Liability Insurance	396.00	6,250.00	6,646.00			6,646.00
Workers Compensation	88,916.42		88,916.42			88,916.42
Health Benefits Waiver	240.74		240.74			240.74
Employee Group Health	426,494.43		426,494.43			426,494.43
Public Safety Functions						
Police						
Salaries and Wages	479,877.12		479,877.12	5,538.68	1,500.00	472,838.44
Other Expenses	26,955.68	137,256.69	164,212.37	127,283.75	233.50	36,695.12
Office of Emergency Management						
Salaries and Wages	1,002.21	1,182.88	2,185.09	1,182.88		1,002.21
Other Expenses	2,935.78	7,934.58	10,870.36	8,108.10		2,762.26
Fire Department						
Salaries and Wages	0.79		0.79			0.79
Other Expenses	772.79	20,054.06	20,826.85	18,762.23		2,064.62
Municipal Prosecutor's Office						
Other Expenses	16,400.00	1,200.00	17,600.00			17,600.00
Uniform Fire Safety Act						
Salaries and Wages	23.97		23.97			23.97
Other Expenses	390.93	4,242.26	4,633.19	581.33		4,051.86
Streets and Road Repairs and Maintenance						
Salaries and Wages	98,073.44		98,073.44	20,152.65		77,920.79
Other Expenses	33,739.68	29,213.84	62,953.52	33,045.55		29,907.97
Shade Tree Commission						
Salaries and Wages	307.72		307.72	38.46		269.26
Other Expenses	334.17	4,206.00	4,540.17	4,240.83		299.34
Solid Waste and Recycling Collection						
Salaries and Wages	3,264.84		3,264.84		802.84	3,264.84
Other Expenses	141,846.48	72,038.23	213,884.71	72,643.60		140,438.27

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**  
 Statement of 2017 Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Disbursed	Accounts Payable	Balanced Lapsed
	Reserved	Encumbered				
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Public Safety Functions (Cont'd)						
Public Buildings and Grounds						
Salaries and Wages	\$ 46,678.65	\$	\$ 46,678.65	\$ 1,352.02	\$	\$ 45,326.63
Other Expenses	60,229.45	15,448.25	76,677.70	24,258.80	200.00	52,218.90
Fleet Management						
Salaries and Wages	18,778.48		18,778.48	2,643.61		16,134.87
Other Expenses	9,272.83	755.00	10,027.83	1,689.99		8,337.84
Health and Human Services						
Animal Control Services						
Salaries and Wages	3,924.45		3,924.45	881.23		3,043.22
Other Expenses	3,517.53		3,517.53	2,515.00		1,002.53
Contribution to Social Services Agencies	6,900.00		6,900.00	6,900.00		
Recreation and Public Events						
Recreation						
Salaries and Wages	8,452.07		8,452.07	1,531.96	1,000.00	5,920.11
Other Expenses	15,862.58	6,315.26	22,177.84	6,166.89		16,010.95
Federal and Downtown Maintenance						
Other Expenses	8,816.86	6,984.61	15,801.47	8,189.51		7,611.96
Parks and Playgrounds						
Salaries and Wages	11,911.93		11,911.93	2,284.77		9,627.16
Other Expenses	22,106.05	15,942.26	38,048.31	22,244.57	200.05	15,603.69
Celebration of Public Event, Anniversary, or Holiday						
Other Expenses	9,538.25		9,538.25	2,915.21		6,623.04

(Continued)

**CITY OF MILLVILLE**  
**CURRENT FUND**

Statement of 2017 Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Disbursed	Accounts Payable	Balanced Lapsed
	Reserved	Encumbered				
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Code Enforcement and Administration						
State Uniform Construction Code (NJSA52:27D et seq.)	\$		\$		\$	\$
Construction Official	2,030.26		2,030.26	424.69		1,605.57
Salaries and Wages	24,655.57		24,655.57	1,085.05		23,570.52
Other Expenses						
Unclassified						
Utilities:						
Electricity	138,899.68		138,899.68	25,139.16		113,760.52
Street Lighting	115,358.13	\$	115,852.46	62,082.76		53,769.70
Telephone	58,780.90	494.33	58,780.90	34,928.66		23,852.24
Natural Gas	8,820.47		8,820.47	7,674.51		1,145.96
Gasoline	118,858.02		117,858.02	11,562.35		106,295.67
Landfill/Solid Waste Disposal Costs	139,571.29	7,257.02	146,828.31	42,834.54		103,993.77
Contingent	2,000.00		2,000.00			2,000.00

(Continued)

CITY OF MILLVILLE  
CURRENT FUND

Statement of 2017 Appropriation Reserves  
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Disbursed	Accounts Payable	Balanced Lapsed
	Reserved	Encumbered				
OPERATIONS--WITHIN "CAPS" (CONT'D)						
Statutory Expenditures:						
Contribution to:						
Social Security (O.A.S.I.)	\$ 90,418.92	\$	\$ 90,418.92		\$	\$ 90,418.92
Defined Contribution Retirement Program	3,000.00		3,000.00			3,000.00
Additional Public Employees Retirement System	22,124.47		22,124.47			22,124.47
Total General Appropriations for Municipal Purposes Within--"CAPS"	2,874,512.91	\$ 395,939.53	3,270,452.44	\$ 670,438.79	\$ 25,651.39	2,574,362.26
OPERATIONS EXCLUDED FROM "CAPS"						
Interlocal Service Agreement						
Millville Board of Education - Gasoline	11,841.52		11,841.52	523.30		11,318.22
Millville Board of Education - IT	14,500.00		14,500.00			14,500.00
Tax Assessor - Upper Deerfield	29,000.00		29,000.00			29,000.00
Interest on Tax Appeals	10,000.00		10,000.00			10,000.00
Recycling Tax (P.L. 2007, c.311)	13,573.81		13,573.81			13,573.81
Length of Service Award Program	11,600.00		11,600.00			11,600.00
Matching Funds for Grants	42,101.50		42,101.50			42,101.50
Total Operations--Excluded from "CAPS"	132,616.83		132,616.83	523.30		132,093.53
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	132,616.83		132,616.83	523.30		132,093.53
	\$ 3,007,129.74	\$ 395,939.53	\$ 3,403,069.27	\$ 670,962.09	\$ 25,651.39	\$ 2,706,455.79

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Accounts Payable  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 263,109.57
Increased by:		
Transfer from 2017 Appropriation Reserves	<u>\$ 25,651.39</u>	<u>25,651.39</u>
		288,760.96
Decreased by:		
Disbursements	11,175.00	
Canceled to Fund Balance	<u>136,126.26</u>	
		<u>147,301.26</u>
Balance Dec. 31, 2018		<u><u>\$ 141,459.70</u></u>

Exhibit SA-13

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Due to State of New Jersey - Marriage License Fees  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 304.00
Increased by:		
Receipts	<u>3,928.00</u>	<u>3,928.00</u>
		4,232.00
Decreased by:		
Disbursements	<u>3,875.00</u>	<u>3,875.00</u>
Balance Dec. 31, 2018		<u><u>\$ 357.00</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 13,681.16
Increased by:		
Collections		<u>7,018.76</u>
		20,699.92
Decreased by:		
Refunds	\$ 87.47	
Applied to Taxes Receivable	<u>12,995.11</u>	
		<u>13,082.58</u>
Balance Dec. 31, 2018		<u><u>\$ 7,617.34</u></u>

Exhibit SA-15

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017 (2018 Taxes)		\$ 760,758.67
Increased by:		
Collections		<u>451,982.88</u>
		1,212,741.55
Decreased by:		
Application to 2018 Taxes Receivable		<u>760,758.67</u>
Balance Dec. 31, 2018 (2019 Taxes)		<u><u>\$ 451,982.88</u></u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Local District School Tax  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		
School Tax Deferred	\$ 1,791,000.00	
School Tax Payable	<u>2,964,105.14</u>	\$ 4,755,105.14
Increased by:		
Levy - School Fiscal Year		<u>12,247,999.00</u>
		17,003,104.14
Decreased by:		
Payments		<u>12,153,985.00</u>
Balance Dec. 31, 2018		
School Tax Deferred	1,791,000.00	
School Tax Payable	<u>3,058,119.14</u>	<u>\$ 4,849,119.14</u>
Liability for Local District		
School Tax:		
Tax Paid	\$ 12,153,985.00	
Tax Payable Dec. 31, 2018	<u>3,058,119.14</u>	
	15,212,104.14	
Less: Tax Payable Dec. 31, 2017	<u>2,964,105.14</u>	
Amount Charged to Operations		<u>\$ 12,247,999.00</u>

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Due County for Added Taxes  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	52,680.12
2018 Levy:		
Added Taxes (2018)		60,761.21
		113,441.33
Decreased by Payment		52,680.12
Balance December 31, 2018	\$	60,761.21

Exhibit SA-18

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Reserve for Garden State Preservation Trust Fund  
For the Year Ended December 31, 2018

Increased by:		
Receipts	\$	29,852.00
Decreased by:		
Realized as Revenue in Budget	\$	29,852.00

Exhibit SA-19

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Reserve for Tax Appeals  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$	2,760,241.07
Increased by:		
Budget Appropriation		180,000.00
		2,940,241.07
Decreased by:		
Refunds	\$	170,236.32
Applied to Prior Year Taxes Receivable		155,564.15
Applied to Taxes Receivable		70,104.68
		395,905.15
Balance Dec. 31, 2018	\$	2,544,335.92

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Statement of Reserve for Insurance Proceeds  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 180,604.07
Increased by:	
Insurance Proceeds Received	<u>57,927.97</u>
	238,532.04
Decreased by:	
Disbursements	<u>84,634.60</u>
Balance Dec. 31, 2018	<u><u>\$ 153,897.44</u></u>

Exhibit SA-21

**CITY OF MILLVILLE**  
**CURRENT FUND**  
Schedule of Reserve for Proceeds from Sale of Municipal Assets  
As of December 31, 2018

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Balance Dec. 31, 2018	<u><u>\$ 127,790.00</u></u>
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**CITY OF MILLVILLE**  
**FEDERAL AND STATE GRANT FUND**  
**Statement of Federal and State Grants Receivable**  
**For the Year Ended December 31, 2018**

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
<b>Federal Grants:</b>				
U.S. Department of Homeland Security				
Passed thru N.J. Department of Law and Public Safety:				
Click it or Ticket	\$ 1,800.00	\$ 5,500.00	\$ 5,280.00	\$ 2,020.00
Drive Sober or Get Pulled Over	6,700.00	5,500.00	5,280.00	6,920.00
U.S. Department of Homeland Security				
EMA Exercise Grant	7,000.00			7,000.00
U.S. Department of Justice				
Justice Assistance Grant	0.20			0.20
Local Law Enforcement Grant	22,026.00			22,026.00
Bulletproof Vest Partnership	15,571.89	14,477.00		30,048.89
<b>Total Federal Grants</b>	<b>53,098.09</b>	<b>25,477.00</b>	<b>10,560.00</b>	<b>68,015.09</b>
<b>State Grants:</b>				
N.J. Department of Transportation				
Highway Planning and Construction:				
Authority Act--Municipal Aid	60,440.43			60,440.43
Authority Act--Whitaker Ave. & Miller Ave.	25,000.00			25,000.00
Authority Act--South Fifth Street Road Improvement	42,500.00			42,500.00
Authority Act - 7th Street Road Reconstruction	9,842.07			9,842.07
Local Aid for Centers and State Plan Implementation Program	3,825.34			3,825.34
Local Aid Bikeway Program	8.25			8.25
Local Aid Centers of Place Program	76,518.23			76,518.23
FY14 - 3rd Street Improvements	36,370.00			36,370.00
FY15 - 3rd Street Improvements	213,300.00			213,300.00
FY16 - High Street Resurfacing	225,481.00			225,481.00
FY17 - 6th Street Road Reconstruction	235,946.00			235,946.00
FY18 - 6th Street Road Reconstruction		388,100.00		388,100.00
Safe Streets to Transit Program	480,000.00			480,000.00
Bikeway Program Maurice River Phase V	517,000.00			517,000.00
N.J. Department of Community Affairs				
Hazardous Discharge Site Remediation	692,394.52			692,394.52
NJ Historic Preservation	2,590.51			2,590.51
N.J. Department of Environmental Protection				
Clean Communities		60,341.82	60,341.82	
N.J. Department of Law and Public Safety				
Safe and Secure Communities Program	67,855.73	90,000.00	90,000.00	67,855.73
Drunk Driving Enforcement Fund		5,071.89	5,071.89	
N.J. Department of State				
Local Aid for Centers		25,944.21	25,944.21	
Alcohol Education & Rehabilitation		219.70	219.70	
Municipal Alliance Program	37,092.50	31,594.00	34,179.95	34,506.55
<b>Total State Grants</b>	<b>2,726,164.58</b>	<b>601,271.62</b>	<b>215,757.57</b>	<b>3,111,678.63</b>
<b>Other Grants:</b>				
Holly City Development Corporation - Community Policing		50,000.00	20,370.73	29,629.27
<b>Total Other Grants</b>	<b>-</b>	<b>50,000.00</b>	<b>20,370.73</b>	<b>29,629.27</b>
<b>Total All Grants</b>	<b>\$ 2,779,262.67</b>	<b>\$ 676,748.62</b>	<b>\$ 246,688.30</b>	<b>\$ 3,209,322.99</b>

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

Program	Balance Dec. 31, 2017		Transferred from 2018 Budget Appropriation	Refunds and Interest Earned	Disbursed	Encumbered	Balance Dec. 31, 2018
	Appropriated	Encumbered					
Federal Grants:							
U.S. Department of Transportation							
Passed thru N.J. Department of Law and Public Safety:							
Click It or Ticket	\$ 1,800.00		\$ 5,500.00		\$ 5,280.00		\$ 2,020.00
Drive Sober or Get Pulled Over	3,620.00		5,500.00		4,400.00		4,720.00
Flammable Liquids Firefighter Training	236.36						236.36
U.S. Department of Homeland Security							
Passed thru N.J. Department of Law and Public Safety:							
Emergency Management Assistance Grant	3,733.32			\$ 1,266.68			5,000.00
Emergency Management Assistance Grant	10,000.00						10,000.00
2011 EMA Exercise Grant	69.88						69.88
2009 EMA Exercise Grant	4,662.42			1,266.68			3,395.74
U.S. Department of Environmental Protection							
Municipal Public Access Plan & Coastal Hazards			780.00		780.00		
U.S. Department of Justice							
Bulletproof Vest Partnership Grant	12,184.89		14,477.00	1,619.72	12,184.89		14,477.00
Justice Assistance Grant	11,838.39						13,458.11
<b>Total Federal Grants</b>	<b>48,145.26</b>	<b>780.00</b>	<b>25,477.00</b>	<b>2,886.40</b>	<b>23,911.57</b>	<b>-</b>	<b>53,377.09</b>

(Continued)

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

Program State Grants:	Balance Dec. 31, 2017		Transferred from 2018 Budget Appropriation	Refunds and Interest Earned	Disbursed	Encumbered	Balance Dec. 31, 2018
	Appropriated	Encumbered					
N.J. Department of Transportation: N.J. Transportation Trust Fund: FY 2014 Awards	\$ 15,843.11	\$ 500.00					
3rd Street Improvements FY 2015 Awards	14,287.03			\$ 1,620.00		\$	14,723.11
3rd Street Improvements FY 2016 Awards	10,301.60	215,179.40					14,287.03
High Street Resurfacing FY 2017 Awards	235,946.00			223,114.38	2,366.62		
6th Street Road Reconstruction FY 2018 Awards			\$ 388,100.00		302,128.00		85,972.00
6th Street Road Reconstruction Bikeway Program Maurice River Phase V	517,000.00						517,000.00
Highway Safety "Safe Corridors Program"	26,189.38						26,189.38
Safe Streets to Transit Program 2014 N.J. UEZ	319,601.75	21,157.77		192,666.57	12,842.60		135,250.35
Clean Communities Program	50.00						50.00
Recycling Tonnage Grant	111,531.57	583.33		55,004.98	631.41		116,820.33
Recycling Tonnage Grant	55,626.24			109,052.26	750.00		20,338.13
Recycling Tonnage Grant - Purchase of Trash Truck	1,400.00						1,400.00
Safe & Secure Communities	44,640.24		90,000.00	90,164.52			44,475.72
Body Armor Replacement Fund	9,273.47			9,273.47			
Drunk Driving Enforcement	23,732.95		5,071.89	1,267.53	170.00		27,367.31
Hazardous Discharge Site Remediation	1,817,674.34	44,436.15		500.00			1,861,610.49
Alcohol Education & Rehabilitation	2,212.22						2,212.22
N.J. Department of State: Municipal Alliance Grant	23,898.00	331.90	39,492.50	44,985.31	2,000.00		16,737.09
<b>Total State Grants</b>	<b>3,229,207.90</b>	<b>282,188.55</b>	<b>657,520.36</b>	<b>727,649.02</b>	<b>556,834.63</b>		<b>2,884,433.16</b>
Other Grants: Sustainable Jersey Small Grant	209.94						209.94
Holly City Dev. Corp. - Community Policing			50,000.00				29,629.27
Cumberland County Wastewater Grant	8,707.17			20,370.73			8,707.17
<b>Total Other Grants</b>	<b>8,917.11</b>	<b>-</b>	<b>50,000.00</b>	<b>20,370.73</b>	<b>-</b>		<b>38,546.38</b>
<b>Total All Grants</b>	<b>\$ 3,286,270.27</b>	<b>\$ 282,968.55</b>	<b>\$ 732,997.36</b>	<b>\$ 771,931.32</b>	<b>\$ 556,834.63</b>	<b>\$</b>	<b>2,976,356.63</b>

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

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Federal</u> <u>and State</u> <u>Grants</u> <u>Receivable</u>	<u>Anticipated</u> <u>as</u> <u>Budgeted</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:				
U.S. Department of Transportation				
Passed thru N.J. Department of Law and Public Safety				
Click it or Ticket	\$ 5,500.00		\$ 5,500.00	
Drive Sober or Get Pulled Over	5,500.00		5,500.00	
U.S. Department of Environmental Protection				
Municipal Public Access Plan & Coastal Hazards				
U.S. Department of Justice	\$ 9,947.50			\$ 9,947.50
Bulletproof Vest Partnership		14,477.00	14,477.00	
<b>Total Federal Grants</b>	<b>9,947.50</b>	<b>25,477.00</b>	<b>25,477.00</b>	<b>9,947.50</b>
State Grants:				
N.J. Department of Transportation:				
FY18 - 6th Street Road Reconstruction		388,100.00		
Local Aid for Centers and State Plan Program		25,944.21		25,944.21
Clean Communities Program		60,341.82		
Recycling Tonnage Grant	74,514.15		74,514.15	
Safe & Secure Communities		90,000.00		
Drunk Driving Enforcement		5,071.89		
Alcohol Education & Rehabilitation		219.70		219.70
Municipal Alliance		31,594.00		
<b>Total State Grants</b>	<b>74,514.15</b>	<b>601,271.62</b>	<b>649,621.86</b>	<b>26,163.91</b>
Other Grants:				
Holly City Development Corporation - Community Policing		50,000.00	50,000.00	
<b>Total Other Grants</b>	<b>-</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>-</b>
<b>Total All Grants</b>	<b>\$ 84,461.65</b>	<b>\$ 676,748.62</b>	<b>\$ 725,098.86</b>	<b>\$ 36,111.41</b>

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



CITY OF MILLVILLE  
TRUST FUND

Statement of Trust Cash -- Treasurer  
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other</u>	<u>Community Development</u>
Balance December 31, 2017	\$ 11,118.56	\$ 5,722,911.08	\$ 262,148.51
Increased by Receipts:			
Current Fund	\$ 23,080.86	\$	800.00
Trust Other Fund			792.95
Water Utility Operating Fund	2,253.19		
Sewer Utility Operating Fund	252.48		
Net Payroll	13,933,401.96		
Payroll Deductions Payable	12,792,375.81		
Mortgage Notes Receivable--JEZ Assistance Program	145,555.07		
Community Development Block Grants Receivable			155,971.74
Home Investment Partnership Program Receivable			104,563.35
Mortgage Notes Receivable--Reserve for Rehabilitation Projects			152.33
Mortgage Notes Receivable--U.D.A.G.			11,796.95
Due State of New Jersey--Animal Registration Fees	\$ 3,880.60		
Reserve for Animal Control Fund Expenditures	13,619.00		
Reserve for Miscellaneous Trust Reserves:			
Budget Appropriation		129,520.31	
Interest Earned		1,100.53	
Fees, Refunds and Donations		378,005.33	
Interest Earned		1.98	
Liens		1,715,463.86	
Reserve for Revolving Loan Fund--JEZ Assistance Program		23,506.95	
Reserve for Revolving Loan Fund--Rehabilitation Program			197.67
Reserve for U.D.A.G. Interest		347.31	
	<u>17,499.60</u>	<u>29,144,518.33</u>	<u>274,622.30</u>
	28,618.16	34,867,429.41	536,770.81

(Continued)

CITY OF MILLVILLE  
TRUST FUND

Statement of Trust Cash -- Treasurer  
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other</u>	<u>Community Development</u>
Balance Brought Forward	\$ 28,618.16	\$ 34,867,429.41	\$ 536,770.81
Decreased by Disbursements:			
Animal Control Fund	46.32		
Community Development Fund	\$ 792.95		
Net Payroll	13,933,401.96		
Payroll Deductions Payable	12,786,030.64		
Due State of New Jersey--Animal Registration Fees	3,880.80		
Expenditures Under R.S.4:19-15.11	21,290.20		
Reserve for Miscellaneous Trust Reserves	518,724.75		
Reserve for Miscellaneous Trust Escrows	2,051,380.51		
Reserve for Revolving Loan Fund--UEZ Assistance Program		\$ 26,200.00	
Reserve for Home Investment Partnership Program		169,798.60	
Reserve for Community Development Funds		5,409.97	
Reserve for Revolving Loan Fund--Rehabilitation Program		18,986.13	
Reserve for Revolving Loan Fund--UDAG			
	<u>25,217.32</u>	<u>29,344,294.74</u>	<u>220,394.70</u>
Balance December 31, 2018	<u>\$ 3,400.84</u>	<u>\$ 5,523,134.67</u>	<u>\$ 316,376.11</u>

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Due from/to Current Fund  
For the Year Ended December 31, 2018

---

Balance December 31, 2017 (Due from)	\$ 19,321.23
Decreased by:	
Receipts	23,080.86
Balance December 31, 2018 (Due to)	\$ 3,759.63

Exhibit SB-3

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Due from Trust Other Fund  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 1,817.10
Decreased by:	
Receipts	792.95
Balance December 31, 2018	\$ 1,024.15

Exhibit SB-4

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement Due from Current Fund  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 1,220.39
Decreased by:	
Receipts	800.00
Balance December 31, 2018	\$ 420.39

**CITY OF MILLVILLE**  
**ANIMAL CONTROL FUND**  
Statement of Due to Current Fund  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 58.04
Decreased by:	
Disbursements	<u>46.32</u>
Balance December 31, 2018	<u><u>\$ 11.72</u></u>

**CITY OF MILLVILLE**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of NJ - Animal Registration Fees  
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 0.20
Increased by:	
Receipts	3,880.60
Decreased by:	
Disbursements	\$ 3,880.80

Exhibit SB-7

**CITY OF MILLVILLE**  
**ANIMAL CONTROL FUND**  
Statement of Reserve for Animal Control Fund Expenditures  
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 11,070.32
Fees Collected:	
Dog License	13,619.00
	24,689.32
Decreased by:	
Expenditures Under R.S.4:19-15.11:	
Cash	21,290.20
Balance December 31, 2018	\$ 3,399.12

License Fees Collected

<u>Year</u>	<u>Amount</u>
2017	\$ 16,071.00
2016	14,086.20
	\$ 30,157.20

**CITY OF MILLVILLE**  
**TRUST FUNDS**  
Statement of Investments - Length of Service Awards Program  
For the Year End December 31, 2018

Balance December 31, 2017		\$ 397,360.99
Increased by:		
City Contributions		19,550.00
		416,910.99
Decreased by:		
Benefits Paid to Participants	\$ 22,616.67	
Unrealized Loss on Investments	16,759.19	
Administration Expenses	915.21	
		40,291.07
Balance December 31, 2018		\$ 376,619.92

Schedule of Investments, December 31, 2018

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 77,929.81
Mutual Funds	298,690.11
	\$ 376,619.92

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Payroll Taxes Payable  
For the Year End December 31, 2018

---

Balance December 31, 2017	\$ 169,900.61
Increased by:	
Receipts	<u>12,792,375.81</u>
	12,962,276.42
Decreased by:	
Disbursements	<u>12,786,030.64</u>
Balance December 31, 2018	<u><u>\$ 176,245.78</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Community Development Block Grants Receivable  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 434,101.56
Increased by:	
Fiscal Year 2018 Award	<u>262,657.00</u>
	696,758.56
Decreased by:	
Receipts	<u>155,971.74</u>
Balance December 31, 2018	<u><u>\$ 540,786.82</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Mortgages Receivable--Reserve for Rehabilitation Projects  
For the Year Ended December 31, 2018

---

Balance December 31, 2017		\$ 77,446.22
Decreased by:		
Canceled by Resolution	\$ 13,650.00	
Payments Received	<u>152.33</u>	
		<u>13,802.33</u>
Balance December 31, 2018		<u><u>\$ 63,643.89</u></u>

Exhibit SB-12

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Mortgages Receivable--U.D.A.G.  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$ 104,119.85
Decreased by:		
Payments Received		<u>11,796.95</u>
Balance December 31, 2018		<u><u>\$ 92,322.90</u></u>

Exhibit SB-13

**CITY OF MILLVILLE**  
**TRUST OTHER FUND**  
Statement of Mortgages and Loans Receivable--UEZ Assistance Program  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$ 2,940,347.62
Decreased by:		
Payments Received		<u>145,555.07</u>
Balance December 31, 2018		<u><u>\$ 2,794,792.55</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Home Investment Partnership Program Receivable  
For the Year Ended December 31, 2018

---

Balance December 31, 2017	\$ 457,227.80
Decreased by:	
Receipts	<u>104,563.35</u>
Balance December 31, 2018	<u><u>\$ 352,664.45</u></u>

**CITY OF MILLVILLE**  
**TRUST OTHER FUNDS**  
 Statement of Miscellaneous Trust Reserves  
 For the Year Ended December 31, 2018

	Increased By		Decreased By		Balance December 31, 2018		
	Balance December 31, 2017	Budget Appropriation	Interest Earned	Fees, Refunds and Donations		Unrealized Loss on Investments	Disbursed
Reserve for:							
Outside Employment for Police	\$ 24,721.61			\$ 247,291.76		\$ 234,866.50	\$ 37,146.87
Public Defender	71,526.75			8,050.00		2,725.00	76,851.75
Planning Board Escrows	255,522.22			51,424.90		7,635.01	299,312.11
Unemployment Compensation Insurance	34,558.89					21,321.68	13,237.21
Landfill Closure	149,047.21		\$ 1,010.38				150,057.59
Municipal Alliance Grant Funds	1,312.71			936.00			2,200.89
Self-Insurance Funds	2,107,934.45					191,588.53	1,916,345.92
Neighborhood Preservation Program	315.00						315.00
State Law Enforcement Fund	15,891.85			20,885.39			15,891.85
Snow Removal	46,855.47	\$ 12,270.31				17,888.71	41,237.07
Vanaman Memorial Park Donations	1,052.00						1,052.00
Memorial in Patriot Park Donations	5,195.88			100.00			5,295.88
Parking Offenses Adjudication Act	10,720.00			782.00			11,502.00
COAH Fees	22,651.30		90.15	14,618.82		1,209.06	36,151.21
Millville Garden Rent Revenue	7,755.93						7,755.93
Neighborhood Opportunity Fund	2,860.00						2,860.00
Recreation Donations	4,909.70						4,909.70
Uniform Fire Safety Act Penalties	5,722.21			33,916.46		20,557.05	19,081.62
Employee Accumulated Absences	966,299.11	117,250.00					1,083,549.11
Length of Service Awards Program	397,360.99			19,550.00		23,531.88	376,619.92
	<u>\$ 4,132,213.28</u>	<u>\$ 129,520.31</u>	<u>\$ 1,100.53</u>	<u>\$ 397,555.33</u>	<u>\$ 16,759.19</u>	<u>\$ 542,256.63</u>	<u>\$ 4,101,373.63</u>
Current Fund:							
Streets and Roads - Salaries and Wages		\$ 12,270.31					
Accumulated Absences - Other Expenses		100,000.00					
Water Utility Operating Fund:							
Accumulated Absences - Other Expenses		6,000.00					
Sewer Utility Operating Fund:							
Accumulated Absences - Other Expenses		11,250.00					
		<u>\$ 129,520.31</u>					
				Cash - Treasurer		\$ 518,724.75	
				Investments (SB-8)		23,531.88	
						<u>\$ 542,256.63</u>	

**CITY OF MILLVILLE**  
**TRUST OTHER FUNDS**  
 Statement of Miscellaneous Trust Escrows  
 For the Year Ended December 31, 2018

	R e c e i v e d		D i s b u r s e d		Balance December 31, 2018
	Balance December 31, 2017	Interest	Liens	Liens	
Reserve for Sheldon Estate Bequest	\$ 6,642.55	\$ 1.98			\$ 6,644.53
Tax Collector's Reserve for Tax Title Lien Redemptions	1,000,483.56	\$ 1,715,463.86	\$ 2,051,380.51		664,566.91
	<u>\$ 1,007,126.11</u>	<u>\$ 1.98</u>	<u>\$ 1,715,463.86</u>	<u>\$ 2,051,380.51</u>	<u>\$ 671,211.44</u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Community Development Funds  
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 489,746.35
Increased by:	
Fiscal Year 2018 Award	262,657.00
	752,403.35
Decreased by:	
Disbursements	169,798.60
Balance December 31, 2018	\$ 582,604.75
<u>Analysis of Balance December 31, 2018</u>	
2018 Community Development Block Grant	\$ 259,657.00
2017 Community Development Block Grant	178,958.50
2016 Community Development Block Grant	138,105.12
2015 Community Development Block Grant	5,884.13
	\$ 582,604.75

**CITY OF MILLVILLE  
TRUST OTHER FUND**

Statement of Reserve for Revolving Loan Fund - UEZ Assistance Program  
For the Year Ended December 31, 2018

---

Balance December 31, 2017		\$ 614,535.05
Increased by:		
Mortgage Notes Receivable--Collected	\$ 145,555.07	
Interest and Late Fees	<u>23,506.95</u>	
		<u>169,062.02</u>
		783,597.07
Decreased by:		
Disbursements:		
Other		<u>53,963.93</u>
Balance December 31, 2018		<u><u>\$ 729,633.14</u></u>

Exhibit SB-19

**CITY OF MILLVILLE  
TRUST OTHER FUND**

Schedule of Reserve for UEZ 1st Generation Project  
As of December 31, 2018

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Balance December 31, 2018		<u><u>\$ 215,530.78</u></u>
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**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Revolving Loan Fund-Rehabilitation Program  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$ 121,147.31
Increased by:		
Mortgage Notes Receivable--Collected	\$ 152.33	
Interest Earned on Investments	<u>197.67</u>	
		<u>350.00</u>
		121,497.31
Decreased by:		
Disbursements		<u>5,409.97</u>
Balance December 31, 2018		<u><u>\$ 116,087.34</u></u>

Exhibit SB-21

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Home Investment Partnership Program  
For the Year Ended December 31, 2018

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Balance December 31, 2017		\$ 402,393.53
Decreased by:		
Disbursements		<u>26,200.00</u>
Balance December 31, 2018		<u><u>\$ 376,193.53</u></u>

**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for Revolving Loan Fund - U.D.A.G.  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 141,645.88
Increased by:	
Mortgage Notes Receivable--Collected	11,796.95
	153,442.83
Decreased by:	
Disbursements:	
Other	18,986.13
Balance December 31, 2018	\$ 134,456.70

Exhibit SB-23

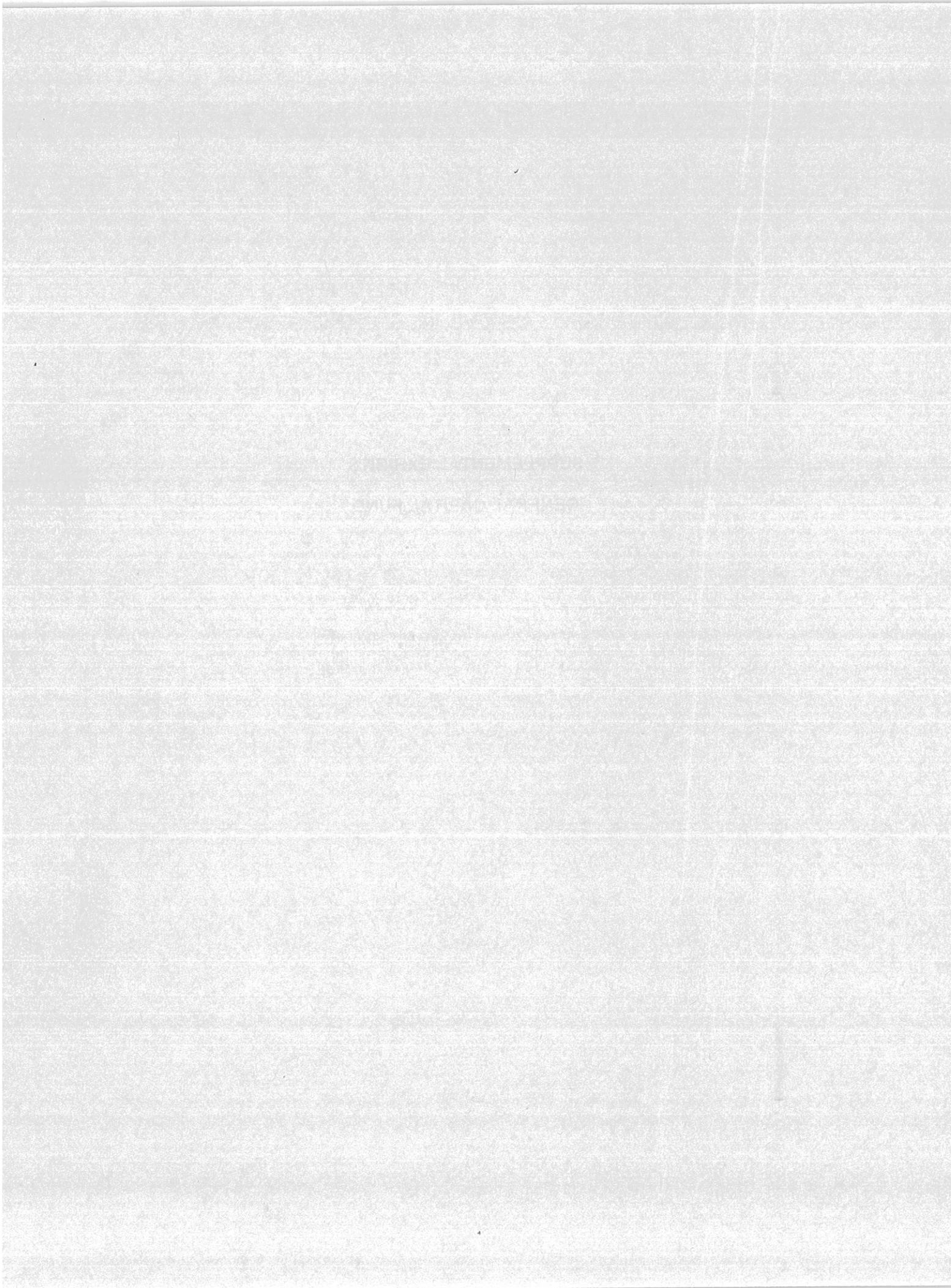
**CITY OF MILLVILLE**  
**COMMUNITY DEVELOPMENT FUND**  
Statement of Reserve for U.D.A.G. Interest  
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 1,532.29
Increased by:	
Receipts:	
Interest and Late Fees	347.31
Balance December 31, 2018	\$ 1,879.60

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**



**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
 Statement of General Capital Cash  
 Treasurer  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 4,191,983.64
Increased by Receipts:		
Budget Appropriations:		
Capital Improvement Fund		<u>50,000.00</u>
		4,241,983.64
Decreased by Disbursements:		
Improvement Authorizations	\$ 1,683,857.68	
Reserve for Payment of Debt	<u>107,000.00</u>	
		<u>1,790,857.68</u>
Balance Dec. 31, 2018		<u><u>\$ 2,451,125.96</u></u>

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

	Receipts		Disbursements		Transfers	To	From	Balance (Deficit) Dec. 31, 2018
	Balance (Deficit) Dec. 31, 2017	Budget Appropriation	Improvement Authorizations	Miscellaneous				
Fund Balance	\$ 790,217.44							\$ 790,217.44
Capital Improvement Fund	336,859.86	\$ 50,000.00			30,000.00			356,859.86
Reserve for Payment of Debt	1,033,433.58			\$ 107,000.00				926,433.58
Ordinance No.:								
33-2007	(40,916.70)							(40,916.70)
41-2007	(282,330.40)		\$ 271,354.81		132,827.11			(589,584.78)
10-2008	(2,128.54)				140.80			(2,128.54)
12-2008	(1,527.27)							(1,527.27)
15-2008;34-2008	(32,687.90)							(32,687.90)
12-2009	(203,181.16)							(203,181.16)
19-2012; 36-2012	(30.88)							(30.88)
4-2013	380,366.85		277,794.47		94,436.40			260,359.75
33-2014	34,537.09		20,447.90					15,919.01
16-2015	20,004.48							20,004.48
19-2015	70,713.21							70,713.21
24-2016	196,200.68		9,475.66		65,770.00			56,010.16
29-2016	26,164.53		94,019.10					19,598.58
45-2016	31,583.51		16,890.00					9,423.03
23-2017	555,343.26		24,145.00		132,333.00			7,668.51
25-2017	123,724.87		877,215.89		32,342.95			253,035.77
46-2018			86,237.36					39,515.62
Cash Pledged to the Payment of Bonds	30,600.00		6,277.49		96,090.00			(72,367.49)
Reserve for Encumbrances	1,122,187.13							30,600.00
Reserve for Preliminary Expenses	2,850.00							553,940.26
	\$ 4,191,983.64	\$ 50,000.00	\$ 1,683,857.68	\$ 107,000.00	\$ 1,706,127.39	\$ 1,706,127.39	\$	2,451,125.96

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
**Schedule of Grants Receivable**  
**As of December 31, 2018**

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Balance Dec. 31, 2018		<u>\$ 135,039.27</u>
<u>Analysis of Balance December 31, 2018</u>		
<u>Grant</u>	<u>Ord.</u> <u>No.</u>	<u>Reserved</u>
Hazardous Discharge Grant	03-2006	<u>\$ 135,039.27</u>

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Payment of Debt  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 1,064,033.58
Decreased by:	
Disbursed to Current Fund - Realized as Miscellaneous Revenue Anticipated	107,000.00
Balance Dec. 31, 2018	\$ 957,033.58

Exhibit SC-5

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Schedule of Reserve for Preliminary Expenses - Senior Center  
As of December 31, 2018

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Balance Dec. 31, 2018	\$ 2,850.00
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**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation--Funded  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 22,574,889.33
Decreased by:		
Appropriations to Pay Principal on Debt:		
Municipal Bonds	\$ 2,495,000.00	
Green Trust Loan	<u>57,118.10</u>	
		<u>2,552,118.10</u>
Balance Dec. 31, 2018		<u><u>\$ 20,022,771.23</u></u>

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

Improvement Description	Ordinance			Analysis of Balance Dec. 31, 2018			
	Date	Number	Balance Dec. 31, 2017	Authorizations	Balance Dec. 31, 2018	Expenditures	Unexpended Improvement Authorizations
General Improvements:							
Acquisition of Computer Equipment and Technology	09/18/2007	33-2007	\$ 40,916.70		\$ 40,916.70	\$ 40,916.70	
Improvements to Vacant Land and Environmental Remediation	10/16/2007	41-2007	1,350,550.00		1,350,550.00	589,584.78	\$ 760,965.22
Various Capital Improvements	04/15/2008	10-2008	2,128.54		2,128.54	2,128.54	
Capital Expenditures for Public Purposes - Millville Gardens	05/20/2008	12-2008	1,527.27		1,527.27	1,527.27	
Capital Expenditures for Public Purposes - Road Improvements	06/17/2008	15-2008; 34-2008	32,687.90		32,687.90	32,687.90	
Various Capital Improvements and Acquisitions	03/03/2009	12-2009	203,219.25		203,219.25	203,181.16	38.09
Various Capital Improvements and Acquisitions	05/15/2012	19-2012; 36-2012	30.88		30.88	30.88	
Various Capital Improvements and Acquisitions	08/21/2018	46-2018		\$ 420,000.00	420,000.00	72,367.49	347,632.51
				\$	\$ 1,631,060.54	\$ 942,424.72	\$ 1,108,635.82

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 336,859.86
Increased by:	
Budget Appropriation	50,000.00
	386,859.86
Decreased by:	
Appropriation to Finance Improvement Authorizations	30,000.00
Balance Dec. 31, 2018	\$ 356,859.86

## Exhibit SC-9

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017	\$ 1,122,187.13
Increased by:	
Encumbrances	553,940.26
	1,676,127.39
Decreased by:	
Transferred to Improvement Authorizations	1,122,187.13
Balance Dec. 31, 2018	\$ 553,940.26

## Exhibit SC-10

**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
Statement of Green Trust Loan Payable  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 481,889.33
Decreased by:	
Principal Payments Paid by Current Fund Budget	57,118.10
Balance Dec. 31, 2018	\$ 424,771.23



**CITY OF MILLVILLE**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2018

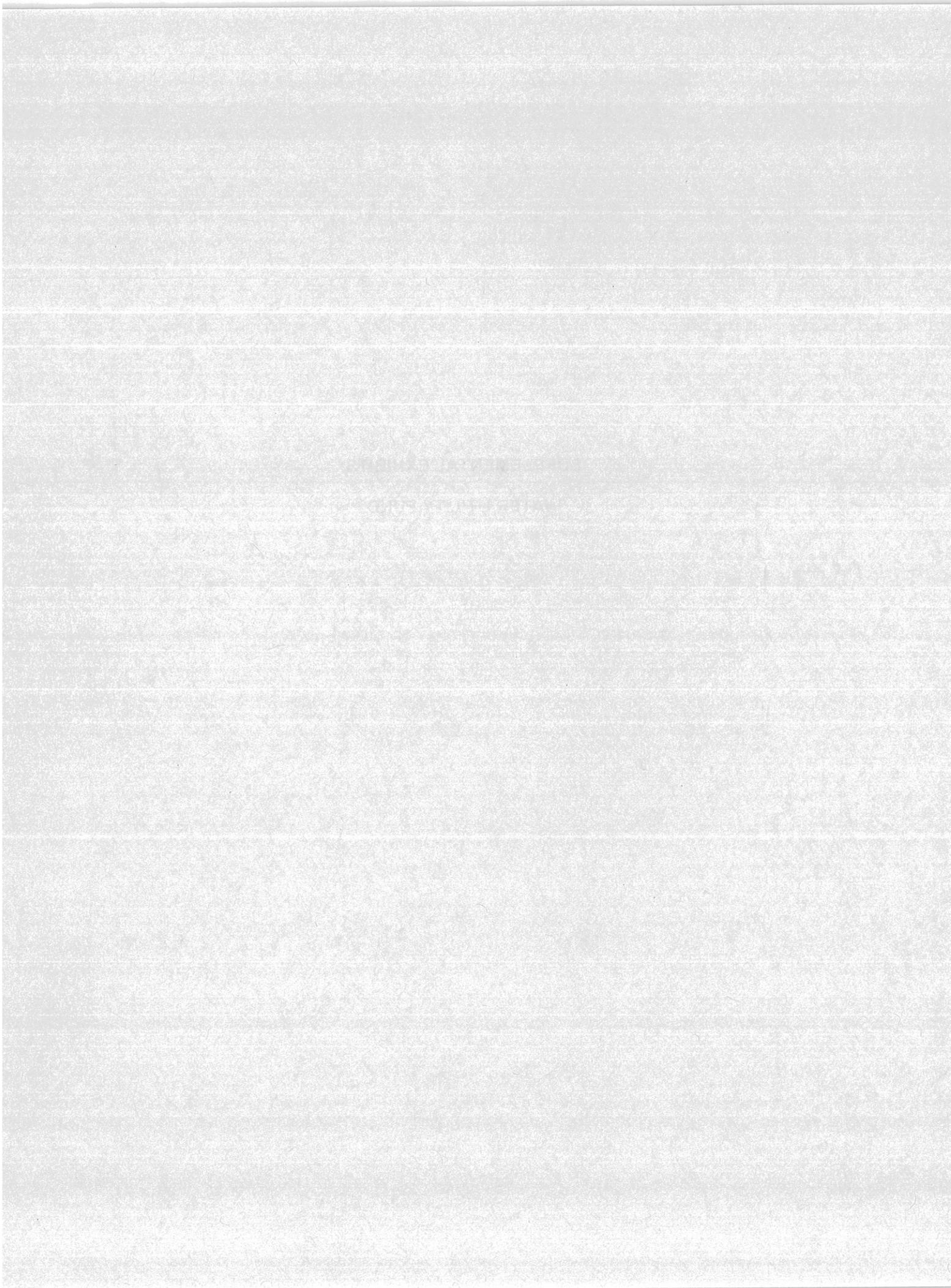
<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding Dec. 31, 2018</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid</u>	<u>Balance Dec. 31, 2018</u>	
General Bonds of 2008	09/01/08	\$ 3,756,000.00			\$ 250,000.00	\$ 250,000.00		
General Bonds of 2011	11/01/11	5,639,000.00	11/1/19-20 \$ 500,000.00	5.000%				
			11/01/21 600,000.00	5.000%				
			11/01/22 600,000.00	5.000%				
Refunding Bonds of 2012			11/01/23 689,000.00	3.000%	3,389,000.00	500,000.00	\$ 2,889,000.00	
	09/05/12	7,222,000.00	07/15/19 695,000.00	2.250%				
Revenue Allocation District Bonds			07/15/20 735,000.00	2.500%	2,090,000.00	660,000.00	1,430,000.00	
	11/01/11	7,025,000.00	11/1/19-20 600,000.00	5.000%				
			11/01/21 650,000.00	5.000%				
Refunding Bonds of 2016			11/01/22 650,000.00	5.000%				
			11/01/23 675,000.00	3.000%	3,775,000.00	600,000.00	3,175,000.00	
	04/21/16	1,805,000.00	09/01/19 285,000.00	2.000%				
			09/01/20 285,000.00	3.000%				
			09/01/21 280,000.00	3.000%				
General Bonds of 2017			09/01/22 300,000.00	3.000%				
			09/01/23 300,000.00	3.000%				
			09/01/24 325,000.00	3.000%	1,785,000.00	10,000.00	1,775,000.00	
	07/26/17	10,804,000.00	07/15/19 475,000.00	2.000%				
			07/15/20 475,000.00	3.000%				
			07/15/21 950,000.00	2.000%				
			07/15/22 950,000.00	3.000%				
			07/15/23 950,000.00	4.000%				
			07/15/24 950,000.00	4.000%				
			07/15/25 950,000.00	4.000%				
		07/15/26 950,000.00	2.250%					
		07/15/27 950,000.00	2.500%					
		07/15/28 925,000.00	3.000%					
		07/15/29 900,000.00	3.000%					
		07/15/30 904,000.00	3.000%					
					10,804,000.00	475,000.00	10,329,000.00	
					\$ 22,093,000.00	\$ 2,495,000.00	\$ 19,598,000.00	
Paid by Budget Appropriation							\$ 2,495,000.00	

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

Improvement Description	Ordinance		Balance	
	Date	Number	Dec. 31, 2017	Dec. 31, 2018
General Improvements:				
Acquisition of Computer Equipment and Technology	09/18/2007	33-2007	\$ 40,916.70	\$ 40,916.70
Improvements to Vacant Land and Environmental Remediation	10/16/2007	41-2007	1,350,550.00	1,350,550.00
Various Capital Improvements	04/15/2008	10-2008	2,128.54	2,128.54
Capital Expenditures for Public Purposes - Millville Gardens	05/20/2008	12-2008	1,527.27	1,527.27
Capital Expenditures for Public Purposes - Road Improvements	06/17/2008	15-2008	32,687.90	32,687.90
Various Capital Improvements and Acquisitions	03/03/2009	12-2009	203,219.25	203,219.25
Various Capital Improvements and Acquisitions	05/15/2012	19-2012; 36-2012	30.88	30.88
Various Capital Improvements and Acquisitions	08/21/2018	46-2018	\$ 420,000.00	420,000.00
			\$ 1,631,060.54	\$ 2,051,060.54

**SUPPLEMENTAL EXHIBITS**

**WATER UTILITY FUND**



**CITY OF MILLVILLE**  
**WATER UTILITY FUNDS**  
 Statement of Water Utility Cash  
 Treasurer

For the Year Ended December 31, 2018

	<u>Operating Fund</u>	<u>Assessment Fund</u>	<u>Capital Fund</u>
Balance Dec. 31, 2017	\$ 3,443,732.14	\$ 11,000.00	\$ 2,963,609.20
Increased by Receipts:			
Consumer Accounts Receivable	\$ 3,206,510.22		
Water Utility Liens	2,452.81		
Fire Hydrant Service	12,775.68		
Interest on Delinquent Accounts	13,624.83		
Other Accounts Receivable	46,747.87		
Interest on Deposits	42,197.99		
Meters and Miscellaneous	7,970.10		
Overpayments	13,373.57		
Reserve for Insurance	975.00		
	3,346,628.07		
Decreased by Disbursements:			
2018 Appropriations	2,998,926.87		
2017 Appropriation Reserves	101,448.72		
Improvement Authorizations			\$ 531,185.22
Interest on Bonds, Notes, and Loans	163,867.34		
Other Accounts Receivable	4,024.85		
Reserve for Insurance	975.00		
Due Current Fund	1,474.28		
Due Trust Other Fund	2,253.19		
Due Sewer Operating Fund	920.20		
Utility Surplus of Prior Year to Current Fund	201,586.00		
	6,790,360.21	11,000.00	2,963,609.20
	3,475,476.45		531,185.22
Balance Dec. 31, 2018	\$ 3,314,883.76	\$ 11,000.00	\$ 2,432,423.98

**CITY OF MILLVILLE**  
WATER UTILITY ASSESSMENT FUND  
Schedule of Water Utility Assessment Trust Cash  
As of December 31, 2018

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	Balance <u>Dec. 31, 2018</u>
Fund Balance	\$ <u>11,000.00</u>

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
 Analysis of Water Utility Capital Cash  
 For the Year Ended December 31, 2018

	Disbursements		Balance (Deficit) Dec. 31, 2018
	Balance (Deficit) Dec. 31, 2017	Improvement Authorizations	
Fund Balance	\$ 733,965.09		\$ 733,965.09
Capital Improvement Fund	169,402.58		169,402.58
Reserve for Payment of Debt	594,825.02		594,825.02
Improvement Authorizations:			
Ordinance			
Number		Transfers	To
6-2016	Repairs of Water Meters		736.52
7-2016	Cedarville Rd. Water Main Replacement	\$	
24-2017	Capital Improvements for Water Utility	78,463.00	
		From	
Reserve for Encumbrances	736.52	736.52	78,463.00
	\$ 2,963,609.20	\$ 531,185.22	\$ 79,199.52
		\$ 79,199.52	\$ 2,432,423.98

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Consumer Accounts Receivable**  
**For the Year Ended December 31, 2018**

---

Balance Dec. 31, 2017		\$ 118,112.76
Increased by:		
Water Rents Charged in 2018		3,391,419.39
		3,509,532.15
Decreased by:		
Collections	\$ 3,206,510.22	
Overpayments Applied	4,950.26	
Transfer to Lien	13,633.70	
Canceled by Resolution	57,181.77	
		3,282,275.95
Balance Dec. 31, 2018		\$ 227,256.20

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Reserve for Insurance Proceeds**  
**For the Year Ended December 31, 2018**

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Balance Dec. 31, 2017		\$ 15,217.20
Increased by:		
Receipts		975.00
		16,192.20
Decreased by:		
Disbursements		975.00
Balance Dec. 31, 2018		\$ 15,217.20

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Fire Hydrant Rentals**  
**For the Year Ended December 31, 2018**

Balance Dec. 31, 2017	\$	200.84
Increased by:		
Fire Hydrant Rentals Billed in 2018		13,075.00
		13,275.84
Decreased by:		
Collections		12,775.68
Balance Dec. 31, 2018	\$	500.16

Exhibit SD-7

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Other Accounts Receivable**  
**For the Year Ended December 31, 2018**

	<u>Balance</u>		<u>Accrued</u>		<u>Balance</u>
	<u>Dec. 31, 2017</u>			<u>Received</u>	<u>Dec. 31, 2018</u>
Water Turn On and Off Fees	\$ 2,925.49	\$ 12,649.72		\$ 12,567.87	\$ 3,007.34
Water Service Contracts (Tap Fees)		3,100.00		3,100.00	
Connecting Fees		30,080.00		30,080.00	
Protested Checks	1,103.69	4,024.85	\$ 3,974.94	1,000.00	153.60
	\$ 4,029.18	\$ 49,854.57	\$ 3,974.94	\$ 46,747.87	\$ 3,160.94
	\$ 4,029.18	\$ 49,854.57	\$ 3,974.94	\$ 46,747.87	\$ 3,160.94

**CITY OF MILLVILLE**  
WATER UTILITY OPERATING FUND  
Statement of Water Utility Liens  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 838.76
Increased by:	
Transfers from Consumer Accounts Receivable	<u>13,633.70</u>
	14,472.46
Decreased by:	
Collections	<u>2,452.81</u>
Balance Dec. 31, 2018	<u><u>\$ 12,019.65</u></u>

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2018**

<u>Account</u>	<u>Balance Dec. 31, 2017</u>	<u>Additions</u>	<u>Balance Dec. 31, 2018</u>
Balance Dec. 31, 1983 - Details Not Available	\$ 196,365.01		\$ 196,365.01
Purification System - Land	577.36		577.36
Pumping System - Land	3,962.78		3,962.78
Other Distribution System - Land	45.58		45.58
Reservation Structures	471.01		471.01
Springs and Wells	392,690.94		392,690.94
Intake and Supply Basins	11,773.67		11,773.67
Coagulating Basins	11,820.73		11,820.73
Filters	18,567.24		18,567.24
Ozone Sterilizing and Aeration Plant	6,420.00		6,420.00
Chemical Treatment Plant	14,226.54		14,226.54
Clear Water Basins	2,810.84		2,810.84
Pumping Structures	142,830.69		142,830.69
Miscellaneous Pumping Equipment	11,743.40		11,743.40
Electrical Power Pumping Equipment	76,057.75		76,057.75
Transmission Mains	1,175,158.19		1,175,158.19
Storage Reservoir - Tank and Standpipe	38,554.77		38,554.77
Distribution Mains	1,596,133.19		1,596,133.19
Service Pipe	168,234.98		168,234.98
Meters	550,438.62		550,438.62
Fire Hydrants	921,057.03		921,057.03
Trucks and Vehicles	700,227.83		700,227.83
Scouter	1,441.16		1,441.16
General Equipment	147,204.31		147,204.31
Storage Reservoir - Land	4,000.00		4,000.00
Engineering Costs - Water Survey	5,432.59		5,432.59
Office Facilities and Furnishings	54,975.79		54,975.79
Tractor and Equipment	43,200.55		43,200.55
Ware Avenue	74,676.00		74,676.00
Supply Distribution and Storage Facilities	1,086,856.58		1,086,856.58
Water Storage Tank With Transmission	1,119,085.40		1,119,085.40
Roofing	48,003.00		48,003.00
Data Collection System	880,750.00		880,750.00
Well Repair and Construction	2,780,130.34		2,780,130.34
Demolition	8,040.00		8,040.00
Equalization Facility	281,175.00		281,175.00
Water Main Extension	870,869.39		870,869.39
Improvements to Water Utility	4,685,159.55	\$ 20,930.00	4,706,089.55
Infrastructure Improvements to Airport Industrial Park	1,865,747.79		1,865,747.79
Improvements to South Millville Industrial Park	74,073.37		74,073.37
Treatment Plant for Airport Water Wells	1,189,884.32		1,189,884.32
Improvements/Upgrades to Existing Equipment and Infrastructure	751,374.29		751,374.29
	<u>\$ 22,012,247.58</u>	<u>\$ 20,930.00</u>	<u>\$ 22,033,177.58</u>
FY 2018 Capital Outlay Budget		<u>\$ 20,930.00</u>	

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital Authorized and Uncompleted  
 As of December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2018</u>
General				
Improvements:				
6-2016	Repair Various Water Mains	2/19/2016	\$ 965,845.22	\$ 965,845.22
7-2016	Water Main Replacement	2/19/2016	132,391.09	132,391.09
24-2017	Capital Improvements for Water Utility	6/10/2017	1,100,000.00	1,100,000.00
			<u>\$ 2,198,236.31</u>	

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance December 31, 2017		Balance After Transfer	Disbursed	Accounts Payable	Balanced Lapsed
	Reserved	Encumbered				
Operating:						
Salaries and Wages	\$ 124,212.15	\$ 124,212.15	\$ 8,554.91	\$ 5,000.00	\$ 110,657.24	
Other Expenses	297,230.26	\$ 82,143.91	379,374.17	84,366.88	7,500.00	287,507.29
Capital Improvements:						
Capital Outlay	43,514.37	65,342.94	108,857.31	8,526.93		100,330.38
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	22,651.37		22,651.37			22,651.37
Public Employees' Retirement System	5,713.77		5,713.77			5,713.77
Disability Insurance	2,000.00		2,000.00			2,000.00
	<u>\$ 495,321.92</u>	<u>\$ 147,486.85</u>	<u>\$ 642,808.77</u>	<u>\$ 101,448.72</u>	<u>\$ 12,500.00</u>	<u>\$ 528,860.05</u>

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Bonds, Notes and Loans and Analysis of Balance  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 62,437.31
Increased by:		
Budget Appropriation for:		
Interest on Bonds	\$ 126,644.78	
Interest on Loans	<u>34,480.88</u>	
		<u>161,125.66</u>
		223,562.97
Decreased by:		
Interest Paid		<u>163,867.34</u>
Balance Dec. 31, 2018		<u>\$ 59,695.63</u>

Analysis of Accrued Interest Dec. 31, 2018

	Principal Outstanding Dec. 31, 2018	Interest Rate	From	To	Period	Amount
Serial Bonds						
Water Bonds of 2011	\$ 346,000.00	Various	11/1/2018	12/31/2018	2 Months	\$ 2,430.00
Water Refunding Bonds of 2016	1,435,000.00	Various	9/1/2018	12/31/2018	4 Months	14,350.00
Water Bonds of 2017	<u>2,005,000.00</u>	Various	7/15/2018	12/31/2018	5.5 Months	<u>28,290.63</u>
	<u>3,786,000.00</u>					45,070.63
NJ Waste Water Infrastructure Loan (1)						
Series 2013A	705,000.00	Various	8/1/2018	12/31/2018	5 Months	10,312.50
Series 1999A	<u>270,000.00</u>	Various	9/1/2018	12/31/2018	4 Months	<u>4,312.50</u>
	<u>975,000.00</u>					<u>14,625.00</u>
Grand Total	<u>\$ 4,056,000.00</u>					<u>\$ 59,695.63</u>

(1) Trust portion of Loans only. Fund Portions are principal only loans.

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Accounts Payable**  
**For the Year Ended December 31, 2018**

Balance Dec. 31, 2017	\$	4,964.00
Increased by:		
Transfer from FY 2017 Appropriation Reserves		12,500.00
		17,464.00
Decreased by:		
Canceled to Fund Balance		4,954.00
Balance Dec. 31, 2018	\$	12,510.00

Exhibit SD-14

**CITY OF MILLVILLE**  
**WATER UTILITY OPERATING FUND**  
**Statement of Overpayment of Rents**  
**For the Year Ended December 31, 2018**

Balance Dec. 31, 2017	\$	4,950.26
Increased by:		
Collections		13,373.57
		18,323.83
Decreased by:		
Applied to Rents		4,950.26
Balance Dec. 31, 2018	\$	13,373.57

**CITY OF MILLVILLE**  
WATER UTILITY OPERATING FUND  
Statement of Due to Current Fund  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 1,561.55
Decreased by:	
Disbursed	<u>1,474.28</u>
Balance Dec. 31, 2018	<u><u>\$ 87.27</u></u>

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Encumbrances  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$ 736.52
Increased by:	
Encumbrances	<u>78,463.00</u>
	79,199.52
Decreased by:	
Transfer to Improvement Authorizations	<u>736.52</u>
Balance Dec. 31, 2018	<u><u>\$ 78,463.00</u></u>

CITY OF MILLVILLE  
 WATER UTILITY CAPITAL FUND  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2018

Ord. No.	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2017		Transfer from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2018	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
6-2016	Repairs of Water Meters	2/19/2016	\$ 965,845.22	\$	239,405.37	\$ 736.52	\$	239,296.67	\$ 845.22
7-2016	Cedarville Rd. Water Main Replacement	2/19/2016	132,391.09	\$ 132,391.09				132,391.09	
24-2017	Capital Improvements for Water Utility	6/10/2017	1,100,000.00	1,093,728.75			\$ 609,648.22	484,080.53	
				<u>\$ 1,226,119.84</u>	<u>\$ 239,405.37</u>	<u>\$ 736.52</u>	<u>\$ 609,648.22</u>	<u>\$ 855,768.29</u>	<u>\$ 845.22</u>
				Disbursed			\$ 531,185.22		
				Reserve for Encumbrances			<u>78,463.00</u>		
							<u>\$ 609,648.22</u>		

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2018

---

Balance Dec. 31, 2017		\$ 15,444,317.67
Increased by:		
Paid by Operating Budget:		
Bond Principal	\$ 255,000.00	
Capital Outlay:		
FY 2018 Operating Budget	<u>20,930.00</u>	
		<u>275,930.00</u>
Balance Dec. 31, 2018		<u><u>\$ 15,720,247.67</u></u>

Exhibit SD-19

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of Reserve for Deferred Amortization  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 1,378,087.48
Increased by:		
Infrastructure Loan Paid by Operating Budget		<u>262,380.66</u>
Balance Dec. 31, 2018		<u><u>\$ 1,640,468.14</u></u>

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Statement of New Jersey Environmental Infrastructure Loan Payable  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 3,346,233.52
Decreased by:	
Paid by Operating Budget	262,380.66
Balance Dec. 31, 2018	\$ 3,083,852.86

Schedule of New Jersey Environmental Infrastructure Loan Payable Dec. 31, 2018

Due Date	Series 2013A		Series 2003A		Total
	Trust	Fund	Trust	Fund	
February 2019		\$ 47,033.89			\$ 47,033.89
March 2019				\$ 3,921.13	3,921.13
August 2019	\$ 40,000.00	94,067.79			134,067.79
September, 2019			\$ 50,000.00	34,229.39	84,229.39
February 2020		47,033.89			47,033.89
March 2020				3,163.42	3,163.42
August 2020	40,000.00	94,067.79			134,067.79
September, 2020			50,000.00	33,471.68	83,471.68
February 2021		47,033.89			47,033.89
March 2021				2,405.71	2,405.71
August 2021	45,000.00	94,067.79			139,067.79
September, 2021			55,000.00	35,744.80	90,744.80
February 2022		47,033.89			47,033.89
March 2022				1,655.58	1,655.58
August 2022	45,000.00	94,067.79			139,067.79
September, 2022			55,000.00	19,852.34	74,852.34
February 2023		47,033.89			47,033.89
August 2023	45,000.00	94,067.79			139,067.79
September, 2023			60,000.00		60,000.00
February 2024		47,033.89			47,033.89
August 2024	50,000.00	94,067.79			144,067.79
February 2025		47,033.89			47,033.89
August 2025	50,000.00	94,067.79			144,067.79
February 2026		47,033.89			47,033.89
August 2026	50,000.00	94,067.79			144,067.79
February 2027		47,033.89			47,033.89
August 2027	55,000.00	94,067.79			149,067.79
February 2028		47,033.89			47,033.89
August 2028	55,000.00	94,067.79			149,067.79
February 2029		47,033.89			47,033.89
August 2029	55,000.00	94,067.79			149,067.79
February 2030		47,033.89			47,033.89
August 2030	60,000.00	94,067.79			154,067.79
February 2031		47,033.89			47,033.89
August 2031	60,000.00	94,067.79			154,067.79
February 2032		47,033.89			47,033.89
August 2032	55,000.00	93,053.08			148,053.08
	\$ 705,000.00	\$ 1,974,408.81	\$ 270,000.00	\$ 134,444.05	\$ 3,083,852.86

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
**Statement of Water Serial Bonds**  
**For the Year Ended December 31, 2018**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Outstanding Dec. 31, 2018</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid</u>	<u>Balance Dec. 31, 2018</u>	
				<u>Date</u>	<u>Amount</u>					
Water Bonds of 2008	9/1/2008	\$ 2,430,000.00			\$ 125,000.00		\$ 125,000.00			
Water Bonds of 2011	11/1/2011	671,000.00	11/01/19	\$ 70,000.00	5.000%					
			11/1/20-21	70,000.00	5.000%					
			11/01/22	70,000.00	3.000%					
			11/01/23	66,000.00	3.000%		406,000.00	60,000.00	\$ 346,000.00	
Water Refunding Bonds of 2016	9/1/2016	1,460,000.00	09/01/19	135,000.00	2.000%					
			09/01/20	130,000.00	3.000%					
			09/01/21	130,000.00	3.000%					
			09/01/22	135,000.00	3.000%					
			09/01/23	155,000.00	3.000%					
			09/01/24	155,000.00	3.000%					
			9/1/25-27	150,000.00	3.000%					
			09/01/28	145,000.00	3.000%		1,445,000.00	10,000.00	1,435,000.00	
Water Bonds of 2017	7/26/2017	2,065,000.00	07/15/19	60,000.00	2.000%					
			07/15/20	60,000.00	3.000%					
			07/15/21	60,000.00	2.000%					
			07/15/22	85,000.00	3.000%					
			7/15/23-24	100,000.00	4.000%					
			07/15/25	110,000.00	4.000%					
			07/15/26	120,000.00	2.250%					
			07/15/27	120,000.00	2.500%					
			7/15/28-32	120,000.00	3.000%					
			7/15/33-34	120,000.00	3.125%					
			7/15/35-36	120,000.00	3.250%					
			07/15/37	110,000.00	3.250%		2,065,000.00	60,000.00	2,005,000.00	
							<u>\$ 4,041,000.00</u>	<u>\$ 255,000.00</u>	<u>\$ 3,786,000.00</u>	
<u>Paid by Budget Appropriation</u>							<u>\$</u>	<u>\$ 255,000.00</u>	<u>\$</u>	

**CITY OF MILLVILLE**  
**WATER UTILITY CAPITAL FUND**  
Schedule of Bonds and Notes Authorized but not Issued  
As of December 31, 2018

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>
6-2016	Repair Various Water Meters	<u>\$ 845.22</u>

**SUPPLEMENTAL EXHIBITS**

**SEWER UTILITY FUND**



**CITY OF MILLVILLE**  
**SEWER UTILITY FUNDS**  
 Statement of Sewer Utility Cash  
 Treasurer

For the Year Ended December 31, 2018

	<u>Operating Fund</u>	<u>Assessment Fund</u>	<u>Capital Fund</u>
Balance Dec. 31, 2017	\$ 5,480,177.90	\$ 61,504.82	\$ 270,115.72
Increased by Receipts:			
Consumer Accounts Receivable	\$ 6,039,241.59		
Sewer Utility Liens	4,285.46		
Sewer Utility Overpayments	16,699.92		
Interest on Delinquent Accounts	27,545.51		
Connection Fees	49,110.63		
Miscellaneous Fees	442.96		
Interest Earned on Deposits	48,515.03		
Current Fund	3,172.43		
Water Utility Operating Fund	920.20		
NJ Environmental Infrastructure Trust			
Budget Appropriation:		\$ 2,493,000.00	
- Capital Improvement Fund		100,000.00	
	<u>6,189,933.73</u>	<u>61,504.82</u>	<u>2,593,000.00</u>
Decreased by Disbursements:			
2018 Appropriations	5,133,004.90		
2017 Appropriation Reserves	249,882.00		
Protested Checks	12,513.13		
Improvement Authorizations			1,386,722.49
Interest on Bonds, Notes and Loans	204,575.43		
Trust Other Fund	252.48		
Utility Surplus of Prior Year to Current Fund	385,290.00		
	<u>5,985,517.94</u>	<u>61,504.82</u>	<u>1,386,722.49</u>
Balance Dec. 31, 2018	<u>\$ 5,684,593.69</u>	<u>\$ 61,504.82</u>	<u>\$ 1,476,393.23</u>

**CITY OF MILLVILLE**  
SEWER UTILITY ASSESSMENT FUND  
Schedule of Sewer Utility Assessment Trust Cash  
As of December 31, 2018

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	Balance <u>Dec. 31, 2018</u>
Fund Balance	<u>\$ 61,504.82</u>

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Analysis of Capital Cash  
For the Year Ended December 31, 2018

	Balance (Deficit) Dec. 31, 2017	Receipts		Disbursements		Balance (Deficit) Dec. 31, 2018
		Budget Appropriations	Miscellaneous	Improvement Authorizations	Transfers	
Fund Balance	\$ 328,419.62					\$ 328,419.62
Capital Improvement Fund	701,951.59	\$ 100,000.00				801,951.59
Reserve for Payment of Debt	561,957.65					561,957.65
Cash Pledged to the Payment of Debt	41,456.00					41,456.00
Improvement Authorizations:						
Ordinance						
<u>Number</u>						
22-2002	Environmental Investigation and Cleanup of Taxiway Pump Station	176,534.53		\$ 10,450.00	\$ 8,425.00	\$ 176,534.53
6-2008	Upgrades to Wastewater Collection System	(228,575.02)				(228,575.02)
7-2008;19-2009	Upgrades to Wastewater Treatment Plant - Phase I	476.72				565.13
39-2012	Upgrades to Municipal Sewer Utility	(185,030.81)		1,376,272.49	1,499,580.78	(61,722.52)
Sewer Utility Operating Fund		(100,000.00)				(100,000.00)
NJ Environmental Infrastructure Loan Receivable		(2,545,618.75)	\$ 2,493,000.00			(52,618.75)
Contracts Payable		1,518,544.19		1,518,544.19	8,425.00	8,425.00
		\$ 270,115.72	\$ 100,000.00	\$ 2,493,000.00	\$ 1,386,722.49	\$ 1,526,969.19
						\$ 1,476,393.23

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Consumer Accounts Receivable**  
**For the Year Ended December 31, 2018**

Balance Dec. 31, 2017			\$ 230,646.00	
Increased by:				
Sewer Rents Charged			6,343,919.23	6,574,565.23
Decreased by:				
Collections	\$ 6,039,241.59			
Overpayments Applied	8,507.47			
		\$ 6,047,749.06		
Transfer to Lien		20,781.86		
Canceled		87,371.81		6,155,902.73
Balance Dec. 31, 2018			\$ 418,662.50	418,662.50

Exhibit SE-5

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Sewer Utility Liens**  
**For the Year Ended December 31, 2018**

Balance Dec. 31, 2017			\$ 2,560.87	
Increased by:				
Transfers from Consumer Account Receivable			20,781.86	23,342.73
Decreased by:				
Collections			4,285.46	19,057.27
Balance Dec. 31, 2018			\$ 19,057.27	19,057.27

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Due from State of New Jersey -- NJ Environmental Infrastructure Trust  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 2,545,618.75
Decreased by:	
Receipts	2,493,000.00
Balance Dec. 31, 2018	\$ 52,618.75
<u>Analysis of Balance Dec. 31, 2018</u>	
NJ Environmental Infrastructure Trust	\$ 50,611.75
NJ Environmental Infrastructure Trust - ARRA Financing	2,007.00
	\$ 52,618.75

Exhibit SE-7

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Other Accounts Receivable  
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Canceled</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Sewer Connection Fees	\$ 17,943.36	\$ 49,110.63	\$ 17,943.36	\$ 49,110.63	
Protested Checks	2,111.58	12,513.13	14,403.31		\$ 221.40
	\$ 20,054.94	\$ 61,623.76	\$ 32,346.67	\$ 49,110.63	\$ 221.40

**CITY OF MILLVILLE**  
**SEWER UTILITY ASSESSMENT FUND**  
 Schedule of Assessments Receivable  
 As of December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Pledged to Reserve</u>
Capital Outlay	Sanitary Collection Lines Res. A-5250 & 5251	10/4/05	10	12/5/05-14	\$ 983.53	\$ 983.53
					<u>\$ 983.53</u>	<u>\$ 983.53</u>

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Fixed Capital**  
**For the Year Ended December 31, 2018**

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Balance Dec. 31, 1967--Financed by Capital Fund--Details not Available	\$ 375,000.00		\$ 375,000.00
Pumping Station	805,664.17		805,664.17
Sanitary Sewer Lines	922,364.89		922,364.89
Vehicles	457,606.06		457,606.06
Office Facilities and Furnishings	40,182.19		40,182.19
General Equipment	322,037.66	\$ 179,907.00	501,944.66
Improvement of Sewer System	1,983,323.83		1,983,323.83
Feasibility Study--Sanitary Sewer Facilities (Contractual)	6,000.00		6,000.00
Additions and Alterations to Treatment Plant	3,094,598.41		3,094,598.41
Laboratory	257,961.18		257,961.18
Roof System--Sewer Utility Building	138,782.44		138,782.44
Improvements to Plant & Buildings	557,378.03		557,378.03
Acquisition, Installation of Improvements to Wastewater Treatment Plant	12,263,226.08		12,263,226.08
Purchase of Machinery	558,394.85		558,394.85
Old Ireland Avenue Pumping Station Ord. 63-95	1,326,703.18		1,326,703.18
Improvements to South Millville Industrial Park Ord. 10-97	65,870.54		65,870.54
Rieck Ave., Route 49 Sewer Extension Ord. 11-96	720,968.66		720,968.66
Sewer Main Extension and Pump Lift Station for Commercial Development Rt 55/47 Interchange	571,876.94		571,876.94
Infrastructure Improvements to Airport Industrial Park	1,628,145.85		1,628,145.85
Replace or Rehabilitate Sewer Mains Ord. 24-96	2,212,031.35		2,212,031.35
	<u>\$ 28,308,116.31</u>	<u>\$ 179,907.00</u>	<u>\$ 28,488,023.31</u>
2018 Budget Appropriation - Capital Outlay		\$ 110,000.00	
2017 Appropriation Reserves - Capital Outlay		<u>69,907.00</u>	
		<u>\$ 179,907.00</u>	

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
 Schedule of Fixed Capital Authorized and Uncompleted  
 As of December 31, 2018

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2018</u>
General Improvements:				
Environmental Investigation and Cleanup of Taxiway Pump Station	22-2002	7/2/2002	\$ 2,000,000.00	\$ 1,999,208.44
Upgrades to Wastewater Collection System	6-2008	2/19/2008	3,150,000.00	3,078,575.02
Upgrades to Wastewater Treatment Plant - Phase I	7-2008; 19-2009	2/19/2008 6/16/2009	8,843,000.00	4,686,456.34
Upgrades to Municipal Sewer Utility	39-2012	12/18/2012	9,822,500.00	9,822,500.00
Sewer Jet & Catch Basin Cleaner	25-2016	6/7/2016	266,377.00	266,376.84
			<u>\$ 19,853,116.64</u>	

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfer	Disbursed	Accounts Payable	Balance Lapsed
	Reserved	Encumbered				
Operating:						
Salaries and Wages	\$ 134,071.84	\$	\$ 134,071.84	\$ 13,890.96	\$ 5,000.00	\$ 115,180.88
Other Expenses	478,414.23	\$ 261,350.49	739,764.72	165,993.56	13,060.00	560,711.16
Capital Improvements:						
Capital Outlay	10,093.00	69,907.00	80,000.00	69,907.00		10,093.00
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	30,608.35	90.48	30,698.83	90.48		30,608.35
Public Employees' Retirement System	1,784.87		1,784.87			1,784.87
Disability Insurance	2,000.00		2,000.00			2,000.00
	\$ 656,972.29	\$ 331,347.97	\$ 988,320.26	\$ 249,882.00	\$ 18,060.00	\$ 720,378.26

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
Statement of Accrued Interest on Bonds, Notes and Loans and Analysis of Balance  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 55,076.20
Increased by:		
Charged to Budget Appropriation:		
Interest on Bonds	\$ 123,425.33	
Interest on Loans	<u>109,740.58</u>	
		<u>233,165.91</u>
		288,242.11
Decreased by:		
Interest Paid		
Operating Fund		<u>204,575.43</u>
Balance Dec. 31, 2018		<u><u>\$ 83,666.68</u></u>

Analysis of Accrued Interest Dec. 31, 2018

	Principal Outstanding Dec. 31, 2018	Interest Rate	From	To	Period	Amount
Serial Bonds (Capital):						
Sewer Bonds of 2011	\$ 1,475,000.00	Various	11/1/2018	12/31/2018	2 Months	\$ 10,291.67
Sewer Refunding Bonds of 2016	985,000.00	Various	9/1/2018	12/31/2018	4 Months	9,850.00
Sewer Bonds of 2017	<u>575,000.00</u>	Various	7/15/2018	12/31/2018	5.5 Months	<u>7,963.54</u>
	<u>3,035,000.00</u>					<u>28,105.21</u>
NJ Environmental Infrastructure Loans (1)						
Series 1999 A	100,000.00	Various	9/1/2018	12/31/2018	4 Months	1,900.00
Series 2003 A	525,000.00	Various	9/1/2018	12/31/2018	4 Months	8,387.50
Series 2010 A	700,000.00	Various	9/1/2018	12/31/2018	4 Months	9,216.67
Series 2018 A	<u>2,340,000.00</u>	Various	8/1/2018	12/31/2018	5 Months	<u>36,057.30</u>
	<u>3,665,000.00</u>					<u>55,561.47</u>
Grand Total	<u><u>\$ 6,700,000.00</u></u>					<u><u>\$ 83,666.68</u></u>

(1) Principal on Trust Loans Only. Fund Loans have a 0% Interest Rate

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Rental Overpayments  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	8,507.47
Increased by:		
Receipts		16,699.92
		25,207.39
Decreased by:		
Applied to Consumer Accounts Receivable		8,507.47
		8,507.47
Balance Dec. 31, 2018	\$	16,699.92

Exhibit SE-14

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Accounts Payable  
 For the Year Ended December 31, 2018

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Balance Dec. 31, 2017	\$	130,253.90
Increased by:		
Transfer from 2017 Appropriation Reserves		18,060.00
		148,313.90
Decreased by:		
Canceled to Fund Balance		130,253.90
		130,253.90
Balance Dec. 31, 2018	\$	18,060.00

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Contracts Payable**  
**For the Year Ended December 31, 2018**

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Balance Dec. 31, 2017	\$ 1,518,544.19
Increased by:	
Contracts and Change Orders	8,425.00
	1,526,969.19
Decreased by:	
Transfer to Improvement Authorizations	1,518,544.19
Balance Dec. 31, 2018	\$ 8,425.00

Exhibit SE-16

**CITY OF MILLVILLE**  
**SEWER UTILITY OPERATING FUND**  
**Statement of Due from Current Fund**  
**For the Year Ended December 31, 2018**

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Balance Dec. 31, 2017	\$ 5,317.58
Decreased by:	
Receipts	3,172.43
Balance Dec. 31, 2018	\$ 2,145.15

**CITY OF MILLVILLE**  
SEWER UTILITY ASSESSMENT FUND  
Schedule of Reserve for Assessments and Liens  
As of December 31, 2018

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>
Assessments Receivable:		
Capital Outlay	Sanitary Collection Lines Res. A-5250 & A-5251	<u>\$ 983.53</u>

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
 Statement of Deferred Reserve for Amortization  
 For the Year Ended December 31, 2018

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2017</u>	<u>NJ Water Trust Loans Paid</u>	<u>Balance Dec. 31, 2018</u>
Improvements to W/W Treatment Plant & Coll System	21-2002	12/21/2004	\$ 3,097,539.10	\$ 156,383.62	\$ 3,253,922.72

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 29,021,890.98
Increased by:		
Serial Bonds Paid by Operating Budget	\$ 395,000.00	
N.J. Environmental Infrastructure Loans Paid by Operating Budget	445,520.77	
Capital Outlay 2018 Appropriation	110,000.00	
Capital Outlay 2017 Appropriation Reserves	<u>69,907.00</u>	
		<u>1,020,427.77</u>
Balance Dec. 31, 2018		<u>\$ 30,042,318.75</u>

Exhibit SE-20

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2018

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Balance Dec. 31, 2017		\$ 701,951.59
Increased by:		
Budget Appropriation		<u>100,000.00</u>
Balance Dec. 31, 2018		<u>\$ 801,951.59</u>

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of Improvement Authorizations  
For the Year Ended December 31, 2018

Improvement Description	Number	Ordinance Date	Amount	Balance Dec. 31, 2017		Contracts Payable Transferred	Paid or Charged	Balance Dec. 31, 2018	
				Funded	Unfunded			Funded	Unfunded
General Improvements:									
Environmental Investigation and Cleanup of Taxiway Pump Station	22-2002	7/2/2002	\$ 2,000,000.00	\$ 176,534.53		\$ 18,875.00	\$ 18,875.00	\$ 176,534.53	
Upgrades to Wastewater Treatment Plant - Phase I	7-2008; 19-2009	2/19/2008; 6/16/2009	8,843,000.00	476.72	88.41			565.13	
Upgrades to Municipal Sewer Utility	39-2012	12/18/2012	9,822,500.00			1,499,580.78	1,376,272.49		\$ 287,017.48
				\$ 177,011.25	\$ 163,709.19	\$ 1,518,544.19	\$ 1,395,147.49	\$ 177,099.66	\$ 287,017.48
						Disbursed Contracts Payable	\$ 1,386,722.49		
							8,425.00		
							<u>\$ 1,395,147.49</u>		

CITY OF MILLVILLE  
SEWER UTILITY CAPITAL FUND  
Statement of New Jersey Environmental Infrastructure Loans Payable  
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 12,075,943.85
Decreased by:	
Principal Paid by Operating Fund	601,904.39
Balance Dec. 31, 2018	\$ 11,474,039.46

Schedule of New Jersey Environmental Infrastructure Loans Payable Dec. 31, 2018

Due Date	Series 1999A		Series 2003A		Series 2010A		Series 2018A		Total
	Trust		Trust	Fund	Trust	Fund	Trust	Fund	
March, 2019			\$	7,639.62			\$	120,063.72	\$ 127,703.34
February, 2019						\$ 18,175.00			18,175.00
August, 2019	\$ 100,000.00				\$ 50,000.00	36,350.00			186,350.00
September, 2019		\$ 95,000.00	65,325.81				\$ 80,000.00	240,127.45	480,453.26
February, 2020						18,175.00			18,175.00
March, 2020				6,197.47				120,063.72	126,261.19
August, 2020					55,000.00	36,350.00			91,350.00
September, 2020		100,000.00	66,919.77				85,000.00	240,127.45	492,047.22
February, 2021						18,175.00			18,175.00
March, 2021				4,679.41				120,063.72	124,743.13
August, 2021					55,000.00	36,350.00			91,350.00
September, 2021		105,000.00	68,437.83				90,000.00	240,127.45	503,565.28
February, 2022						18,175.00			18,175.00
March, 2022				3,244.84				120,063.72	123,308.56
August, 2022					60,000.00	36,350.00			96,350.00
September, 2022		110,000.00	70,039.38				95,000.00	240,127.45	515,166.83
February, 2023						18,175.00			18,175.00
March, 2023				1,658.47				120,063.72	121,722.19
August, 2023					60,000.00	36,350.00			96,350.00
September, 2023		115,000.00	71,489.31				100,000.00	240,127.45	526,616.76
February, 2024						18,175.00			18,175.00
March, 2024								120,063.72	120,063.72
August, 2024					65,000.00	36,350.00			101,350.00
September, 2024							105,000.00	240,127.45	345,127.45
February, 2025						18,175.00			18,175.00
March, 2025								120,063.72	120,063.72
August, 2025					65,000.00	36,350.00			101,350.00
September, 2025							110,000.00	240,127.45	350,127.45
February, 2026						18,175.00			18,175.00
March, 2026								120,063.72	120,063.72
August, 2026					70,000.00	36,350.00			106,350.00
September, 2026							115,000.00	240,127.45	355,127.45
February, 2027						18,175.00			18,175.00
March, 2027								120,063.72	120,063.72
August, 2027					70,000.00	36,350.00			106,350.00
September, 2027							120,000.00	240,127.45	360,127.45
February, 2028						18,175.00			18,175.00
March, 2028								120,063.72	120,063.72
August, 2028					75,000.00	36,350.00			111,350.00
September, 2028							125,000.00	240,127.45	365,127.45
February, 2029						18,175.00			18,175.00
March, 2029								120,063.72	120,063.72
August, 2029					75,000.00	36,350.00			111,350.00
September, 2029							130,000.00	240,127.45	370,127.45
March, 2030								120,063.72	120,063.72
September, 2030							135,000.00	240,127.45	375,127.45
March, 2031								120,063.72	120,063.72
September, 2031							135,000.00	240,127.45	375,127.45
March, 2032								120,063.72	120,063.72
September, 2032							140,000.00	240,127.45	380,127.45
March, 2033								120,063.72	120,063.72
September, 2033							145,000.00	240,127.45	385,127.45
March, 2034								120,063.72	120,063.72
September, 2034							150,000.00	240,127.45	390,127.45
March, 2035								120,063.72	120,063.72
September, 2035							155,000.00	240,127.45	395,127.45
March, 2036								120,063.72	120,063.72
September, 2036							160,000.00	240,127.45	400,127.45
March, 2037								120,063.72	120,063.72
September, 2037							165,000.00	240,127.77	405,127.77
	\$ 100,000.00	\$ 525,000.00	\$ 365,631.91	\$ 700,000.00	\$ 599,775.00	\$ 2,340,000.00	\$ 6,843,632.55	\$ 11,474,039.46	

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
**Statement of Sewer Serial Bonds**  
**For the Year Ended December 31, 2018**

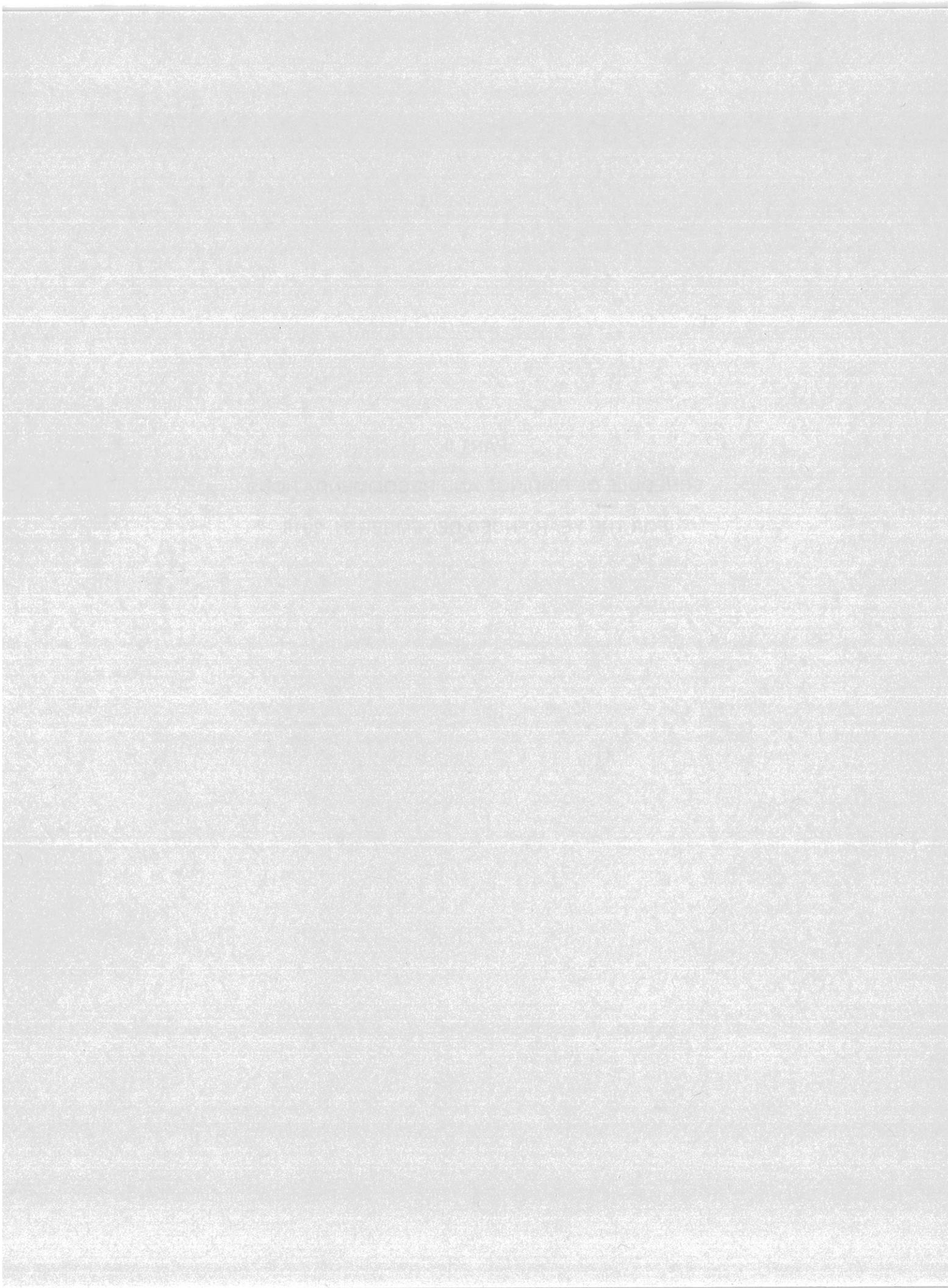
<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid</u>	<u>Balance Dec. 31, 2018</u>
			<u>Outstanding Dec. 31, 2018</u>	<u>Amount</u>	<u>Date</u>				
Sewer Bonds of 2008	09/1/08	\$ 1,630,000.00				\$ 90,000.00	\$ 90,000.00		
Sewer Bonds of 2011	11/1/11	2,850,000.00	\$ 275,000.00	11/1/19	5.000%				
			300,000.00	11/1/20	5.000%				
			300,000.00	11/1/21-23	3.000%	1,750,000.00	275,000.00	\$ 1,475,000.00	
Sewer Refunding Bonds of 2016	09/1/19	1,000,000.00	95,000.00	09/1/19	3.000%				
			95,000.00	09/1/20	3.000%				
			95,000.00	09/1/21	3.000%				
			100,000.00	09/1/22	3.000%				
			105,000.00	09/1/23	3.000%				
			100,000.00	09/1/24	3.000%				
			100,000.00	09/1/25	3.000%				
			100,000.00	09/1/26	3.000%				
			100,000.00	09/1/27	3.000%				
			95,000.00	09/1/28	3.000%	990,000.00	5,000.00	985,000.00	
Sewer Bonds of 2017	07/26/17	600,000.00	25,000.00	07/15/19	2.000%				
			50,000.00	07/15/20	3.000%				
			50,000.00	07/15/21	2.000%				
			50,000.00	07/15/22	3.000%				
			50,000.00	07/15/23	4.000%				
			50,000.00	07/15/24	4.000%				
			50,000.00	07/15/25	4.000%				
			50,000.00	07/15/26	2.250%				
			50,000.00	07/15/27	2.500%				
			50,000.00	07/15/28	3.000%				
		50,000.00	07/15/29	3.000%					
		50,000.00	07/15/30	3.000%		600,000.00	25,000.00	575,000.00	
						<b>\$ 3,430,000.00</b>	<b>\$ 395,000.00</b>	<b>\$ 3,035,000.00</b>	

**CITY OF MILLVILLE**  
**SEWER UTILITY CAPITAL FUND**  
Schedule of Bonds and Notes Authorized But Not Issued  
As of December 31, 2018

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2018</u>
6-2008	Upgrades to Wastewater Collection System	\$ 228,575.02
39-2012	Upgrades to Municipal Sewer Utility	348,740.00
		<hr/> <u>\$ 577,315.02</u>

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



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**CITY OF MILLVILLE**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2018

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***Schedule of Financial Statement Findings***

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

None.

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**CITY OF MILLVILLE**  
Summary Schedule of Prior Year Audit Findings  
and Questioned Costs as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards* and State of New Jersey Circular 15-08-OMB.

**FINANCIAL STATEMENT FINDINGS**

None.

**FEDERAL AWARDS**

Not Applicable.

**STATE FINANCIAL ASSISTANCE PROGRAMS**

None.

**CITY OF MILLVILLE**  
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Michael Santiago	Mayor	(A)
W. James Parent	Commissioner	(A)
Ashleigh Udalovas	Commissioner	(A)
Joseph Pepitone	Commissioner	(A)
Bruce Cooper	Commissioner	(A)
Regina Burke	City Administrator	(A)
Jeanne M. Hitchner	City Clerk	(A)
Marcella D. Shepard	Chief Financial Officer	(A)
Tracey Gregoire	Tax and Utilities Collector	(A)
Regina Burke	Purchasing Agent	(A)
Jason Witcher	Municipal Court Judge	(A)
Jody Farabella	Police Chief	(A)
James Schroeder	City Attorney	(A)
John Lamanteer	Construction Official (Upper Deerfield Township)	(A)
Brian M. Prohowich	Acting City Engineer	(A)
Brian Rosenberger	Assessor	(A)
Kimberly Hamlyn	Municipal Court Administrator	(A)

(A) Covered by \$1,000,000, with either a \$1,000 deductible or for the amount the employee or official is required by law to be individually bonded, by a Public Employees Dishonesty Bond from the Atlantic County Municipal Joint Insurance Fund and Municipal Excess Joint Insurance Fund.

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**APPRECIATION**

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

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, reading "Michael D. Cesaro". The signature is written in a cursive style with a long horizontal flourish at the end.

Michael D. Cesaro  
Certified Public Accountant  
Registered Municipal Accountant

