

**CITY OF MILLVILLE  
REPORT OF AUDIT  
FOR THE YEAR ENDED  
DECEMBER 31, 2014**

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**CITY OF MILLVILLE**  
**PART I**  
**REPORT ON AUDIT OF**  
**FINANCIAL STATEMENTS - REGULATORY BASIS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2014**



# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of City Commission  
City of Millville  
County of Cumberland, New Jersey

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

We have audited the accompanying balance sheet - regulatory basis of the various funds and account group of the City of Millville, as of December 31, 2014, the related statement of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. The financial statements of the City of Millville as of, and for the six month revision period ended December 31, 2013 were audited by other auditors whose report dated June 18, 2014 expressed an adverse opinion on those statements in accordance with Generally Accepted Accounting Principles and an unmodified opinion on those statements in conformity with the Regulatory Basis of Accounting as described in Note 1.

### ***Management's Responsibility for the Financial Statements***

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Millville.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Millville basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the financial statements. The supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. Because of the significance of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, it is inappropriate to and we do not express an opinion on the supplementary information referred to above.

The accompanying Schedule of State Financial Assistance is presented for the purpose of additional analysis as required by OMB Circular A-133 and State of New Jersey OMB 04-04 and is not a required part of the financial statements. The schedule of Expenditures of State Financial Assistance as required by OMB Circular A-133 and New Jersey OMB Circular 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of State Financial Assistance is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2015 on our consideration of the City of Millville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Millville's internal control over financial reporting and compliance.

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

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**June 19, 2015**

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**EXHIBIT - A**  
**CURRENT FUND**

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 19,930,514.13	18,425,728.60
Cash - Change	2,200.00	2,200.00
Total Cash	<u>19,932,714.13</u>	<u>18,427,928.60</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	42,941.40	32,942.50
Total Other Receivables	<u>42,941.40</u>	<u>32,942.50</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	892,609.98	866,116.84
Tax Title and Other Liens	601,587.58	533,817.62
Property Acquired for Taxes - at Assessed Valuation	1,385,230.00	1,385,230.00
Revenue Accounts Receivable	21,651.54	22,411.84
Protested Checks Receivable	28,052.18	107,621.29
Due from Bank	2,314.17	2,314.17
Interfund Receivable:		
Animal Control Fund	282.06	270.22
Trust Other	154,295.34	197,422.10
General Capital Fund	1,379.80	399.33
Water Utility Operating	-	7,545.59
Sewer Utility Operating	-	6,960.71
Total Receivables and Other Assets	<u>3,087,402.65</u>	<u>3,130,109.71</u>
Total Regular Fund	<u>23,063,058.18</u>	<u>21,590,980.81</u>
Federal and State Grant Fund:		
Cash	829,504.26	1,334,983.63
Federal and State Grants Receivable	2,827,695.94	2,958,718.26
Due from General Capital Fund	7.00	7.00
Total Federal and State Grant Fund	<u>3,657,207.20</u>	<u>4,293,708.89</u>
Total Current Fund	<u>\$ 26,720,265.38</u>	<u>25,884,689.70</u>

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

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 2,349,305.61	1,688,671.15
Reserve for Encumbrances	531,748.72	530,507.85
Accounts Payable	196,725.13	161,709.59
Payroll Taxes Payable	-	76,797.58
Prepaid Taxes	300,051.04	351,288.22
Overpaid Taxes	7,254.19	4,667.59
Local School Tax Payable	2,609,712.59	2,491,104.83
County Added Tax Payable	25,256.42	31,182.85
Due to State:		
Marriage Licenses	588.00	672.00
DCA Training Fees	-	3,602.00
Interfund Payable:		
Trust Other	14,331.15	16,521.90
Sewer Trust Assessment Fund	255.00	255.00
RAD Operating Fund	-	81,103.38
Other Reserves		
Garden State Preservation Trust Fund	-	59,704.00
Tax Appeals	2,184,796.72	1,484,796.72
Insurance Proceeds	182,956.23	174,084.52
Sale of Municipal Asset Proceeds	127,790.00	127,790.00
	8,530,770.80	7,284,459.18
Reserve for Receivables and Other Assets	3,087,402.65	3,130,109.71
Fund Balance	11,444,884.73	11,176,411.92
Total Regular Fund	23,063,058.18	21,590,980.81
Federal and State Grant Fund:		
Unappropriated Reserves	18,158.95	12,517.95
Appropriated Reserves	3,398,319.67	3,469,760.70
Accounts Payable	5,386.65	5,386.65
Encumbrances Payable	233,788.93	806,043.59
Due to Trust Other Fund	1,553.00	-
	3,657,207.20	4,293,708.89
Total Federal and State Grant Fund	3,657,207.20	4,293,708.89
Total Current Fund	\$ 26,720,265.38	25,884,689.70

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

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

	Year 2014	6 Month Period 2013
Revenue and Other Income Realized		
Fund Balance	\$ 4,627,974.00	496,738.00
Miscellaneous Revenue Anticipated	9,121,784.74	5,783,923.53
Receipts from Delinquent Taxes	722,347.35	598,412.46
Receipts from Current Taxes	46,705,619.57	23,239,435.04
Non Budget Revenue	1,075,873.16	424,762.02
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,357,927.07	2,328,603.59
Interfund Returned	56,279.96	-
Accounts Payable Cancelled	49,219.14	48,839.34
Refund of Prior Year's Expenditures	65,587.96	-
Levoy Loan Reimbursement	60,832.80	-
Other	-	427.00
Total Income	<u>63,843,445.75</u>	<u>32,921,140.98</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	11,165,012.25	5,630,900.00
Other Expenses	11,514,328.72	5,939,074.50
Deferred Charges & Statutory Expenditures	2,893,060.00	300,557.03
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	2,551,182.05	957,868.56
Capital Improvements	50,000.00	-
Debt Service	1,897,392.99	1,619,800.12
Local District School Tax	11,097,656.00	5,546,339.00
County Tax	17,742,135.18	9,127,528.44
County Share of Added Tax	25,256.42	31,182.85
Revenue Allocation District Tax	-	94,982.31
Interfund Created	-	21,830.40
Other:		
Prior Year's Deduction Disallowed	10,975.33	-
Protested Check Reserve Created		17,849.89
Total Expenditures	<u>58,946,998.94</u>	<u>29,287,913.10</u>

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

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

	<u>Year 2014</u>	<u>6 Month Period 2013</u>
Excess/(Deficit) in Revenue	\$ 4,896,446.81	3,633,227.88
Adjustments to Income before Fund Balance: None		
Total Adjustments	<u>-</u>	<u>-</u>
Statutory Excess to Fund Balance	<u>4,896,446.81</u>	<u>3,633,227.88</u>
Fund Balance January 1	<u>11,176,411.92</u>	<u>8,039,922.04</u>
	16,072,858.73	11,673,149.92
Decreased by:		
Utilization as Anticipated Revenue	<u>4,627,974.00</u>	<u>496,738.00</u>
Fund Balance December 31	<u>\$ 11,444,884.73</u>	<u>11,176,411.92</u>

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

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 4,627,974.00		-
Total Fund Balance Anticipated	<u>4,627,974.00</u>	<u>-</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	15,000.00		(111.00)
Other	20,000.00		(853.00)
Fees and Permits	500,000.00		226,108.05
Fines and Costs:			
Municipal Court	401,000.00		(29,025.19)
Interest and Costs on Taxes	126,000.00		53,413.90
Interest on Investments and Deposits	70,000.00		3,697.28
Manufactured Homes Annual Service Fee	215,000.00		236,855.28
Cable Franchise Fee	80,000.00		86,228.63
Rent - Millville Library	176,680.00		-
Total Section A: Local Revenues	<u>1,603,680.00</u>	<u>-</u>	<u>211,313.95</u>
Section B: State Aid Without Offsetting Appropriations			
Consolidated Municipal Property Tax Relief Aid	283,953.00		-
Energy Receipts Tax	3,935,920.00		4,081,594.00
Open Space PILOT AID (Garden State Trust)	29,852.00		-
Reserve for Open Space PILOT AID (Garden State Trust)	59,704.00		59,704.00
Total Section B: State Aid Without Offsetting Appropriations	<u>4,309,429.00</u>	<u>-</u>	<u>145,674.00</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section C: Uniform Construction Code Fees			
Uniform Construction Code Fees	343,000.00		(1,553.82)
<b>Total Section C: Uniform Construction Code Fees</b>	<b>343,000.00</b>	<b>-</b>	<b>(1,553.82)</b>
Section D: Interlocal Service Agreements			
Milville Board of Education - Gasoline	20,000.00		1,625.13
Shared Services - Tax Assessor	29,000.00		2,421.00
<b>Total Section D: Interlocal Service Agreements</b>	<b>49,000.00</b>	<b>-</b>	<b>4,046.13</b>
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Municipal Alliance on Alcoholism and Drug Abuse		31,594.00	-
Drunk Driving Enforcement Fund		3,760.78	-
Clean Communities Program		53,007.99	-
Safe & Secure Communities Program		90,000.00	-
Bullet Proof Vest Partnership		2,139.66	-
NJ Urban Enterprise Zone		200,000.00	-
Emergency Management Assistance		5,000.00	-
Body Armor Grant		6,404.59	-
Local Law Enforcement Grant		19,974.00	-
NJ DOT		390,000.00	-
Make it Click		16,500.00	-
NJ Hazardous Discharge Grant		53,668.00	-
<b>Total Section F: Special Items - Public and Private Programs</b>		<b>872,049.02</b>	
Off-Set with Appropriations	-		-
		<b>872,049.02</b>	<b>872,049.02</b>

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

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Section G: Other Special Items			
Anticipated Water Utility Operating Surplus of Prior Year	201,586.00		-
Anticipated Sewer Utility Operating Surplus of Prior Year	385,290.00		-
Uniform Fire Safety Act Fees	50,000.00		119,479.95
PILOT - Abatements	211,557.00		(49,160.33)
Hotel Motel Tax	90,000.00		36,592.24
PILOT - Housing Authority	40,000.00		43,884.56
PILOT - Senior Center	25,000.00		-
PILOT - Motorsports	68,877.00		167.30
PILOT - Target	115,548.00		172.44
NJ UEZ - Debt Service Aid	112,039.00		-
Reserve for Payment of Debt	34,113.30		-
General Fund Balance	100,000.00		-
	<u>1,434,010.30</u>	<u>-</u>	<u>151,136.16</u>
Total Section G: Other Special Items			
	7,739,119.30	872,049.02	510,616.42
Total Miscellaneous Revenues:	<u>500,000.00</u>		<u>222,347.35</u>
Receipts from Delinquent Taxes			
	18,614,052.70		1,500,485.27
Amount to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes	<u>18,614,052.70</u>	<u>-</u>	<u>1,500,485.27</u>
Total Amount to be Raised by Taxes for Support of Municipal Budget			
Budget Totals	<u>31,481,146.00</u>	<u>872,049.02</u>	<u>2,233,449.04</u>
Non- Budget Revenues:			
Other Non- Budget Revenues:			
		<u>1,075,873.16</u>	<u>1,075,873.16</u>
	<u>\$ 31,481,146.00</u>	<u>872,049.02</u>	<u>3,309,322.20</u>

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

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

## Analysis of Realized Revenues

## Allocation of Current Tax Collections:

Revenue from Collections	\$ 46,705,619.57
--------------------------	------------------

Less: Reserve for Tax Appeals Pending	-
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Net Revenue from Collections	46,705,619.57
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## Allocated to:

School, County and Other Taxes	28,865,047.60
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Balance for Support of Municipal Budget Appropriations	17,840,571.97
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## Increased by:

Appropriation "Reserved for Uncollected Taxes"	2,273,966.00
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Amount for Support of Municipal Budget Appropriations	20,114,537.97
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## Receipts from Delinquent Taxes:

Delinquent Tax Collection	721,314.68
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Tax Title Lien Collections	1,032.67
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Total Receipts from Delinquent Taxes	722,347.35
--------------------------------------	------------

## Analysis of Non-Budget Revenue:

## Miscellaneous Revenue Not Anticipated:

Sale of Maps	3.00
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Photo Copies	231.88
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General Miscellaneous	125,334.21
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Lot Cleaning Assessments	75,754.39
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Firearm Registration	1,415.00
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Sale of Municipal Assets	451,854.69
--------------------------	------------

Accident Reports	286.50
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Tax Sale Costs	19,183.36
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Elimination of RAD Fund	273,666.20
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PILOT - Group Homes	37,359.28
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PILOT - CCIA	15,000.00
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Sprint Rent Proceeds	33,208.27
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T - Mobile Rent Proceeds	20,334.92
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AT & T Rent Proceeds	22,241.46
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Total Miscellaneous Revenue Not Anticipated:	\$ 1,075,873.16
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The accompanying Notes to Financial Statements are an integral part of this statement

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Budget After Modifications	Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications			Encumbered	Reserved	
<b>OPERATIONS WITHIN "CAPS"</b>							
<b>GENERAL GOVERNMENT</b>							
General Administration							
Salaries and Wages	\$ 46,000.00	46,000.00	45,154.75		845.25	-	-
Other Expenses	20,214.00	20,214.00	6,441.96	1,000.00	12,772.04	-	-
Human Resources							
Salaries and Wages	113,500.00	103,000.00	100,001.09	592.08	2,998.91	0.00	0.00
Other Expenses	14,375.00	13,875.00	5,147.82		8,135.10	-	-
Board of Commissioners							
Salaries and Wages	70,000.00	70,000.00	60,816.77		9,183.23	-	-
Other Expenses	7,920.00	7,920.00	4,791.26		3,128.74	-	-
Municipal Clerk's Office							
Salaries and Wages	311,500.00	310,233.09	307,446.49	1,980.72	2,786.60	0.00	0.00
Other Expenses	44,785.00	57,051.91	46,048.23		9,022.96	-	-
Financial Administration							
Salaries and Wages	467,000.00	467,000.00	453,178.15	1,930.41	13,821.85	(0.00)	(0.00)
Other Expenses	43,850.00	43,850.00	34,557.19		7,362.40	-	-
Annual Audit	73,500.00	73,500.00			73,500.00	-	-
Information Systems							
Salaries and Wages	43,000.00	43,000.00	39,104.93		3,895.07	-	-
Other Expenses	139,300.00	139,300.00	104,827.24	25,612.17	8,860.59	-	-
Collection of Taxes							
Salaries and Wages	158,000.00	158,000.00	155,170.92	335.25	2,829.08	(0.00)	(0.00)
Other Expenses	24,750.00	24,750.00	21,763.35		2,651.40	-	-
Assessment of Taxes							
Salaries and Wages	214,000.00	214,000.00	213,369.46	45,890.44	630.54	0.00	0.00
Other Expenses	119,350.00	119,350.00	11,254.05		62,205.51	-	-
Legal Services and Costs							
Other Expenses	300,000.00	300,000.00	253,797.44	42,833.30	3,369.26	(0.00)	(0.00)
Municipal Court							
Salaries and Wages	337,000.00	337,000.00	323,081.12	2,249.64	13,918.88	-	-
Other Expenses	57,600.00	57,600.00	46,477.05		8,873.31	-	-
Public Defender							
Other Expenses	37,500.00	37,500.00	29,342.82	937.50	7,219.68	-	-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Engineering Services and Costs						
Salaries and Wages	232,000.00	238,448.00	238,447.06		0.94	0.00
Other Expenses	35,000.00	28,552.00	21,771.83	1,013.23	5,766.94	-
Economic Development						
Other Expenses	30,000.00	30,000.00	2,131.14		27,868.86	-
<b>LAND USE ADMINISTRATION</b>						
Planning/Community Development						
Other Expenses	50,000.00	50,000.00	682.08		49,317.92	-
Planning Board						
Salaries and Wages	20,000.00	20,000.00	19,856.69		143.31	0.00
Other Expenses	24,100.00	24,100.00	9,731.34	3,716.11	10,652.55	-
Zoning Board of Adjustment						
Salaries and Wages	27,000.00	27,000.00	13,008.87		13,991.13	-
Other Expenses	14,800.00	14,800.00	7,443.68	2,727.78	4,628.54	-
Bureau of Permits and Inspections						
Salaries and Wages	207,000.00	223,000.00	222,613.31		386.69	0.00
Other Expenses	133,300.00	133,300.00	63,693.93	60,306.07	9,300.00	-
<b>INSURANCE</b>						
Surety Bond Premiums	5,000.00	5,000.00			5,000.00	-
General Liability	320,000.00	320,000.00	319,402.00		598.00	-
Workers Compensation Insurance	965,000.00	965,000.00	926,988.07		38,011.93	-
Employee Group Health	4,155,668.00	4,155,668.00	3,796,954.69		358,713.31	-
Health Benefit Waiver	47,200.00	47,200.00	47,200.00			-
<b>PUBLIC SAFETY</b>						
Police						
Salaries and Wages	6,147,000.00	6,147,000.00	5,949,459.08		197,540.92	-
Other Expenses	469,250.00	469,250.00	368,670.34	83,958.50	16,621.16	-
Office of Emergency Management						
Salaries and Wages	14,500.00	14,506.16	14,506.16			-
Other Expenses	15,675.00	15,668.84	9,210.31	2,547.11	3,911.42	-
Aid to Volunteer Ambulance Companies	105,000.00	105,000.00	105,000.00			-
Fire Department						
Salaries and Wages	996,000.00	1,032,000.00	1,016,459.56		15,540.44	(0.00)
Other Expenses	101,500.00	75,500.00	73,138.48	1,897.91	463.61	0.00
Municipal Prosecutor's Office						
Other Expenses	74,000.00	74,000.00	72,504.00	1,496.00		-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Uniform Fire Safety Act						
Salaries and Wages	38,000.00	28,000.00	25,053.45		2,946.55	-
Other Expenses	25,100.00	25,100.00	24,384.89	626.05	89.06	0.00
<b>PUBLIC WORKS</b>						
Streets and Road Maintenance						
Salaries and Wages	788,000.00	788,000.00	740,119.42		47,880.58	-
Other Expenses	196,350.00	196,350.00	98,635.43	44,732.81	52,981.76	-
Shade Tree Commission						
Salaries and Wages	1,000.00	1,000.00	999.96		0.04	(0.00)
Other Expenses	7,000.00	7,000.00	2,871.00	171.00	3,958.00	-
Solid Waste and Recycling Collection						
Salaries and Wages	7,500.00	7,500.00	1,660.95		5,839.05	-
Other Expenses	983,050.00	983,050.00	738,716.74	63,939.22	180,394.04	-
Solid Waste and Recycling-Apartments	15,000.00	15,000.00	8,222.40	4,053.96	2,723.64	-
Public Buildings and Grounds						
Salaries and Wages	83,000.00	83,000.00	58,802.63		24,197.37	-
Other Expenses	216,625.00	216,625.00	146,199.44	38,284.32	32,141.24	-
Fleet Management						
Salaries and Wages	214,000.00	214,000.00	208,461.01		5,538.99	(0.00)
Other Expenses	21,450.00	21,450.00	14,812.40	4,950.71	1,686.89	-
<b>HEALTH AND HUMAN SERVICES</b>						
Animal Control Services						
Salaries and Wages	61,000.00	61,000.00	54,408.36		6,591.64	-
Other Expenses	36,000.00	36,000.00	26,036.64		9,963.36	-
Contributions to Social Services Agencies	6,900.00	6,900.00		6,900.00		-
<b>PARKS AND RECREATION</b>						
Recreation Services and Programs						
Salaries and Wages	80,000.00	80,000.00	66,056.43		13,943.57	-
Other Expenses	66,500.00	66,500.00	55,590.00	5,022.10	5,887.90	-
Federal and State Downtown Maintenance						
Salaries and Wages	59,000.00	59,000.00	57,960.11		1,039.89	-
Other Expenses	36,000.00	36,000.00	22,779.62	1,200.16	12,020.22	-
Park and Playgrounds						
Salaries and Wages	208,000.00	208,000.00	196,903.68		11,096.32	-
Other Expenses	132,900.00	132,900.00	72,340.40	52,761.96	7,797.64	0.00
Celebration of Public Events						
Other Expenses	22,250.00	22,250.00	13,944.18		8,305.82	-

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>UNIFORM CONSTRUCTION CODE-N.J.S.A. 5:23-4.17</b>						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	123,500.00	123,500.00	113,327.06		10,172.94	-
Other Expenses	22,500.00	22,500.00	19,620.38	2,126.61	753.01	(0.00)
Plumbing Inspector						
Salaries and Wages	56,000.00	39,825.00	31,343.77		8,481.23	-
Other Expenses	1,400.00	1,575.00	1,575.00			-
Electrical Inspector						
Salaries and Wages	11,000.00	11,000.00	10,928.75		71.25	-
Other Expenses	4,200.00	4,200.00	1,897.83	2,110.00	192.17	-
Fire Protection Official						
Salaries and Wages	11,000.00	11,000.00	3,001.25		7,998.75	-
Other Expenses	3,300.00	3,300.00	700.00	2,100.00	500.00	-
Elevator Inspector						
Other Expenses	15,000.00	15,000.00	8,384.00	6,450.00	166.00	-
<b>UNCLASSIFIED</b>						
Reserve for Payment of Unused Accumulated Sick	100,000.00	100,000.00	11,893.50		88,106.50	-
Electricity	417,150.00	392,087.00	338,953.38		53,133.62	-
Street Lighting	557,000.00	582,063.00	582,062.05		0.95	(0.00)
Telephone	140,350.00	140,350.00	139,206.57		1,143.43	(0.00)
Natural Gas	83,000.00	83,000.00	57,587.48		25,412.52	-
Heating Oil	2,500.00	2,500.00			2,500.00	-
Gasoline	325,000.00	323,878.97	250,112.74		73,766.23	-
Landfill/Solid Waste Disposal Costs	668,800.00	668,800.00	542,932.10		125,867.90	-
<b>TOTAL OPERATIONS WITHIN "CAPS"</b>	<b>22,678,462.00</b>	<b>22,677,340.97</b>	<b>20,309,129.71</b>	<b>516,453.12</b>	<b>1,851,758.14</b>	<b>(0.00)</b>
Contingent	2,000.00	2,000.00			2,000.00	-
<b>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"</b>	<b>22,680,462.00</b>	<b>22,679,340.97</b>	<b>20,309,129.71</b>	<b>516,453.12</b>	<b>1,853,758.14</b>	<b>(0.00)</b>
Detail:						
Salaries and Wages	11,144,500.00	11,165,012.25	10,740,701.24	-	424,311.01	(0.00)
Other Expenses	11,535,962.00	11,514,328.72	9,568,428.47	516,453.12	1,429,447.13	(0.00)

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	508,992.00	508,992.00	508,585.00		407.00	-
Social Security System (O.A.S.I.)	600,000.00	600,000.00	422,999.79	246.49	176,753.72	-
Police and Firemen's Retirement System	1,765,068.00	1,765,068.00	1,681,410.50		83,657.50	-
Unemployment Compensation Insurance	16,000.00	16,000.00	(1,394.12)	6,299.11	11,095.01	-
Defined Contribution Retirement Program	3,000.00	3,000.00			3,000.00	-
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:</b>	<b>2,893,060.00</b>	<b>2,893,060.00</b>	<b>2,611,601.17</b>	<b>6,545.60</b>	<b>274,913.23</b>	<b>-</b>
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>25,573,522.00</b>	<b>25,572,400.97</b>	<b>22,920,730.88</b>	<b>522,998.72</b>	<b>2,128,671.37</b>	<b>(0.00)</b>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
(A) Operations - Excluded from "CAPS"						
Employee Group Health Insurance	99,332.00	99,332.00			99,332.00	-
Tax Appeal Refunds	700,000.00	700,000.00	700,000.00			-
Interest on Tax Appeals	10,000.00	10,000.00			10,000.00	-
Aid to Library (N.J.S.A. 40:54-35)	639,680.00	639,680.00	639,680.00			-
Recycling Tax	40,000.00	40,000.00	27,199.26		12,800.74	-
Length of Service Awards Program	30,000.00	30,000.00	16,100.00		13,900.00	-
Matching Funds for Grants	92,500.00	92,500.00	7,898.50		84,601.50	-
<b>Shared Service Agreements</b>						
Millville Board of Education-Gasoline	20,000.00	21,121.03	21,121.03			-
Millville Board of Education-Information Technology	17,500.00	17,500.00	8,750.00	8,750.00		-
Tax Assessor Shared Service with Upper Deerfield	29,000.00	29,000.00	29,000.00			-
<b>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</b>	<b>1,678,012.00</b>	<b>1,679,133.03</b>	<b>1,449,748.79</b>	<b>8,750.00</b>	<b>220,634.24</b>	<b>-</b>

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
(A) Public and Private Programs Off-Set by Revenues						
Clean Communities		53,007.99	53,007.99			-
Urban Enterprise Zone		200,000.00	200,000.00			-
Drunk Driving Enforcement Fund		3,760.78	3,760.78			-
Municipal Alliance on Alcoholism and Drug Abuse		31,594.00	31,594.00			-
Make it Click/Buckle Up/You Drink		16,500.00	16,500.00			-
Body Armor Grant		6,404.59	6,404.59			-
Hazardous Discharge Site		53,668.00	53,668.00			-
Emergency Management Assistance Grant		5,000.00	5,000.00			-
Bulletproof Vest Partnership		2,139.66	2,139.66			-
Edward Bryne Justice Assistance Grant Program		19,974.00	19,974.00			-
Transportation Trust		390,000.00	390,000.00			-
Safe & Secure		90,000.00	90,000.00			-
<b>Total Public and Private Programs Off-Set by Revenues</b>	<b>-</b>	<b>872,049.02</b>	<b>872,049.02</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total Operations - Excluded from "CAPS"	1,678,012.00	2,551,182.05	2,321,797.81	8,750.00	220,634.24	-
Detail:						
Other Expenses	1,678,012.00	2,551,182.05	2,321,797.81	8,750.00	220,634.24	-
(C) Capital Improvements						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			-
<b>Total Capital Improvements</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>50,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
(D) Debt Service						
Payment of Bond Principal	1,246,000.00	1,246,000.00	1,246,000.00			-
Payment of Bond Anticipation Notes and Capital Notes	100,000.00	100,000.00	100,000.00			-
Interest on Bonds	467,172.00	467,172.00	467,171.26			0.74
Interest on Notes	26,000.00	26,000.00	17,750.00			8,250.00
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	66,474.00	66,474.00	66,471.73			2.27
<b>Total Debt Service</b>	<b>1,905,646.00</b>	<b>1,905,646.00</b>	<b>1,897,392.99</b>	<b>-</b>	<b>-</b>	<b>8,253.01</b>

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

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	3,633,658.00	4,506,828.05	4,269,190.80	8,750.00	220,634.24
SUBTOTAL GENERAL APPROPRIATIONS	29,207,180.00	30,079,229.02	27,189,921.68	531,748.72	2,349,305.61
(M) Reserve for Uncollected Taxes	2,273,966.00	2,273,966.00	2,273,966.00		-
TOTAL GENERAL APPROPRIATIONS	\$ 31,481,146.00	32,353,195.02	29,463,887.68	531,748.72	2,349,305.61
Budget	\$ 31,481,146.00				\$ 8,253.01
Appropriations by 40A:4-87	872,049.02				(0.00)
Emergency Appropriations	-				
	\$ 32,353,195.02				8,253.01
Reserve for Uncollected Taxes			\$ 2,273,966.00		
Reserve for Tax Appeals			700,000.00		
Federal and State Grants			872,049.02		
Disbursements			25,617,872.66		
			\$ 29,463,887.68		Cancelled Overexpended \$

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**EXHIBIT - B**  
**TRUST FUND**

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Animal Control Fund:		
Cash	\$ 16,405.48	22,133.70
Protested Checks	28.00	21.00
	<u>16,433.48</u>	<u>22,154.70</u>
Other Funds:		
Cash - Treasurer	6,139,550.77	6,545,455.17
Due from Water Utility Fund	682.95	227.17
Due from Current Fund	14,331.15	16,521.90
Due from Federal & State Grant Fund	1,553.00	-
Due from Animal Control Fund	1,733.01	1,733.01
Due from Bank	137.86	-
Balanced Housing Grant Receivable	-	212,376.00
Neighborhood Preservation Grant Receivable	-	16,360.86
Mortgages & Loans Receivable - UEZ	3,841,889.78	4,105,493.96
CDBG Grants Receivable	298,994.58	290,436.46
Home Investment Partnership Program Receivable	277,445.96	217,838.10
Mortgages Receivable - Rehabilitation Projects	134,802.65	144,957.50
Mortgages Receivable - UDAG	270,073.79	365,036.67
	<u>10,981,195.50</u>	<u>11,916,436.80</u>
	<u>10,997,628.98</u>	<u>11,938,591.50</u>

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

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Animal Control Fund:		
Due to State of New Jersey	492.00	232.20
Prepaid License Fees	2,354.80	-
Due to Current Fund	282.06	270.22
Due to Trust Other Fund	1,733.01	1,733.01
Overpayments	39.00	39.00
Reserve for Dog Fund Expenditures	11,532.61	19,880.27
	<u>16,433.48</u>	<u>22,154.70</u>
Other Funds:		
Miscellaneous Trust Reserves:		
Outside Employment of Police	37,950.65	24,021.39
Public Defender	37,402.25	21,917.75
Planning Board Escrows	311,766.57	286,179.83
Unemployment Compensation Insurance	124,936.30	159,468.81
Landfill Closure	147,081.28	146,934.28
Municipal Alliance Grant Funds	234.10	1,290.17
Self - Insurance Funds	2,116,001.55	2,117,730.39
Balanced Housing	-	151,041.94
Neighborhood Preservation Program	315.00	114,691.06
State Law Enforcement Trust	15,891.85	87,468.86
Snow Removal	86,846.53	95,331.55
Vanaman Memorial Park Donations	852.00	602.00
Memorial in Patriot Park Donations	5,255.88	5,315.88
Parking Offenses Adjudication Act	6,418.00	5,290.00
COAH Fees	7,016.97	39.14
Millville Garden Rent Revenue	7,755.93	7,755.93
Neighborhood Opportunity Fund	10,171.17	118,913.79
Recreation Donations	4,909.70	5,059.70
Uniform Fire Safety Act	792.00	542.00
Employee Accumulated Absences	650,081.92	580,431.92
Reserve for Sheldon Estate Bequest	6,579.87	6,514.49
Payroll Taxes Payable	24,165.47	-
TTL Redemptions	310,019.78	420,965.39
Reserve for:		
Revolving Loan Fund - UEZ	1,466,393.06	1,549,868.14
UEZ 1st Generation Project	391,713.34	567,808.16
Mortgage Receivable - UEZ	3,841,889.78	4,105,493.96
Mortgages Receivable - CDBG	134,802.65	144,957.50
Mortgages Receivable - UDAG	270,073.79	365,036.67
CDBG Funds	285,262.52	266,750.63
Revolving Loan Fund - Rehabilitation Program	133,512.19	137,219.52
Home Investment Partnership Income	265,669.61	168,436.03
Revolving Loan Fund - UDAG	125,088.45	55,887.82
Third Ward Neighborhood Preservation	50.00	50.00
Due to Current Fund	154,295.34	197,422.10
	<u>10,981,195.50</u>	<u>11,916,436.80</u>
Total	\$ <u>10,997,628.98</u>	<u>11,938,591.50</u>

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

**EXHIBIT - C**  
**GENERAL CAPITAL FUND**

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

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 3,227,522.62	1,644,159.75
Deferred Charges to Future Taxation -		
Funded	18,663,579.22	14,437,326.84
Unfunded	11,830,946.43	10,730,946.43
Interfunds and Receivables		
Grants Receivable	135,039.27	135,039.27
	<u>33,857,087.54</u>	<u>26,947,472.29</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Serial Bonds Payable	18,017,000.00	13,738,000.00
Green Trust Loans Payable	646,579.22	699,326.84
Bond Anticipation Notes Payable	5,120,000.00	1,420,000.00
Improvement Authorizations:		
Funded	137,325.61	2,428.41
Unfunded	5,682,435.94	7,290,077.52
Encumbrances Payable	1,345,984.60	1,153,321.93
Retained Percentage Due Contractor	-	140.80
Due to Current Fund	1,379.80	399.33
Due to Federal & State Grant Fund	7.00	7.00
Due to Sewer Capital Fund	2,942.88	-
Reserve for Payment of Debt	1,296,593.58	1,330,706.88
Reserve for Preliminary Expenses	2,850.00	2,850.00
Reserve for Grants Receivable	135,039.27	135,039.27
Capital Improvement Fund	350,561.73	319,561.73
Fund Balance	1,118,387.91	855,612.58
	<u>\$ 33,857,087.54</u>	<u>\$ 26,947,472.29</u>

There were bonds and notes authorized but not issued at December 31

2013	9,310,946.43
2014	6,710,946.43

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

**GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
	<u>                    </u>	<u>                    </u>
Beginning Balance	\$ 855,612.58	851,324.18
Increased by:		
Premium on Sale of Bond Anticipation Notes	9,319.12	4,288.40
Transferred from Revenue Allocation District	353,456.21	
Decreased by:		
Surplus budgeted in Current Fund	(100,000.00)	
	<u>                    </u>	<u>                    </u>
Ending Balance December 31	\$ <u>1,118,387.91</u>	<u>855,612.58</u>

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

**EXHIBIT - D**  
**WATER UTILITY FUND**

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

	2014	2013
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 2,930,560.56	2,766,962.67
Interfunds and Receivables		
Due from Water Capital Fund	-	214.57
Due from Sewer Operating Fund	-	366.06
	2,930,560.56	2,767,543.30
Receivables and Other Assets with Full Reserves:		
Water & Sewer Accounts Receivable	225,313.18	221,291.28
Utility Liens	3,767.19	5,494.12
Other Accounts Receivable	2,694.84	9,764.16
	231,775.21	236,549.56
Total Operating Fund	3,162,335.77	3,004,092.86
Assessment Fund:		
Cash	11,000.00	11,000.00
Total Assessment Fund	11,000.00	11,000.00
Capital Fund:		
Cash - Treasurer	1,069,661.08	1,126,885.27
Interfunds and Receivables		
Due from Water Operating Fund	8,688.75	-
Due from NJEIT	458,919.63	952,100.63
Fixed Capital - Complete	14,040,638.01	14,040,638.01
Fixed Capital - Authorized and Uncomplete	9,303,138.88	9,303,138.88
Total Capital Fund	24,881,046.35	25,422,762.79
	\$ 28,054,382.12	28,437,855.65

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

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Operating Fund:		
Appropriation Reserves	\$ 526,993.68	291,961.88
Reserve for Encumbrances	151,887.43	73,178.08
Accounts Payable	8,927.11	30,745.40
Overpaid Water Rents	5,522.77	-
Accrued Interest on Bonds and Notes	52,906.68	55,480.01
Due to Bank	-	342.60
Reserve for Insurance Proceeds	15,198.47	15,198.47
Reserve for Sale of Municipal Assets	2,130.00	2,130.00
Interfunds:		
Due to Current Fund	-	7,545.59
Due to Water Capital	8,688.75	-
Due to Trust Other	682.95	227.17
	<u>772,937.84</u>	<u>476,809.20</u>
 Reserve for Receivables	 231,775.21	 236,549.56
Fund Balance	2,157,622.72	2,290,734.10
 Total Operating Fund	 <u>3,162,335.77</u>	 <u>3,004,092.86</u>
Assessment Fund:		
Fund Balance	<u>11,000.00</u>	<u>11,000.00</u>
 Total Assessment Fund	 <u>11,000.00</u>	 <u>11,000.00</u>
Capital Fund:		
Encumbrances Payable	-	514,709.97
Interfunds:		
Due to Water Operating Fund	-	214.57
Serial Bonds Payable	2,592,000.00	2,815,000.00
NJ Environmental Infrastructure Trust Loan Payable	4,109,675.39	4,363,322.94
Reserve for Payment of Debt	566,388.65	566,388.65
Improvement Authorizations:		
Funded	711,346.87	748,138.77
Unfunded	965,845.22	965,845.22
Reserve for Amortization	14,492,654.89	14,259,654.89
Deferred Reserve for Amortization	1,193,601.39	939,953.84
Capital Improvement Fund	169,402.58	169,402.58
Fund Balance	80,131.36	80,131.36
 Total Capital Fund	 <u>24,881,046.35</u>	 <u>25,422,762.79</u>
	<u>\$ 28,054,382.12</u>	<u>28,437,855.65</u>

There were bonds and notes authorized but not issued at December 31

2013	965,845.22
2014	955,845.22

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

**WATER UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES**  
**IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
Revenue and Other Income Realized		
Fund Balance	\$ 485,353.50	175,059.50
Water & Sewer Rents	3,384,140.27	1,791,526.18
Miscellaneous Revenue Anticipated	67,301.77	47,272.69
UEZ Debt Service Aid	88,002.50	91,302.50
Other Credits to Income:		
Refund of Prior Year Expenditure	418.25	16,124.10
Accounts Payable Cancelled	2,965.99	8,230.00
Unexpended Balance of Appropriation Reserves	264,223.85	473,270.62
Total Income	<u>4,292,406.13</u>	<u>2,602,785.59</u>
Expenditures		
Operations	2,739,746.00	1,453,525.00
Capital Improvements	205,000.00	-
Debt Service	640,832.01	460,233.01
Deferred Charges and Statutory Expenditures	153,000.00	49,346.00
Other Charges:		
Protested Checks		1,525.34
Total Expenditures	<u>3,738,578.01</u>	<u>1,964,629.35</u>
Excess in Revenue	<u>553,828.12</u>	<u>638,156.24</u>
Adjustments to Income before Fund Balance:		
None		
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>553,828.12</u>	<u>638,156.24</u>
Beginning Fund Balance	<u>2,290,734.10</u>	<u>1,827,637.36</u>
	2,844,562.22	2,465,793.60
Decreased by:		
Utilization as Anticipated Revenue	485,353.50	175,059.50
Utilization as Anticipated Revenue - Current Fund	<u>201,586.00</u>	<u>-</u>
Fund Balance December 31	<u>\$ 2,157,622.72</u>	<u>2,290,734.10</u>

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

**WATER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
Beginning Balance	\$ 80,131.36	80,131.36
Increased by: None		
Decreased by: None		
Ending Balance December 31	\$ 80,131.36	80,131.36

Exhibit D - 2a

**WATER ASSESSMENT FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
Beginning Balance	\$ 11,000.00	11,000.00
Increased by: None		
Decreased by: None		
Ending Balance December 31	\$ 11,000.00	11,000.00

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

**WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated Budget	Realized	Excess or (Deficit)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Surplus Anticipated	\$ 485,353.50	485,353.50	-
Rents	3,105,000.00	3,384,140.27	279,140.27
Fire Hydrant Service	11,400.00	12,399.14	999.14
NJUEZ - Debt Service Aid	88,002.50	88,002.50	-
Miscellaneous Revenue	72,000.00	54,902.63	(17,097.37)
	<u>\$ 3,761,756.00</u>	<u>4,024,798.04</u>	<u>263,042.04</u>

## Analysis of Realized Revenue:

## Rents

## Consumer Accounts Receivable:

Current Collections	3,396,539.41
Prepayments & Overpayments Applied	-
Liens Collected	

3,396,539.41

## Miscellaneous Revenue Anticipated

Interest on Delinquent Rents	13,464.15
Turn ON & Turn Off Fees	7,800.35
Water Service Contracts	6,950.00
Sale of Municipal Assets	4,220.00
Meter Fees	7,541.82
Connection Fees	13,442.00
Interest on Investments	426.04
Miscellaneous	1,058.27
	<u>54,902.63</u>

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

**WATER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>Operations:</b>						
Salaries and Wages	\$ 1,084,271.00	1,084,271.00	974,644.29		109,626.71	
Other Expenses	1,655,475.00	1,655,475.00	1,204,660.87	107,283.12	343,531.01	
	<u>2,739,746.00</u>	<u>2,739,746.00</u>	<u>2,179,305.16</u>	<u>107,283.12</u>	<u>453,157.72</u>	<u>-</u>
<b>Capital Improvements:</b>						
Capital Outlay	205,000.00	205,000.00	116,667.35	44,604.31	43,728.34	
	<u>205,000.00</u>	<u>205,000.00</u>	<u>116,667.35</u>	<u>44,604.31</u>	<u>43,728.34</u>	<u>-</u>
<b>Debt Service:</b>						
Payment of Bond Principal	223,000.00	223,000.00	223,000.00			-
Interest on Bonds	117,010.00	117,010.00	114,436.67			2,573.33
Interest On Notes	14,000.00	14,000.00				14,000.00
Water Supply & Infrastructure Bond Loans	310,000.00	310,000.00	303,395.34			6,604.66
	<u>664,010.00</u>	<u>664,010.00</u>	<u>640,832.01</u>	<u>-</u>	<u>-</u>	<u>23,177.99</u>
<b>Deferred Charges and Statutory Expenditures:</b>						
Cost of Improvements Authorized Ordinance 42-07	10,000.00	10,000.00	10,000.00			
Public Employees' Retirement System	44,000.00	44,000.00	44,000.00			
Social Security System	97,000.00	97,000.00	68,892.38		28,107.62	
Disability Insurance	2,000.00	2,000.00			2,000.00	
	<u>153,000.00</u>	<u>153,000.00</u>	<u>122,892.38</u>	<u>-</u>	<u>30,107.62</u>	<u>-</u>
<b>\$</b>	<u>3,761,756.00</u>	<u>3,761,756.00</u>	<u>3,059,696.90</u>	<u>151,887.43</u>	<u>526,993.68</u>	<u>23,177.99</u>

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

**EXHIBIT - E**  
**SEWER UTILITY FUND**

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

	2014	2013
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ 4,007,703.29	3,596,865.54
Interfunds and Receivables		
Due from Sewer Capital Fund	-	86.46
	4,007,703.29	3,596,952.00
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	413,110.81	392,599.58
Sewer Liens	4,926.53	6,294.78
Due from Bank	522.56	522.56
Protested Checks	2,302.78	19,602.91
	420,862.68	419,019.83
Total Operating Fund	4,428,565.97	4,015,971.83
Assessment Fund:		
Cash	61,249.82	60,599.82
Assessments Receivable	983.53	1,626.03
Due from Current Fund	255.00	255.00
Total Assessment Fund	62,488.35	62,480.85
Capital Fund:		
Cash - Treasurer	1,311,812.73	537,316.94
Interfunds and Receivables		
Due from Sewer Utility Operating Fund	107,615.88	
Due from General Capital Fund	2,942.88	-
NJ EIT Receivable	67,811.75	67,811.75
Fixed Capital - Complete	23,575,158.54	23,575,158.54
Fixed Capital - Authorized and Uncomplete	24,438,182.45	28,593,182.45
Total Capital Fund	49,503,524.23	52,773,469.68
	\$ 53,994,578.55	56,851,922.36

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

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2014</u>	<u>2013</u>
Operating Fund:		
Appropriation Reserves	\$ 763,200.89	314,618.85
Reserve for Encumbrances	161,383.29	294,405.15
Accounts Payable	140,429.18	184,391.74
Overpaid Sewer Rents	7,687.89	-
Accrued Interest on Bonds and Notes	79,834.58	92,000.30
Reserve for Insurance Proceeds	706.86	706.86
Reserve for Sale of Municipal Assets	4,641.10	4,641.10
Interfunds:		
Due to Current Fund	-	6,960.71
Due to Sewer Capital Fund	107,615.88	-
Due to Water Operating Fund	-	366.06
	<u>1,265,499.67</u>	<u>898,090.77</u>
Reserve for Receivables	420,862.68	419,019.83
Fund Balance	2,742,203.62	2,698,861.23
Total Operating Fund	<u>4,428,565.97</u>	<u>4,015,971.83</u>
Assessment Fund:		
Reserve for Assessments and Liens	983.53	1,626.03
Fund Balance	61,504.82	60,854.82
Total Assessment Fund	<u>62,488.35</u>	<u>62,480.85</u>
Capital Fund:		
Encumbrances Payable	765,794.95	686,812.44
Interfunds:		
Due to Sewer Operating Fund	-	86.46
Bond Anticipation Notes Payable	1,616,772.00	625,000.00
Serial Bonds Payable	4,257,000.00	4,818,000.00
NJEIT Loans Payable	5,696,468.19	6,333,812.22
Improvement Authorizations:		
Funded	267,013.65	267,013.65
Unfunded	8,275,279.14	12,727,063.52
Reserve for Amortization	25,275,917.13	24,114,890.10
Deferred Reserve for Amortization	1,994,683.67	1,994,683.67
Reserve for Payment of Debt	659,622.43	614,077.43
Capital Improvement Fund	401,951.59	301,951.59
Fund Balance	293,021.48	290,078.60
Total Capital Fund	<u>49,503,524.23</u>	<u>52,773,469.68</u>
	<u>\$ 53,994,578.55</u>	<u>56,851,922.36</u>

There were bonds and notes authorized but not issued at December 31

2013	14,302,100.00
2014	9,172,500.00

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

**SEWER UTILITY FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES**  
**IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
Revenue and Other Income Realized		
Fund Balance	\$ 396,100.47	523,472.27
Water & Sewer Rents	5,911,316.59	2,830,129.19
Miscellaneous Revenue Anticipated	44,401.14	51,042.46
NJ UEZ - Debt Service Aid	75,755.53	78,507.67
Other Credits to Income:		
Reserve for Payment of Debt Service		14,620.06
Unexpended Balance of Appropriation Reserves	285,191.22	612,490.29
Prior Year's Accounts Payable Cancelled	46,071.28	10,849.49
Total Income	<u>6,758,836.23</u>	<u>4,121,111.43</u>
Expenditures		
Operations	4,125,076.00	1,972,500.00
Capital Improvements	220,000.00	50,000.00
Debt Service	1,394,027.37	1,166,910.75
Deferred Charges and Statutory Expenditures	195,000.00	52,500.00
Other Charges:		
Protested Checks		3,162.03
Total Expenditures	<u>5,934,103.37</u>	<u>3,245,072.78</u>
Excess in Revenue	<u>824,732.86</u>	<u>876,038.65</u>
Adjustments to Income before Fund Balance:		
None		
Total Adjustments	<u>-</u>	<u>-</u>
Excess in Operations	<u>824,732.86</u>	<u>876,038.65</u>
Fund Balance January 1	<u>2,698,861.23</u>	<u>2,346,294.85</u>
	3,523,594.09	3,222,333.50
Decreased by:		
Utilization as Anticipated Revenue	396,100.47	523,472.27
Utilization as Anticipated Revenue - Current Fund	<u>385,290.00</u>	
Fund Balance December 31	<u>\$ 2,742,203.62</u>	<u>2,698,861.23</u>

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

**SEWER UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
	<u>                    </u>	<u>                    </u>
Beginning Balance	\$ 290,078.60	288,191.10
Increased by:		
Premiums on sale of Bonds & Notes	2,942.88	1,887.50
Decreased by:		
None		
Ending Balance December 31	\$ <u>293,021.48</u>	<u>290,078.60</u>

Exhibit E - 2a

**SEWER UTILITY ASSESSMENT FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
	<u>                    </u>	<u>                    </u>
Beginning Balance	\$ 60,854.82	59,584.82
Increased by:		
Collection of Assessments	650.00	1,270.00
Decreased by:		
None		
Ending Balance December 31	\$ <u>61,504.82</u>	<u>60,854.82</u>

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

**SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 396,100.47	396,100.47	-
Rents	5,838,200.00	5,911,316.59	73,116.59
Miscellaneous	86,800.00	44,401.14	(42,398.86)
NJ UEZ - Debt Service Aid	75,755.53	75,755.53	-
Miscellaneous Revenue Not Anticipated			-
	<u>\$ 6,396,856.00</u>	<u>6,427,573.73</u>	<u>30,717.73</u>

Analysis of Realized Revenue:

Rents

Consumer Accounts Receivable:

Current Collections	5,907,805.05
Liens Collected	3,511.54
	<u>5,911,316.59</u>

Miscellaneous Revenue Anticipated

Interest on Delinquent Rents	27,767.16
Connection Fees	13,920.00
Interest on Investments	1,437.84
Miscellaneous	1,276.14
	<u>44,401.14</u>

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

**SEWER UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
<b>Operations:</b>						
Salaries and Wages	\$ 1,299,500.00	1,299,500.00	1,263,600.91		35,899.09	
Other Expenses	2,825,576.00	2,825,576.00	1,988,012.00	150,820.29	686,743.71	
	<u>4,125,076.00</u>	<u>4,125,076.00</u>	<u>3,251,612.91</u>	<u>150,820.29</u>	<u>722,642.80</u>	<u>-</u>
<b>Capital Improvements:</b>						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		-	
Capital Outlay	120,000.00	120,000.00	101,946.34	10,563.00	7,490.66	
	<u>220,000.00</u>	<u>220,000.00</u>	<u>201,946.34</u>	<u>10,563.00</u>	<u>7,490.66</u>	<u>-</u>
<b>Debt Service:</b>						
Payment of Bond Principal	561,000.00	561,000.00	561,000.00			-
Interest on Bonds	201,000.00	201,000.00	196,985.00			4,015.00
Interest on Notes	31,600.00	31,600.00	7,812.49			23,787.51
NJ Wastewater Treatment Loans	1,063,180.00	1,063,180.00	628,229.88			434,950.12
	<u>1,856,780.00</u>	<u>1,856,780.00</u>	<u>1,394,027.37</u>	<u>-</u>	<u>-</u>	<u>462,752.63</u>
<b>Deferred Charges and Statutory Expenditures:</b>						
Public Employees' Retirement System	73,000.00	73,000.00	73,000.00			-
Social Security System	120,000.00	120,000.00	88,932.57		31,067.43	
Disability Insurance	2,000.00	2,000.00			2,000.00	
	<u>195,000.00</u>	<u>195,000.00</u>	<u>161,932.57</u>	<u>-</u>	<u>33,067.43</u>	<u>-</u>
<b>\$</b>	<u><u>6,396,856.00</u></u>	<u><u>6,396,856.00</u></u>	<u><u>5,009,519.19</u></u>	<u><u>161,383.29</u></u>	<u><u>763,200.89</u></u>	<u><u>462,752.63</u></u>

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

**EXHIBIT - F**  
**REVENUE ALLOCATION DISTRICT (RAD) UTILITY FUND**

**REVENUE ALLOCATION DISTRICT UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

	2014	2013
<u>ASSETS</u>		
Operating Fund:		
Cash	\$ -	176,641.19
Interfunds and Receivables		
Due from Current Fund	-	81,103.38
Due from Revenue Allocation District Capital Fund	-	57.62
	-	257,802.19
Total Operating Fund	-	257,802.19
Capital Fund:		
Cash	-	810,516.81
Fixed Capital - Authorized and Uncomplete	-	8,130,000.00
Total Capital Fund	-	8,940,516.81
	\$ -	9,198,319.00

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

**REVENUE ALLOCATION DISTRICT UTILITY FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	2014	2013
Operating Fund:		
Appropriation Reserves	\$ -	2,000.00
Accrued Interest on Bonds and Notes	-	45,514.59
	-	47,514.59
Reserve for Receivables	-	-
Fund Balance	-	210,287.60
Total Operating Fund	-	257,802.19
Capital Fund:		
Interfunds:		
Due to Revenue Allocation District Operating Fund	-	57.62
Serial Bonds Payable	-	6,075,000.00
Improvement Authorizations:		
Funded	-	125,752.98
Unfunded	-	839,000.00
Reserve for Amortization	-	950,000.00
Deferred Reserve for Amortization	-	266,000.00
Fund Balance	-	684,706.21
Total Capital Fund	-	8,940,516.81
	\$ -	9,198,319.00

There were bonds and notes authorized but not issued at December 31

2013	839,000.00
2014	-

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

**REVENUE ALLOCATION DISTRICT UTILITY FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
Revenue and Other Income Realized		
Fund Balance	\$ 80,000.00	441,845.00
Tax Abatements - Payment in Lieu of Taxes	153,721.67	81,103.38
Tax Payments	344,298.74	94,982.31
Capital Surplus	331,250.00	-
Miscellaneous Revenue Not Anticipated:		
Interest on Investments	843.60	4,647.80
Miscellaneous	13,050.00	11,394.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,950.00	43,068.93
Total Income	<u>925,114.01</u>	<u>677,041.42</u>
Expenditures		
Operations	2,000.00	2,000.00
Debt Service	827,250.00	647,047.92
Total Expenditures	<u>829,250.00</u>	<u>649,047.92</u>
Excess in Operations	<u>95,864.01</u>	<u>27,993.50</u>
Fund Balance January 1	<u>210,287.60</u>	<u>624,139.10</u>
	306,151.61	652,132.60
Decreased by:		
Utilization as Anticipated Revenue	80,000.00	441,845.00
Cancelled to Current Fund	226,151.61	-
Fund Balance December 31	<u>\$ -</u>	<u>210,287.60</u>

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

**REVENUE ALLOCATION DISTRICT UTILITY CAPITAL FUND  
COMPARATIVE STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
FOR THE PERIOD ENDED DECEMBER 31,**

	Year 2014	6 Month Period 2013
Beginning Balance January 1	\$ 684,706.21	684,706.21
Increased by:		
None		
Decreased by:		
Anticipated as Operating Fund Revenue	(331,250.00)	
Cancelled to Current Fund	(353,456.21)	
Ending Balance December 31	\$ -	684,706.21

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

**REVENUE ALLOCATION DISTRICT UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	\$ 80,000.00	80,000.00	-
Tax Abatements - Payment in Lieu of Taxes	218,000.00	153,721.67	(64,278.33)
Tax Payments	200,000.00	344,298.74	144,298.74
Capital Surplus	331,250.00	331,250.00	-
	<u>\$ 829,250.00</u>	<u>909,270.41</u>	<u>80,020.41</u>

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

**REVENUE ALLOCATION DISTRICT UTILITY FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Operations:						
Other Expenses	\$ 2,000.00	2,000.00		2,000.00		
	<u>2,000.00</u>	<u>2,000.00</u>	<u>-</u>	<u>2,000.00</u>		<u>-</u>
Debt Service:						
Payment of Bond Principal	550,000.00	550,000.00	550,000.00			-
Interest on Bonds	277,250.00	277,250.00	277,250.00			-
	<u>827,250.00</u>	<u>827,250.00</u>	<u>827,250.00</u>	<u>-</u>		<u>-</u>
	<u>\$ 829,250.00</u>	<u>829,250.00</u>	<u>827,250.00</u>	<u>2,000.00</u>		<u>-</u>

**EXHIBIT - G**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**

**CITY OF MILLVILLE  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Balance Dec. 31, 2014	Balance Dec. 31, 2013
General Fixed Assets:		
Land	\$ 46,723,794.65	48,752,938.89
Buildings	6,338,728.98	6,338,728.98
Machinery and Equipment	12,566,035.66	11,610,597.75
Total General Fixed Assets	<u>65,628,559.29</u>	<u>66,702,265.62</u>
Investment in General Fixed Assets	\$ <u>65,628,559.29</u>	<u>66,702,265.62</u>

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

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## **NOTES TO FINANCIAL STATEMENTS**



**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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

**Basis of Accounting**

The financial statements of the City of Millville have been prepared in conformity with the Basis of Accounting established by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The more significant of the City's accounting policies are described below.

**Description of Financial Reporting Entity**

The City of Millville 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 unit of the City of Millville are not presented in accordance with Governmental Accounting Standards Board Statement (GASB) No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units. If the provisions of GASB 14 and GASB 39 had been complied with, the other entity's financial statements would have to be either blended or discretely presented with the financial statements of the City of Millville, the primary government.

Millville Public Library  
210 Buck Street  
Millville, New Jersey 08332

Millville Development Corporation  
12 S. High Street  
Millville, New Jersey 08332

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

**Basis of Presentation, Fund Accounting**

The financial statement of the City of Millville contain all funds and account group in accordance with the "Requirements of Audit" as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City of Millville accounts for its financial transactions through the following separate funds, which differ from the funds required by GAAP.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**General Capital Funds**

The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general 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 for special assessments levied against property owners for Sewer improvements which benefit property owners, rather than the City as a whole.

**Revenue Allocation District Fund**

The Revenue Allocation District Fund accounts are for the operations and acquisition of capital facilities of the City's designated Revenue Allocation District (RAD) in accordance with N.J.S.A. 52:27D-462 et. seq. The use of the Revenue Allocation District Fund was discontinued on December 31, 2014. All of the Assets, Liabilities and Fund Balances of the RAD have been transferred to the Current and General Capital Funds as of December 31, 2014.

**Budgets and Budgetary Accounting**

The City of Millville must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. State statutes require the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> 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.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Budgets and Budgetary Accounting**

The public hearing must not be held less than twenty-eight days after the date of introduction. 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.

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

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

**Cash and Investments**

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank approved by the State Department of Banking and Insurance and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1(a) provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the City of Millville requires it to deposit funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

Public funds are defined as the funds of any government unit. Public depositories include banks (both state and federal banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of 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 in the collateral pool, is available to pay the full amount of their deposits to the governmental units.

Generally, the City considers all investments that mature in one year or less to be cash equivalents.

All certificates of deposit are recorded as cash regardless of date of maturity.

**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 fund balance. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**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 balance sheets.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**General Fixed Assets**

Property and Equipment purchased by the Current and General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, differs in certain respects from GAAP. The following is a brief description of the provisions. Fixed Assets used in governmental operations ("general fixed assets") are accounted for in the General Fixed Assets Account Group. Public Domain ("Infrastructure") fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems, are not capitalized.

All fixed assets, with the exception of Land are valued at historical cost, or estimated historical cost if actual historical cost is not available. Land is valued at the Assessed Valuation of 1985 which is the year of implementation of fixed asset accounting for New Jersey Municipal Governments.

No depreciation on general fixed assets is recorded in the financial statements.

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

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

**Utility Fixed Assets**

Property and equipment purchased by a utility fund are recorded in the utility capital fund at cost and are adjusted for disposition or abandonment. The amounts shown do not represent replacement cost or current value. Contributions in aid of construction are not capitalized. 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, equipment and improvements. GAAP does not require the establishment of a Reserve for Amortization of Fixed Capital, but GAAP does require the recognition of depreciation of property by the utility fund.

**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 Assets Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded in the General Fixed Assets Account Group at the market value at the time of acquisition.

**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 made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation reserves are not established under GAAP.

**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 as received in cash, except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants is realized as revenue when anticipated as such in the City's budget. Other amounts that are due the City, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenue be recognized when the actual expenditures financed by the grant are made.

**Property Tax Revenues**

Property tax revenues are collected in quarterly installments due February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup>. Property taxes unpaid on April 1st of the year following their final due date are subject to tax sale in accordance with the statutes. 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 entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenues to be recognized when they are available and measurable reduced by an allowance for doubtful accounts.

**School Taxes**

The City is responsible for levying, collecting and remitting school taxes for the City of Millville School District. Fund Balance is charged for the full amount required, to be raised from taxation, to operate the school districts from January 1<sup>st</sup> through December 31<sup>st</sup>. School taxes are levied on the calendar year eliminating the possibility of deferred school taxes.

**County Taxes**

The City is responsible for levying, collecting and remitting county taxes for the County of Cumberland. Fund balance is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, fund balance is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 minimum amount of the reserve, determined by the percentage of collections experienced in the preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A reserve for uncollected taxes is not established under GAAP.

**Expenditures**

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31<sup>st</sup> are recorded as a cash liability. 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. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

**Compensated Absences and Post-Employment 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 post employment benefits, if any, which are also funded on a "pay as you go" basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as expenditure in the operating funds and the remaining obligations be recorded as long-term obligations.

**Recent Accounting Pronouncements Not Yet Effective**

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 and 2013 statutory budgets included a reserve for uncollected taxes in the amount of \$2,273,966.00 and \$1,122,127.97. To balance the budget, the municipality is required to show a budgeted fund balance.

The amount of fund balance budgeted to balance the 2014 and 2013 statutory budgets was \$4,627,974.00 and \$496,738.00. In addition, the entity operates self-liquidating Water, Sewer & Revenue Allocation District Utility's. Under New Jersey Statutes a separate budget for each utility must be adopted concurrently with the operating budget of the entity. The utility budgets must be a balanced cash basis budget with fund balance being used to balance the budget. The amounts of fund balance budgeted to balance the 2014 and 2013 Water Budgets were \$485,353.50 and \$176,059.50, the 2014 and 2013 Sewer Budgets were \$396,100.47 and \$523,472.27 and the 2014 and 2013 Revenue Allocation District Budgets were \$80,000.00 and \$441,845.00.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by entity City Council. The following significant budget transfers were approved in the 2014 and 2013 calendar years:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
<u>Current Fund:</u>		
None Significant	\$ -	-
<u>Water Utility</u>		
None Significant	-	-
<u>Sewer Utility</u>		
None Significant	-	-
<u>Revenue Allocation District Utility</u>		
None Significant	-	-

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 2: BUDGETARY INFORMATION (Continued)**

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014 and 2013, the following budget insertions were approved:

<u>Budget Category</u>	<u>2014</u>	<u>2013</u>
Clean Communities	\$ 53,007.99	
Urban Enterprise Zone	200,000.00	
Drunk Driving Enforcement Fund	3,760.78	
Municipal Alliance on Alcoholism and Drug Abuse	31,594.00	16,850.00
Make it Click/Buckle Up/You Drink	16,500.00	
Body Armor Grant	6,404.59	8,377.39
Hazardous Discharge Site	53,668.00	
Emergency Management Assistance Grant	5,000.00	5,000.00
Bulletproof Vest Partnership	2,139.66	4,755.97
Edward Bryne Justice Assistance Grant Program	19,974.00	48,924.00
Transportation Trust	390,000.00	
Safe & Secure	90,000.00	
Recycling Tonnage Grant		72,971.20
Over The Limit Under Arrest		4,400.00
NJLM Education Foundation		500.00
Coastal Hazard Assessment Grant		15,000.00
	<u>\$ 872,049.02</u>	<u>176,778.56</u>

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. No Emergency Appropriations were made in either 2014 or 2013.

**Note 3: INVESTMENTS**

As of December 31, 2014 and 2013, the municipality had no investments.

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

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

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**Note 3: INVESTMENTS (Continued)**

Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2014 and 2013, \$2,044,349.36 and \$2,480,160.3 of the municipality's bank balances of \$39,980,777.74 and \$37,847,160.31 was exposed to custodial credit risk.

**Note 5: FIXED ASSETS**

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2014 and 2013:

	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
Land & Improvements	\$ 48,752,938.89	282,255.76	2,311,400.00	46,723,794.65
Buildings	6,338,728.98			6,338,728.98
Machinery & Equipment	11,610,597.75	985,998.41	30,560.50	12,566,035.66
	<u>\$ 66,702,265.62</u>	<u>1,268,254.17</u>	<u>2,341,960.50</u>	<u>65,628,559.29</u>

	Balance 12/31/2012	Additions	Deletions	Balance 12/31/2013
Land & Improvements	\$ 48,947,461.89	5,877.00	200,400.00	48,752,938.89
Buildings	6,338,728.98			6,338,728.98
Machinery & Equipment	11,455,857.26	154,740.49		11,610,597.75
	<u>\$ 66,742,048.13</u>	<u>160,617.49</u>	<u>200,400.00</u>	<u>66,702,265.62</u>

**CITY OF MILLVILLE  
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**Note 6: SHORT-TERM FINANCING**

The following is a summary of changes in short-term debt for the years ended December 31, 2014 and 2013:

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total
Balance December 31, 2013	\$ 1,420,000.00	\$ -	\$ 625,000.00	\$ 2,045,000.00
Increases	3,800,000.00		1,000,000.00	4,800,000.00
Decreases	(100,000.00)		(8,228.00)	(108,228.00)
Balance December 31, 2014	<u>\$ 5,120,000.00</u>	<u>\$ -</u>	<u>\$ 1,616,772.00</u>	<u>\$ 6,736,772.00</u>

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total
Balance December 31, 2012	\$ 1,495,000.00	\$ -	\$ 650,000.00	\$ 2,145,000.00
Increases				-
Decreases	(75,000.00)		(25,000.00)	(100,000.00)
Balance December 31, 2013	<u>\$ 1,420,000.00</u>	<u>\$ -</u>	<u>\$ 625,000.00</u>	<u>\$ 2,045,000.00</u>

Short-term debt provides for financing of governmental activities and capital projects.

On December 24, 2014 the City issued a Bond Anticipation Note in the Amount of \$6,736,772.00, bearing interest at a rate of 0.90% per annum to fund various General Capital and Sewer Capital Ordinances. The Note is due August 4, 2015 and it is anticipated that the City will reissued the note at that date for one year at the prevailing interest rate.

**Note 7: LONG-TERM DEBT**

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

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.732%.

	Gross Debt	Deductions	Net Debt
Local School Debt	\$ -	\$ -	\$ -
Water Utility Debt	7,657,520.61	7,657,520.61	-
Sewer Utility Debt	20,742,740.19	20,742,740.19	-
General Debt	30,494,525.65	1,296,593.58	29,197,932.07
	<u>\$ 58,894,786.45</u>	<u>\$ 29,696,854.38</u>	<u>\$ 29,197,932.07</u>

Net debt \$29,197,932.07 divided by Equalized Valuation Basis per N.J.S.A. 40A: 2-2 as amended, \$1,685,541,477.67 = 1.732%.

**CITY OF MILLVILLE  
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**Note 7: LONG-TERM DEBT (Continued)**

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

3-1/2% of Equalized Valuation Basis	\$	58,993,951.72	
Net Debt		<u>29,197,932.07</u>	
Remaining Borrowing Power	\$	<u><u>29,796,019.65</u></u>	

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

Cash Receipts from Fees, Rents or Other Charges for the Year		\$	4,292,406.13
Deductions:			
Operating & Maintenance Costs	\$	2,882,746.00	
Debt Service per Water and Sewer Utility Fund		<u>640,832.01</u>	
Total Deductions			<u>3,523,578.01</u>
Excess in Revenue		\$	<u><u>768,828.12</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for the Year		\$	6,758,836.23
Deductions:			
Operating & Maintenance Costs	\$	4,320,076.00	
Debt Service per Water and Sewer Utility Fund		<u>1,394,027.37</u>	
Total Deductions			<u>5,714,103.37</u>
Excess in Revenue		\$	<u><u>1,044,732.86</u></u>

**CITY OF MILLVILLE  
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(CONTINUED)**

**Note 7: LONG-TERM DEBT (Continued)**

**Summary of Municipal Debt**

	Year 2014	Year 2013	Fiscal Year 2012
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Issued:			
General:			
Bonds, Notes & Loans	\$ 23,783,579.22	\$ 15,857,326.84	\$ 17,095,505.93
Water Utility:			
Bonds, Notes & Loans	6,701,675.39	7,178,322.94	4,176,892.76
Sewer Utility:			
Bonds, Notes & Loans	11,570,240.19	11,776,812.22	13,946,284.44
RAD Utility: ***			
Bonds, Notes & Loans	-	6,075,000.00	7,025,000.00
Total Issued	<u>42,055,494.80</u>	<u>40,887,462.00</u>	<u>42,243,683.13</u>
Less:			
Funds Held Temporarily to pay Bonds and Notes	<u>2,522,604.66</u>	<u>2,531,317.96</u>	<u>2,704,944.43</u>
	<u>39,532,890.14</u>	<u>38,356,144.04</u>	<u>39,538,738.70</u>
Authorized But Not Issued:			
General:			
Bonds, Notes & Loans	6,710,946.43	9,310,946.43	4,801,624.25
Water Utility:			
Bonds, Notes & Loans	955,845.22	965,845.22	4,663,764.82
Sewer Utility:			
Bonds, Notes & Loans	9,172,500.00	14,302,100.00	4,454,600.00
RAD Utility: ***			
Bonds, Notes & Loans	-	839,000.00	839,000.00
Total Authorized But Not Issued	<u>16,839,291.65</u>	<u>25,417,891.65</u>	<u>14,758,989.07</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 56,372,181.79</u>	<u>\$ 63,774,035.69</u>	<u>\$ 54,297,727.77</u>

\*\*\* - As of December 31, 2014 the use of the RAD Utility Fund has been discontinued. All of the RAD Utility Debt has been assumed by the General Capital Fund.

**Description of Bonds and Loans Payable**

**At December 31, 2014, bonds and loans payable in the General Capital Fund consisted of the following individual issues:**

\$3,756,000 General Refunding Bonds dated September 1, 2008, due in annual installments through September 1, 2024, bearing interest at rates varying from 4.000% to 5.000%. The balance remaining as of December 31, 2014, is \$2,651,000.00.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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**Note 7: LONG-TERM DEBT (Continued)**

\$5,639,000 General Obligation Bonds dated November 1, 2011, due in annual installments through November 1, 2023, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014, is \$4,589,000.00.

\$7,222,000 General Refunding Bonds dated September 5, 2012, due in annual installments through July 15, 2020, bearing interest at rates varying from 2.000% to 2.500%. The balance remaining as of December 31, 2014, is \$5,252,000.00.

\$7,025,000 Revenue Allocation District Bonds dated November 1, 2011, due in annual installments through November 1, 2023, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014, is \$5,525,000.00.

Green Trust Loan, due in semi-annual installments through 2027, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2013, is \$646,579.22.

**At December 31, 2014, bonds payable in the Water Utility Fund consisted of the following individual issues:**

\$2,430,000 Water Utility Bonds dated September 1, 2008, due in annual installments through September 1, 2028, bearing interest at rates varying from 4.000% to 5.000%. The balance remaining as of December 31, 2014, is \$1,880,000.00.

\$671,000 Water Utility Bonds dated November 1, 2011, due in annual installments through November 1, 2023, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014, is \$556,000.00.

\$164,000 Water Utility Refunding Bonds dated September 5, 2012, due in annual installments through July 15, 2016, bearing interest at 2.000%. The balance remaining as of December 31, 2014, is \$156,000.00.

New Jersey Environmental Infrastructure – Trust Loan - Series 2013-A, due in annual installments through August 2032, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014 is \$850,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 2013-A, due in semi - annual installments through August 2032, interest free. The balance remaining as of December 31, 2014 is \$2,539,830.53.

New Jersey Environmental Infrastructure – Trust Loan - Series 2003-A, due in annual installments through September 2023, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014 is \$440,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 2003-A, due in semi - annual installments through September 2023, interest free. The balance remaining as of December 31, 2014 is \$279,844.86.

**CITY OF MILLVILLE  
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**Note 7: LONG-TERM DEBT (Continued)**

**At December 31, 2014, bonds payable in the Sewer Utility Fund consisted of the following individual issues:**

\$1,630,000 Sewer Utility Bonds dated September 1, 2008, due in annual installments through September 1, 2028, bearing interest at rates varying from 4.000% to 5.000%. The balance remaining as of December 31, 2014, is \$1,280,000.00.

\$2,850,000 Sewer Utility Bonds dated November 1, 2011, due in annual installments through November 1, 2023, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014, is \$2,375,000.00.

\$629,000 Sewer Utility Refunding Bonds dated September 5, 2012, due in annual installments through July 15, 2016, bearing interest at 2.000%. The balance remaining as of December 31, 2014, is \$602,000.00.

New Jersey Environmental Infrastructure – Trust Loan - Series 1996-A, due in annual installments through August 2016, bearing interest at rates varying from 5.000% to 5.250%. The balance remaining as of December 31, 2014 is \$195,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 1996-A, due in semi - annual installments through August 2015, interest free. The balance remaining as of December 31, 2014 is \$13,314.88.

New Jersey Environmental Infrastructure – Trust Loan - Series 1999-A, due in annual installments through September 2019, bearing interest at rates varying from 4.750% to 5.700%. The balance remaining as of December 31, 2014 is \$450,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 1999-A, due in semi - annual installments through September 2017, interest free. The balance remaining as of December 31, 2014 is \$187,736.50.

New Jersey Environmental Infrastructure – Trust Loan - Series 2003-A, due in annual installments through September 2023, bearing interest at rates varying from 3.000% to 5.000%. The balance remaining as of December 31, 2014 is \$860,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 2003-A, due in semi - annual installments through September 2023, interest free. The balance remaining as of December 31, 2014 is \$651,791.81.

New Jersey Environmental Infrastructure – Trust Loan - Series 2010-A, due in annual installments through August 2029, bearing interest at rates varying from 3.500% to 5.000%. The balance remaining as of December 31, 2014 is \$885,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 2010-A, due in semi - annual installments through September 2029, interest free. The balance remaining as of December 31, 2014 is \$2,453,625.00.

**CITY OF MILLVILLE  
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**Note 7: LONG-TERM DEBT (Continued)**

The following schedule represents the changes in the Long-term Debt:

	<u>Outstanding 6/30/2013</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/13</u>	<u>Amounts Due Within One Year</u>
<b>General Capital Fund:</b>				
Serial Bonds Payable	\$ 14,980,000.00	1,242,000.00	13,738,000.00	1,246,000.00
Loans Payable	725,309.61	25,982.77	699,326.84	52,747.62
Compensated Absences Pay.	2,415,481.92	640,762.27	1,774,719.65	
Total General Capital Fund	<u>18,120,791.53</u>	<u>1,908,745.04</u>	<u>16,212,046.49</u>	<u>1,298,747.62</u>
<b>Utility Capital Funds:</b>				
Water Bonds Payable	3,038,000.00	223,000.00	2,815,000.00	223,000.00
Water Loans Payable	4,520,786.54	157,463.60	4,363,322.94	253,647.56
Sewer Bonds Payable	5,353,000.00	535,000.00	4,818,000.00	561,000.00
Sewer Loans Payable	6,871,508.96	537,696.74	6,333,812.22	637,344.03
RAD Bonds Payable	6,575,000.00	500,000.00	6,075,000.00	550,000.00
Total Utility Capital Fund	<u>26,358,295.50</u>	<u>1,953,160.34</u>	<u>24,405,135.16</u>	<u>2,224,991.59</u>
Total All Funds	<u>\$ 44,479,087.03</u>	<u>3,861,905.38</u>	<u>40,617,181.65</u>	<u>3,523,739.21</u>

	<u>Outstanding 12/31/13</u>	<u>Payments or Expenditures</u>	<u>Outstanding 12/31/14</u>	<u>Amounts Due Within One Year</u>
<b>General Capital Fund:</b>				
Serial Bonds Payable	\$ 13,738,000.00	(4,279,000.00)	18,017,000.00	2,370,000.00
Loans Payable	699,326.84	52,747.62	646,579.22	53,807.85
Compensated Absences Pay.	1,774,719.65	(11,471.84)	1,786,191.49	
Total General Capital Fund	<u>16,212,046.49</u>	<u>(4,237,724.22)</u>	<u>20,449,770.71</u>	<u>2,423,807.85</u>
<b>Utility Capital Funds:</b>				
Water Bonds Payable	2,815,000.00	223,000.00	2,592,000.00	222,000.00
Water Loans Payable	4,363,322.94	253,647.55	4,109,675.39	252,435.21
Sewer Bonds Payable	4,818,000.00	561,000.00	4,257,000.00	558,000.00
Sewer Loans Payable	6,333,812.22	637,344.03	5,696,468.19	611,404.35
RAD Bonds Payable	6,075,000.00	6,075,000.00	-	-
Total Utility Capital Fund	<u>24,405,135.16</u>	<u>7,749,991.58</u>	<u>16,655,143.58</u>	<u>1,643,839.56</u>
Total All Funds	<u>\$ 40,617,181.65</u>	<u>3,512,267.36</u>	<u>37,104,914.29</u>	<u>4,067,647.41</u>

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**Note 7: LONG-TERM DEBT (Continued)**

**Schedule of Annual Debt Service for Principal and Interest for Serial Bonds Issued and Outstanding**

Year Ending December 31	General Capital Fund		Water Capital Fund		Sewer Capital Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 2,370,000.00	678,970.00	222,000.00	108,650.00	558,000.00	173,390.00
2016	2,367,000.00	600,570.00	249,000.00	101,010.00	569,000.00	155,480.00
2017	2,025,000.00	518,730.00	185,000.00	90,780.00	325,000.00	135,850.00
2018	2,010,000.00	437,730.00	185,000.00	81,530.00	365,000.00	119,600.00
2019	2,070,000.00	355,380.00	195,000.00	72,280.00	365,000.00	101,350.00
2020-2024	7,175,000.00	658,792.50	1,106,000.00	236,820.00	1,675,000.00	251,200.00
2025-2028			450,000.00	63,562.50	400,000.00	42,375.00
	<u>\$ 18,017,000.00</u>	<u>3,250,172.50</u>	<u>2,592,000.00</u>	<u>\$ 754,632.50</u>	<u>4,257,000.00</u>	<u>979,245.00</u>

**Schedule of Annual Debt Service for Principal and Interest for Loans**

Year Ending December 31	General Capital Fund		Water Capital Fund		Sewer Capital Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 53,807.85	12,663.88	252,435.21	50,490.00	611,404.35	111,235.00
2016	54,889.38	11,582.36	251,465.35	47,490.00	606,522.77	96,397.50
2017	55,992.66	10,479.07	258,526.31	44,490.00	517,757.22	81,022.50
2018	57,118.11	9,353.62	262,380.66	41,200.00	470,826.94	70,252.50
2019	58,266.18	8,205.55	269,252.20	37,687.50	481,540.43	58,512.50
2020-2024	267,971.25	23,802.37	1,246,801.93	124,787.50	1,835,541.48	157,075.00
2025-2029	98,533.79	3,477.28	970,508.40	50,550.00	1,172,875.00	42,900.00
2030-2032			598,305.33	10,350.00		
	<u>\$ 646,579.22</u>	<u>79,564.13</u>	<u>4,109,675.39</u>	<u>407,045.00</u>	<u>5,696,468.19</u>	<u>617,395.00</u>

**Note 8: COMPENSATED ABSENCES**

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be carried forward for 2 years.

The City of Millville compensates employees for unused sick leave upon termination or retirement. The current policy provides that non-police personnel receive a payment for 50% of accumulated sick days with a maximum payment of \$13,000 to \$15,000 depending on job title. Police personnel receive 70% of accumulated sick days, with a maximum payment of \$12,000. All personnel receive payment for unused vacation time earned for current year and the amount of unused vacation time that was carried forward from previous 2 years.

The City does not record accrued expenses related to compensated absences. The City has established an Accumulated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2014 and 2013 the balance of the fund was \$650,081.92 and \$580,431.92, respectively. It is estimated that, at December 31, 2014 and 2013, accrued benefits for compensated absences are valued at \$1,786,191.49 and \$1,774,719.65, respectively.

**CITY OF MILLVILLE  
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**Note 9: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance include amounts set forth as cash liabilities in the financial statements as follows:

		Balance December 31, 2014		Balance December 31, 2013
Prepaid Taxes - Cash Liability	\$	300,051.04	\$	351,288.22

**Note 10: SCHOOL TAXES**

Local District School Tax in the amounts of \$11,097,656.00 and \$10,880,054.00 have been raised for the 2014 and 2013 calendar years and remitted to the school district.

**Note 11: PENSION PLANS**

**Plan Descriptions**

All eligible employees participate in the Public Employees' Retirement System (PERS), or the Police and Firemen's Retirement System (PFRS), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Police and Fireman's Retirement System. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

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

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

*Defined Contribution Retirement Program (DCRP)* - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

**CITY OF MILLVILLE  
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**Note 11: PENSION PLANS (Continued)**

**Vesting and Benefit Provisions**

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:3B. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60, and under recently enacted legislation are generally determined to be 1/55 of final average salary for each year of service credit. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation, if other than the final three years). Members may seek early retirement after achieving 25 years service credit, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:3B. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55 and generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement 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.

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

**Funding Policy**

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Currently the member contribution rate is 6.92% of base salary. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits.

The contribution policy for PFRS is set by N.J.S.A. 43:16A, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Currently, Members contribute at a rate of 10.0% of base salary.

For the Public Employees' Retirement System, the City's contribution was \$641,518.00 for 2014, \$684,079.00 for the year 2013 and \$939,732.00 for 2012.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 11: PENSION PLANS (Continued)**

Three-Year Trend Information for PERS					
Funding Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation		
12/31/14	\$ 641,518.00	100%	\$	-	
12/31/13	684,079.00	100%		-	
12/31/12	939,732.00	100%		-	

For the Police and Firemen's Retirement System, the City's contribution was \$1,681,411.00 for 2014, \$1,526,475.00 for 2013 and \$1,337,046.00 for 2012.

Three-Year Trend Information for PFRS					
Funding Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation		
12/31/14	\$ 1,681,411.00	100%	\$	-	
12/31/13	1,526,475.00	100%		-	
12/31/12	1,337,046.00	100%		-	

For the DCRP, members contribute at a uniform rate of 5.5% of their base salary. Employers are required to contribute at a set rate of 3.0% of base salary. For the Deferred Contribution Retirement Program, the City's contribution was \$0.00 for 2014, \$1,344.07 for 2013 and \$1,114.69 for 2012.

Significant Legislation

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

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

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.78% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2014, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

**CITY OF MILLVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(CONTINUED)**

**Note 11: PENSION PLANS (Continued)**

- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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

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

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

**Note 12: PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 12: PROPERTY TAXES (Continued)**

Upon the filing of certified adopted budgets by the municipality, the local school district, fire districts, regional school district and the county, the rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup>, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due February 1<sup>st</sup> and May 1<sup>st</sup> of the fiscal year, are based upon one-half of the prior year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500 of the delinquency and 18% per annum on any amount in excess of \$1,500. Pursuant to P.L. 1991, c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed 6% of the amount of the delinquency. The interest and penalties are the highest permitted under New Jersey statutes.

Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey statutes.

The New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 of each year, the municipality must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. Due to errors or delinquencies in notices sent to property owners, the April 1 deadline to file an appeal petition may be extended. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels the petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged to a reserve set aside for this purpose or directly to operations.

**Note 13: ECONOMIC DEPENDENCY**

The City of Millville is not economically dependent on any one funding agency within the City or the State of New Jersey.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**Note 14: FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budgets.

	<u>Year</u>	<u>Balance December 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Utility Fund Balance Utilized as Current Fund Revenue</u>	<u>Percent Utilized</u>
Current Fund	2014	\$ 11,444,884.73	5,638,730.00		49.27%
	2013	11,176,411.92	4,627,974.00		41.41%
	2012	5,782,469.73	3,985,268.00		68.92%
	2011	4,978,910.45	4,081,908.00		81.98%
	2010	3,953,736.37	3,434,760.00		86.87%
Water Utility	2014	2,157,622.72	456,164.50	201,586.00	30.48%
	2013	1,827,637.36	175,059.50	-	9.58%
	2012	1,327,373.70	288,374.55	201,586.00	36.91%
	2011	1,036,490.57	299,733.50	201,586.00	48.37%
	2010	926,043.23	602,609.50	201,586.00	86.84%
Sewer Utility	2014	2,742,203.62	406,904.68	385,290.00	28.89%
	2013	2,346,294.85	523,472.27	-	22.31%
	2012	2,313,702.83	526,350.20	385,290.00	39.40%
	2011	2,090,531.90	520,551.99	385,290.00	43.33%
	2010	1,811,285.75	494,904.77	385,290.00	48.60%
RAD Utility	2014	-	-	-	
	2013	624,139.10	441,845.00	-	70.79%
	2012	930,164.11	447,210.00	-	48.08%
	2011	687,201.83	82,235.00	-	11.97%
	2010	586,480.76	105,820.00	-	18.04%

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**Note 15: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY**

Receivables and payables at December 31, 2014 are as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 155,957.20	\$ 14,586.15
Federal and State Grant	7.00	1,553.00
Animal Control Trust		2,015.07
Other Trust	18,300.11	154,295.34
General Capital		4,329.68
Water Operating		9,371.70
Water Capital	8,688.75	
Sewer Operating		107,615.88
Sewer Assessment	255.00	
Sewer Capital	110,558.76	
Utility Capital		
Total	<u>\$ 293,766.82</u>	<u>\$ 293,766.82</u>

The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts.

**Note 16: FEDERAL AND STATE GRANTS**

In the normal course of operations, the City participates in a number of federal and state grant programs. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions relevant to the granting of funds. Any liability for reimbursement, which may arise as a result of these audits, is not believed to be material.

**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. The City protects itself from these losses with a combination of commercial insurance, participation in the Atlantic County Municipal Joint Insurance Fund and self-insurance.

Commercial insurance is maintained for employee medical claims, flood damage, accidental medical, boiler & machinery and surety bonds required for officials as required by law. Settled claims have not exceeded this commercial coverage in any of the past three years.

The City is a member of the Atlantic County Joint Municipal Insurance Fund, a public entity risk pool consisting of over 40 municipalities, all within the State of New Jersey. In conjunction with the Atlantic County Joint Municipal Insurance Fund, excess coverages are maintained through the Municipal Excess Liability Joint Insurance Fund, also a public entity risk pool, serving multiple joint insurance funds. Coverages are provided by the Funds for theft, public official's liability, general liability, law enforcement professional liability, employee benefits liability, automobile insurance and worker's compensation claims.

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 17: RISK MANAGEMENT (Continued)**

**Property and Liability Insurance**

Contributions to each Fund, including reserves for contingencies, are payable in quarterly installments and are based on assumptions determined by each Funds' actuaries. The Commissioner of Insurance of the State of New Jersey may order additional assessments imposed on each member to supplement each Funds' claim, loss retention or administrative accounts to assure the payment of each Funds' obligations. The Funds publish their own annual financial reports which may 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

In addition to the commercial insurance and the insurance provided by the public entity risk pools, the City maintained through a self-insurance fund for employee medical insurance and general liability claims. As of December 31, 2014 the balance in the Reserve for Self-Insurance Fund in the Trust Other Fund was \$2,116,001.55. Employee medical insurance is provided either by commercial insurance or by the self-insurance plan, administered by Insurance Design Administrators, a third-party administrator. Premiums for commercial coverage in excess of the costs for the coverages provided under the self-insurance plan are paid by the employee. Claims not exceeding \$45,000 per employee per year are paid from the self-insurance fund, while those exceeding \$45,000 per employee per year are paid by SAFECO Life Insurance Company. The maximum lifetime reimbursement per employee is \$2,000,000. 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. Claims have not exceeded commercial coverage the last 3 years.

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

Calendar Year	City Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2014	\$ -	-	157.70	34,690.21	124,936.30
2013	-	21,166.56	592.92	74,384.33	159,468.81
2012	-	29,391.58	2,044.23	114,027.46	212,093.66

**CITY OF MILLVILLE  
NOTES TO FINANCIAL STATEMENTS  
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YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**Note 18: 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 19: SANITARY LANDFILL ESCROW CLOSURE FUND**

The City of Millville 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, 2014 the Reserve for Landfill Closure had a balance of \$147,081.28. 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 20: 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, would not be material to the financial statements.

**Note 21: CHANGE IN REPORTING PERIOD**

On March 5, 2013 the City adopted Ordinance Number 2-2013 which enabled the City to revert to a calendar year reporting period. The City made application to the Local Finance Board of the State of New Jersey, Department of Community Affairs. On June 12, 2013 the Local Finance Board adopted a resolution approving the City's application. Therefore, effective January 1, 2014 the City began operating and reporting on a calendar year basis. For the period July 1, 2013 through December 31, 2013, the City operated and reported under a six month transition period.

**Note 22: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2014 and June 19, 2015 the date the financial statements were available for issuance for possible disclosure and recognition in the financial statement and no items have come to the attention of the City that would require disclosure.

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## **SUPPLEMENTARY INFORMATION**



**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2013	\$ 18,425,728.60	1,334,983.63
Increased by Receipts:		
Prepaid Taxes	300,051.04	
Taxes Receivable	46,763,889.59	
Tax Overpayments	7,254.19	
Tax Title and Other Liens	1,032.67	
Revenue Accounts Receivable	9,265,904.88	
Veterans and Senior Citizen Deductions	286,114.62	
Due to State of NJ - Marriage Licenses	4,346.00	
DCA Training Fees	15,125.00	
Due from Trust Other Fund	14,331.15	
Due from Trust Other Fund	43,126.76	4,500.00
Due from Water Utility Operating Fund	7,545.59	
Due from Sewer Utility Operating Fund	6,960.71	
Refund of Prior Year's Expenditures	65,587.96	
Levy Loan Reimbursement	60,832.80	
Reserve for Insurance Receipts	34,052.08	
Federal and State Unappropriated		9,401.78
Federal and State Receivables		999,310.56
	56,876,155.04	1,013,212.34
	75,301,883.64	2,348,195.97
Decreased by Disbursements:		
Current Year Appropriation	25,617,872.66	
Prior Year Appropriations	719,232.15	
Encumbrances		806,043.59
Federal and State Grant - Appropriated Reserves		709,701.12
Accounts Payable	57,785.10	
County Taxes	17,773,318.03	
Local District School Taxes	10,979,048.24	
Payroll Taxes Payable	76,797.58	
Due to State of NJ - Marriage Licenses	4,430.00	
DCA Training Fees	18,727.00	
Reserve for Insurance Receipts	25,180.37	
Due from Animal Control	11.84	
Due from General Capital Fund	987.47	
Due to Trust Other Fund	16,875.69	2,947.00
Due to RAD Operating	81,103.38	
	55,371,369.51	1,518,691.71
Balance December 31, 2014	\$ <u>19,930,514.13</u>	<u>829,504.26</u>

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

Year	Balance Dec. 31, 2013	Current Year Levy	Collections by Cash		Adjustments	Transferred To Tax Title Lien	Transferred To Tax Arrears	Balance Dec. 31, 2014
			2013	2014				
Arrears \$	101,192.85			50,548.20	27,523.64	282.02	69,549.16	92,388.15
2013	764,923.99			670,766.48	15,963.98	40,564.99	(37,628.54)	(0.00)
	866,116.84	-	-	721,314.68	43,487.62	40,847.01	31,920.62	92,388.15
2014		47,858,085.70	351,288.22	46,354,331.35	339,640.83	48,228.74	(31,920.62)	800,221.83
\$	866,116.84	47,858,085.70	351,288.22	47,075,646.03	383,128.45	89,075.75	-	892,609.98

Cash Receipts  
46,763,889.59  
Overpayments Applied  
4,667.59  
Senior Citizens and Veterans  
307,088.85  
47,075,646.03

Analysis of Current Year Tax Levy  
Tax Yield:  
General Property Tax  
47,858,085.70  
Added Taxes (54:4-63.1 et. Seq.)  
67,545.89  
47,925,631.59

Tax Levy:  
General County Taxes  
16,736,314.10  
County Open Space Taxes  
171,938.90  
County Health Taxes  
833,882.18  
County Added and Omitted Taxes  
25,256.42  
Total County Taxes  
17,767,391.60

Local School District Tax  
11,097,656.00  
Local Tax for Municipal Purposes  
18,614,052.70  
Add: Additional Tax Levied  
446,531.29  
19,060,583.99  
47,925,631.59

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

Balance December 31, 2013		\$ 533,817.62
Increased by:		
Transfers from Taxes Receivable	89,075.75	
Interest and Costs Accrued at Tax Sale	7,033.01	
Other	25,782.82	
	<hr/>	<hr/> 121,891.58
		655,709.20
Decreased by:		
Collections	1,032.67	
Other	53,088.95	
	<hr/>	<hr/> 54,121.62
Balance December 31, 2014		\$ <u><u>601,587.58</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2013	Accrued in 2013	Collected by Treasurer	Balance Dec. 31, 2014
Licenses:				
Alcoholic		14,889.00	14,889.00	-
Other		19,147.00	19,147.00	-
Fees and Permits		726,108.05	726,108.05	-
Fines and Costs:				
Municipal Court	22,411.84	371,214.51	371,974.81	21,651.54
Interest and Costs on Taxes		179,413.90	179,413.90	-
Interest Earned on Investments		3,697.28	3,697.28	-
Manufactured Homes Annual Service Fee		236,855.28	236,855.28	-
Cable Franchise Fee		86,228.63	86,228.63	-
Rent - Millville Library		176,680.00	176,680.00	-
Consolidated Municipal Property Tax Relief Aid		283,953.00	283,953.00	-
Energy Receipts Tax		4,081,594.00	4,081,594.00	-
Open Space PILOT AID (Garden State Trust)		29,852.00	29,852.00	-
Uniform Construction Code Fees		341,446.18	341,446.18	-
Millville Board of Education - Gasoline		21,625.13	21,625.13	-
Shared Services - Tax Assessor		31,421.00	31,421.00	-
Anticipated Water Utility Operating Surplus of Prior Year		201,586.00	201,586.00	-
Anticipated Sewer Utility Operating Surplus of Prior Year		385,290.00	385,290.00	-
Uniform Fire Safety Act Fees		169,479.95	169,479.95	-
PILOT - Abatements		162,396.67	162,396.67	-
Hotel Motel Tax		126,592.24	126,592.24	-
PILOT - Housing Authority		83,884.56	83,884.56	-
PILOT - Senior Center		25,000.00	25,000.00	-
PILOT - Motorsports		69,044.30	69,044.30	-
PILOT - Target		115,720.44	115,720.44	-
NJ UEZ - Debt Service Aid		112,039.00	112,039.00	-
Reserve for Payment of Debt		34,113.30	34,113.30	-
General Fund Balance		100,000.00	100,000.00	-
Miscellaneous Revenue Not Anticipated		1,075,873.16	1,075,873.16	-
	<u>22,411.84</u>	<u>9,265,144.58</u>	<u>9,265,904.88</u>	<u>21,651.54</u>
	\$			

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>OPERATIONS WITHIN "CAPS"</b>				
<b>GENERAL GOVERNMENT:</b>				
General Administration				
Salaries and Wages	716.77	716.77		716.77
Other Expenses	9,982.00	9,982.00	18.51	9,963.49
Human Resources				
Salaries and Wages	7,214.37	7,214.37		7,214.37
Other Expenses	5,614.71	5,614.71	41.90	5,572.81
Board of Commissioners				
Salaries and Wages	1,270.84	1,270.84		1,270.84
Other Expenses	2,932.41	2,932.41	466.26	2,466.15
Municipal Clerk's Office				
Salaries and Wages	3,482.90	3,482.90	(2,627.83)	6,110.73
Other Expenses	2,640.02	2,640.02	1,327.38	1,312.64
Financial Administration				
Salaries and Wages	24,861.92	24,861.92		24,861.92
Other Expenses	13,995.22	13,995.22	8,545.63	5,449.59
Annual Audit	68,000.00	68,000.00	68,000.00	-
Information Systems				
Salaries and Wages	6,758.48	6,758.48		6,758.48
Other Expenses	40,179.27	40,179.27	40,013.46	165.81
Collection of Taxes				
Salaries and Wages	3,755.43	3,755.43		3,755.43
Other Expenses	583.05	583.05	504.47	78.58
Assessment of Taxes				
Salaries and Wages	1,298.59	1,298.59		1,298.59
Other Expenses	95,516.06	95,516.06	76,144.54	19,371.52
Legal Services & Costs				
Other Expenses	22,852.47	22,852.47	12,628.64	10,223.83
Municipal Court				
Salaries and Wages	20,702.73	20,702.73		20,702.73
Other Expenses	8,233.82	8,233.82	1,993.22	6,240.60
Public Defender				

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses	7,187.50	7,187.50	1,875.00	5,312.50
Engineering Services & Costs				
Salaries and Wages	1,665.13	1,665.13		1,665.13
Other Expenses	10,490.93	10,490.93	2,261.32	8,229.61
Economic Development				
Other Expenses	5,763.34	5,763.34		5,763.34
<b>LAND USE ADMINISTRATION</b>				
Planning / Community Development				
Other Expenses	12,196.90	12,196.90	1,291.33	10,905.57
Planning Board				
Salaries and Wages	7,904.44	7,904.44		7,904.44
Other Expenses	8,779.00	8,779.00	132.47	8,646.53
Zoning Board of Adjustment				
Salaries and Wages	260.99	260.99	(738.54)	999.53
Other Expenses	5,055.53	5,055.53	108.07	4,947.46
Bureau of Permits and Inspections				
Salaries and Wages	4,020.46	4,020.46		4,020.46
Other Expenses	48,384.34	63,754.34	63,674.04	80.30
Construction Official				
Salaries and Wages	1,017.39	1,017.39		1,017.39
Other Expenses	2,025.66	2,025.66	2,000.00	25.66
Plumbing Inspector				
Salaries and Wages	1,302.20	1,302.20		1,302.20
Other Expenses	150.00	150.00	150.00	-
Electrical Inspector				
Salaries and Wages	1,020.00	1,020.00		1,020.00
Other Expenses	450.00	450.00	450.00	-
Fire Protection Official				
Salaries and Wages	2,407.50	2,407.50		2,407.50
Elevator Inspector				
Other Expenses	10,933.00	10,933.00	7,794.00	3,139.00

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Insurance				
Surety Bond Premiums	5,000.00	5,000.00		5,000.00
Liability Insurance	199,169.68	199,169.68		199,169.68
Workers Compensation	31,300.41	31,300.41		31,300.41
Group Insurance Plan for Employees	163,843.03	163,843.03		163,843.03
<b>PUBLIC SAFETY FUNCTIONS</b>				
Police				
Salaries and Wages	365,953.67	350,583.67	450.00	350,133.67
Other Expenses	111,125.99	111,125.99	107,898.03	3,227.96
Office of Emergency Management				
Salaries and Wages	624.74	624.74		624.74
Other Expenses	4,305.87	4,305.87	495.79	3,810.08
Fire Department				
Salaries and Wages	7,362.89	7,362.89		7,362.89
Other Expenses	15,383.42	15,383.42	10,769.74	4,613.68
Uniform Fire Safety Act				
Salaries and Wages	7,707.60	7,707.60		7,707.60
Other Expenses	4,168.41	4,168.41	3,254.50	913.91
Municipal Prosecutor's Office				
Other Expenses	6,790.00	6,790.00	6,042.00	748.00
<b>PUBLIC WORKS FUNCTIONS</b>				
Streets and Roads Maintenance				
Salaries and Wages	40,795.28	40,795.28		24,826.59
Other Expenses	46,827.69	46,827.69	41,564.53	5,263.16
Shade Tree Commission				
Salaries and Wages	0.02	0.02		0.02
Other Expenses	1,566.00	1,566.00	1,150.00	416.00
Solid Waste and Recycling Collection				
Salaries and Wages	1,660.12	1,660.12		1,660.12
Other Expenses	156,569.75	156,569.75	66,597.29	89,972.46
Solid Waste and Recycling - Apartments	7,500.00	7,500.00		7,500.00

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Public Buildings & Grounds				
Salaries and Wages	3,938.53	3,938.53		3,938.53
Other Expenses	21,899.01	21,899.01	18,036.52	3,862.49
Fleet Management				
Salaries and Wages	312.34	312.34		312.34
Other Expenses	1,934.08	1,934.08	1,034.44	899.64
<b>HEALTH &amp; HUMAN SERVICES FUNCTIONS</b>				
Animal Control Services				
Salaries and Wages	3,711.56	3,711.56		3,711.56
Other Expenses	1,169.14	1,169.14	927.98	241.16
Contribution to Social Service Agencies	6,900.00	6,900.00		6,900.00
<b>PARKS &amp; RECREATION FUNCTIONS</b>				
Recreation Services & Programs				
Salaries and Wages	3,839.92	3,839.92		3,839.92
Other Expenses	16,438.06	16,438.06	16,402.74	35.32
Parks & Playgrounds				
Salaries and Wages	1,991.99	1,991.99		1,991.99
Other Expenses	34,299.70	34,299.70	33,346.69	953.01
State & Federal Downtown Maintenance				
Salaries and Wages	2,837.22	2,837.22		2,837.22
Other Expenses	16,800.52	16,800.52	13,216.10	3,584.42
Celebration of Public Events				
Other Expenses	9,953.45	9,953.45	2,757.75	7,195.70
<b>UNCLASSIFIED</b>				
Accumulated Leave Compensation	50,000.00	50,000.00	50,000.00	-
Electricity	38,809.89	38,809.89	12,360.21	26,449.68
Street Lighting	41,247.25	41,247.25	39,090.06	2,157.19
Telephone	13,450.26	13,450.26	10,650.46	2,799.80
Natural Gas	24,952.23	24,952.23	3,129.74	21,822.49
Heating Oil	1,250.00	1,250.00		1,250.00
Gasoline	45,512.36	45,512.36	25,347.98	20,164.38
Contingent	1,000.00	1,000.00		1,000.00
<b>STATUTORY EXPENDITURES</b>				

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Contributions to:				
Social Security System (O.A.S.I.)	68,722.15	68,722.15	17,559.44	51,162.71
Unemployment	16,000.00	16,000.00	7,885.17	8,114.83
DCRP (Defined Contribution Retirement Program)	3,000.00	3,000.00		3,000.00
<b>OPERATIONS EXCLUDED FROM "CAPS"</b>				
Recycling Tax				
Other Expenses	6,775.76	6,775.76	2,552.19	4,223.57
LOSAP	15,000.00	15,000.00	2,500.00	12,500.00
Matching Funds for Grants	25,787.50	25,787.50		25,787.50
Interest on Tax Appeals	5,000.00	5,000.00		5,000.00
Sanitary Landfill	78,636.14	78,636.14	55,460.02	23,176.12
Interlocal Agreements				
Millville Board of Education-IT	8,750.00	8,750.00	8,750.00	-
	<u>\$ 2,219,179.00</u>	<u>2,219,179.00</u>	<u>861,251.93</u>	<u>1,357,927.07</u>

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

Balance December 31, 2013			
School Tax Payable	\$	2,491,104.83	
School Tax Deferred		<u>1,791,000.00</u>	
			\$ 4,282,104.83
Increased by:			
Levy - Calendar Year 2014			<u>11,097,656.00</u>
			15,379,760.83
Decreased by:			
Payments			<u>10,979,048.24</u>
Balance December 31, 2014			
School Tax Payable		2,609,712.59	
School Tax Deferred		<u>1,791,000.00</u>	
			<u>4,400,712.59</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			10,979,048.24
Tax Payable Ending			<u>2,609,712.59</u>
			13,588,760.83
Less: Tax Payable Beginning			<u>2,491,104.83</u>
Amount charged to Current Year Operations			<u>\$ 11,097,656.00</u>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Balance Dec. 31, 2014
<b>FEDERAL GRANTS:</b>				
US DOT - Highway Planning & Construction Authority Act:	\$			
Municipal Aid	60,440.43			60,440.43
Whitaker & Miller Avenue	25,000.00			25,000.00
South 5th Street Road Improvement	42,500.00			42,500.00
7th Street Road Reconstruction	179,936.50			179,936.50
Local Aid for Centers and State Plan Implementation	4,396.37			4,396.37
Local Aid Bikeway Program	390,008.25			390,008.25
Local Aid Centers of Place Program	76,518.23			76,518.23
NJ DOT Transportation Enhancement Project	1,258.60			1,258.60
Over the Limit - Under Arrest	200.00			200.00
Flammable Liquids Firefighting Training	338.64			338.64
DOT 2014		390,000.00		390,000.00
US Department of Homeland Security:				
EMA Exercise Grant	14,000.00			14,000.00
EMPG Exercise Pass Thru Grant	15,000.00		15,000.00	5,000.00
US DEP - Tree Planting Grant	135.00			135.00
US Department of Justice:				
Justice Assistance Grant	17,375.20			19,974.00
Weed & Seed Program	5,604.60			5,604.60
COPS Secure Schools	663,452.34		426,143.50	237,308.84
Make it Click			8,300.00	8,200.00
Bulletproof Vest Partnership	25,107.42			27,247.08
<b>Total Federal</b>	<b>1,521,271.58</b>	<b>433,613.66</b>	<b>449,443.50</b>	<b>1,505,441.74</b>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

Purpose	Balance Dec. 31, 2013	Transferred From 2014 Revenues	Received	Balance Dec. 31, 2014
<b>STATE GRANTS:</b>				
UEZ Grants	187,008.99		187,008.99	-
UEZ Grant - 2014		200,000.00	97,416.83	102,583.17
Hazardous Discharge Site Remediation	692,393.87	53,668.00		746,061.87
Neighborhood Stabilization	297,981.71			297,981.71
Municipal Public Access Plan & Coastal Hazards	15,000.00			15,000.00
NJ Historic Preservation	150,000.00		88,822.28	61,177.72
Safe & Secure Communities	67,855.73	90,000.00	90,000.00	67,855.73
Clean Communities Program		53,007.99	53,007.99	-
Body Armor Replacement Fund		6,404.59	6,404.59	-
Municipal Alcohol Education Rehabilitation				-
Statewide Livable Communities				-
Domestic Violence Training Program				-
Municipal Alliance	27,206.38	31,594.00	27,206.38	31,594.00
<b>Total State</b>	<u>1,437,446.68</u>	<u>434,674.58</u>	<u>549,867.06</u>	<u>1,322,254.20</u>
	<u>\$ 2,958,718.26</u>	<u>868,288.24</u>	<u>999,310.56</u>	<u>2,827,695.94</u>

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

	Balance December 31, 2013	2014 Appropriations	Disbursed	Canceled	Balance Dec. 31, 2014
	Appropriated				
<b>FEDERAL GRANTS:</b>					
US DOT - Wayfinding Signage Program	\$ 40,157.93				40,157.93
US DOT - Whitaker & Miller Avenue	571.03				571.03
US DOT - Maurice River Bride	1,258.60				1,258.60
US DOT - Bikeway Program - Maurice River Phase V	3,393.00		(2,947.00)		6,340.00
US DOT - Safe Corridors Program	12,158.79		(35,490.39)		47,649.18
US DOT Over the Limit Under Arrest	200.00				200.00
US DOT Flammable Liquids Firefighting Training	575.00				575.00
US DOT - 2014		390,000.00			390,000.00
US Department of Homeland Security:					
Emergency Management Assistance Grant	11,850.16				11,850.16
2011 EMA Grant	69.88				69.88
2009 EMA Grant	6,409.50				6,409.50
Emergency Management Assistance Grant - 2014	1,749.75	5,000.00			5,000.00
US DEP - Tree Planting Grant					1,749.75
US Department of Justice:					
Weed & Seed	5,604.54				5,604.54
Bulletproof Vest Partnership Grant	20,333.72	2,139.66	(17.73)		22,491.11
Make it Click		16,500.00	10,300.00		6,200.00
COPS Secure our Schools	586,158.16		348,849.32		237,308.84
Justice Assistance Grant - 2014		19,974.00	(235.66)		19,974.00
Justice Assistance Grant	24,801.42				25,037.08
Total Federal	<u>715,291.48</u>	<u>433,613.66</u>	<u>320,458.54</u>	<u>-</u>	<u>828,446.60</u>

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

	Balance December 31, 2013	2014 Appropriations	Disbursed	Canceled	Balance Dec. 31, 2014
	Appropriated	Appropriations	Disbursed	Canceled	Balance Dec. 31, 2014
<b>STATE GRANTS:</b>					
UEZA 11-277	17,426.33				17,426.33
UEZA 12-000	3,331.20				3,331.20
UEZA 12-017	6,914.83				6,914.83
UEZA 12-019	28.24				28.24
2013 NJ UEZ	169,179.83		165,083.28		4,096.55
2014 NJ UEZ		200,000.00	148,461.44		51,538.56
Clean Communities Program	116,503.94		50,910.88		118,601.05
Recycling Tonnage Grant	232,428.55	53,007.99	92,948.98		139,479.57
Recycling Tonnage Grant - Purchase of Trash Truck	1,400.00				1,400.00
Community Stewardship Incentive Program	2,287.75				2,287.75
Safe & Secure Communities	68,448.12		68,448.12		-
Safe & Secure Communities - 2014		90,000.00	44,409.22		45,590.78
Body Armor Replacement Fund	18,573.21	6,404.59	15,698.73		9,279.07
Drunk Driving Enforcement	17,780.04	3,760.78	15,665.41		5,875.41
Municipal Alcohol Education Rehabilitation	1,491.54				1,491.54
Hazardous Discharge Site Remediation	1,614,177.06	53,668.00	(149,829.28)		1,817,674.34
Statewide Livable Communities	1,330.40				1,330.40
Domestic Violence Training Program	1,000.00				1,000.00
Neighborhood Stabilization	301,297.86		136,900.00		301,297.86
NJ Historic Preservation	140,175.00				3,275.00
Municipal Public Access Plan & Coastal Hazards	15,000.00				15,000.00
Municipal Alliance	25,186.19	31,594.00	34,226.18		22,554.01
<b>Total State</b>	<u>2,753,960.09</u>	<u>438,435.36</u>	<u>622,922.96</u>	-	<u>2,569,472.49</u>
<b>OTHER GRANTS:</b>					
DRBA Grant	9.13				9.13
NJLM - 2013 Sustainable Jersey	500.00		108.55		391.45
<b>Total Other</b>	<u>509.13</u>	-	<u>108.55</u>	-	<u>400.58</u>
	<u>\$ 3,469,760.70</u>	<u>\$ 872,049.02</u>	<u>943,490.05</u>	-	<u>3,398,319.67</u>

**CURRENT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

Purpose	Balance Dec. 31, 2013	Transferred To 2014 Appropriations	Received	Adjustments	Balance Dec. 31, 2014
<b>FEDERAL GRANTS:</b>					
None	\$ -				-
<b>Total Federal</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>STATE GRANTS:</b>					
UEZ Program Income	50.00				50.00
Drunk Driving Enforcement Fund	3,760.78	3,760.78	8,161.10		8,161.10
Alcohol Education & Rehabilitation			1,240.68		1,240.68
<b>Total State</b>	<u>3,810.78</u>	<u>3,760.78</u>	<u>9,401.78</u>	<u>-</u>	<u>9,451.78</u>
<b>OTHER GRANTS:</b>					
Cumberland County Wastewater Grant	8,707.17				8,707.17
<b>Total Other</b>	<u>8,707.17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,707.17</u>
<b>Total</b>	<u>\$ 12,517.95</u>	<u>3,760.78</u>	<u>9,401.78</u>	<u>-</u>	<u>18,158.95</u>

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Other</u>	<u>Animal Control</u>
Balance December 31, 2013	\$	6,545,455.17	22,133.70
Increased by Receipts:			
Dog License Fees 2014			13,240.60
Due to State of New Jersey			4,632.60
Prepaid Dog Licenses			2,354.80
Due to / from:			
Current Fund		16,521.90	11.84
Miscellaneous Trust Reserves		13,243,940.74	
CDBG Grant Receivable		227,691.88	
Mortgages & Loans Receivable - Rehab Projects		5,967.91	
Mortgages & Loans Receivable - UDAG		87,158.82	
Mortgages & Loans Receivable - UEZ		343,955.54	
Home Investment Partnership Program		76,165.14	
Reserve for CDBG Funds		9,100.00	
Reserve for Revolving Loan Fund - UEZ		387,696.96	
Reserve for UEZ - 1st Generation Project		346.42	
Revolving Loan Fund - Rehabilitation Program		7,684.91	
Revolving Loan Fund - UDAG		5,988.81	
		<u>14,412,219.03</u>	<u>20,239.84</u>
		20,957,674.20	42,373.54
Decreased by Disbursements			
Statutory Expenditures			21,588.26
Due to State of New Jersey			4,372.80
Protested Checks			7.00
Due to / from:			
Current Fund		57,381.36	
Federal & State Grant Fund		1,553.00	
Water Utility Operating Fund		455.78	
Bank		137.86	
Grant Funds Cancelled to Current Fund		36,681.14	
Miscellaneous Trust Reserves		13,423,584.24	
Mortgages & Loans Receivable - UEZ		350,000.00	
Reserve for CDBG Funds		226,838.11	
Reserve for Revolving Loan Fund - UEZ		471,172.04	
Reserve for UEZ - 1st Generation Project		176,441.24	
Revolving Loan Fund - Rehabilitation Program		11,392.24	
Reserve for Home Investment Partnership		38,539.42	
Reserve for Revolving Loan Fund - UDAG		23,947.00	
		<u>14,818,123.43</u>	<u>25,968.06</u>
Balance December 31, 2014	\$	<u><u>6,139,550.77</u></u>	<u><u>16,405.48</u></u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	Ref.		
Balance December 31, 2013		\$	19,880.27
Increased by:			
Dog License Fees Collected		13,240.60	
		<u>13,240.60</u>	<u>13,240.60</u>
			33,120.87
Decreased by:			
Statutory Excess			
Expenditures under N.J.S. 4:19-15:11		21,588.26	
		<u>21,588.26</u>	<u>21,588.26</u>
Balance December 31, 2014		\$	<u><u>11,532.61</u></u>

License Fees Collected:

Year	Amount
2013	\$ 17,849.80
2012	15,398.40
	<u>33,248.20</u>
	<u><u>\$ 33,248.20</u></u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO CURRENT FUND - ANIMAL CONTROL FUND**

	<u>Ref.</u>		
Balance December 31, 2013		\$	270.22
Increased by:			
Cash Receipts	<u>11.84</u>		<u>11.84</u>
			282.06
Decreased by:			
Payments to Current			<u>          </u>
Balance December 31, 2014		\$	<u><u>282.06</u></u>

**TRUST FUND**  
**SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH**

	<u>Ref.</u>		
Balance December 31, 2013		\$	232.20
Increased by:			
2014 State License Fees	<u>4,632.60</u>		<u>4,632.60</u>
			4,864.80
Decreased by:			
Disbursements to the State			<u>4,372.80</u>
Balance December 31, 2014		\$	<u><u>492.00</u></u>

**TRUST - OTHER FUNDS  
SCHEDULE OF MISCELLANEOUS RESERVES**

<u>Reserve</u>	<u>Balance 12/31/13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cancelled</u>	<u>Balance 12/31/14</u>
Outside Employment of Police	\$ 24,021.39	224,962.83	211,033.57		37,950.65
Public Defender	21,917.75	19,537.00	4,052.50		37,402.25
Planning Board Escrows	286,179.83	43,061.36	17,474.62		311,766.57
Unemployment Compensation Insurance	159,468.81	157.70	34,690.21		124,936.30
Landfill Closure	146,934.28	147.00			147,081.28
Municipal Alliance Grant Funds	1,290.17	920.00	1,976.07		234.10
Self - Insurance Funds	2,117,730.39	2,263.43	3,992.27		2,116,001.55
Balanced Housing	151,041.94			151,041.94	-
Neighborhood Preservation Program	114,691.06			114,376.06	315.00
State Law Enforcement Trust	87,468.86	216.60	71,793.61		15,891.85
Snow Removal	95,331.55	16,000.00	24,485.02		86,846.53
Vanaman Memorial Park Donations	602.00	400.00	150.00		852.00
Memorial in Patriot Park Donations	5,315.88		60.00		5,255.88
Parking Offenses Adjudication Act	5,290.00	1,128.00			6,418.00
COAH Fees	39.14	14,052.86	7,075.03		7,016.97
Millville Garden Rent Revenue	7,755.93				7,755.93
Neighborhood Opportunity Fund	118,913.79		108,742.62		10,171.17
Recreation Donations	5,059.70	150.00	300.00		4,909.70
Uniform Fire Safety Act	542.00	250.00			792.00
Employee Accumulated Absences	580,431.92	69,650.00			650,081.92
Reserve for Sheldon Estate Bequest	6,514.49	65.38			6,579.87
Payroll Taxes Payable		11,632,512.79	11,608,347.32		24,165.47
TTL Redemptions	420,965.39	1,218,465.79	1,329,411.40		310,019.78
	<u>\$ 4,357,506.27</u>	<u>13,243,940.74</u>	<u>13,423,584.24</u>	<u>265,418.00</u>	<u>3,912,444.77</u>

Exhibit B-6

**TRUST FUND  
SCHEDULE OF CDBG GRANT RECEIVABLE**

Balance December 31, 2013		\$	290,436.46
Increased by:			
Current Year Award	<u>236,250.00</u>		<u>236,250.00</u>
			526,686.46
Decreased by:			
Receipts	<u>227,691.88</u>		<u>227,691.88</u>
Balance December 31, 2014		\$	<u><u>298,994.58</u></u>

Exhibit B-7

**TRUST FUND  
SCHEDULE OF MORTGAGE RECEIVABLE - RESERVE FOR REHABILITATION PROJECTS**

Balance December 31, 2013		\$	144,957.50
Increased by:			
Loan Granted -	<u>-</u>		<u>-</u>
			144,957.50
Decreased by:			
Receipts	5,967.91		
Cancelled Loans	<u>4,186.94</u>		
			<u>10,154.85</u>
Balance December 31, 2014		\$	<u><u>134,802.65</u></u>

Exhibit B-8

**TRUST FUND  
SCHEDULE OF MORTGAGE RECEIVABLE - UDAG**

Balance December 31, 2013		\$	365,036.67
Increased by:			
Loan Granted -	<u>-</u>		<u>-</u>
			365,036.67
Decreased by:			
Receipts	87,158.82		
Cancelled Loans	<u>7,804.06</u>		
			<u>94,962.88</u>
Balance December 31, 2014		\$	<u><u>270,073.79</u></u>

Exhibit B-9

**TRUST FUND  
SCHEDULE OF MORTGAGES & LOANS RECEIVABLE - UEZ**

Balance December 31, 2013		\$	4,105,493.96
Increased by:			
Loan Granted - Wheaton Arts	<u>350,000.00</u>		<u>350,000.00</u>
			4,455,493.96
Decreased by:			
Receipts	343,955.54		
Cancelled Loans	<u>269,648.64</u>		
			<u>613,604.18</u>
Balance December 31, 2014		\$	<u><u>3,841,889.78</u></u>

Exhibit B-10

**TRUST FUND**  
**SCHEDULE OF HOME INVESTMENT PARTNERSHIP PROGRAM RECEIVABLE**

Balance December 31, 2013		\$	217,838.10
Increased by:			
Current Year Award	135,773.00		<u>135,773.00</u>
			353,611.10
Decreased by:			
Receipts	76,165.14		<u>76,165.14</u>
Balance December 31, 2014		\$	<u><u>277,445.96</u></u>

Exhibit B-11

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR CDBG FUNDS**

Balance December 31, 2013		\$	266,750.63
Increased by:			
Cash Receipts	9,100.00		
Current Year Award	236,250.00		<u>245,350.00</u>
			512,100.63
Decreased by:			
Cash Disbursed:			
Other	226,838.11		<u>226,838.11</u>
Balance December 31, 2014		\$	<u><u>285,262.52</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR REVOLVING LOAN FUND - UEZ**

Balance December 31, 2013	\$	1,549,868.14
Increased by:		
Cash Receipts:		
Loan Principal	343,955.54	
Loan Interest	43,601.54	
Interest on Investments	139.88	
		387,696.96
		1,937,565.10
Decreased by:		
Cash Disbursed:		
Realized as Debt Service Aid:		
Current Fund	112,039.00	
Water Utility Operating Fund	88,002.50	
Sewer Utility Operating Fund	75,755.53	
Other	195,375.01	
		471,172.04
Balance December 31, 2014	\$	1,466,393.06

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR UEZ 1st GENERATION PROJECT**

Balance December 31, 2013	\$	567,808.16
Increased by:		
Cash Receipts:		
Interest on Investments	346.42	
		346.42
		568,154.58
Decreased by:		
Cash Disbursed:		
Other	176,441.24	
		176,441.24
Balance December 31, 2014	\$	391,713.34

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR REVOLVING LOAN FUND - REHABILITATION PROGRAM**

Balance December 31, 2013	\$	137,219.52
Increased by:		
Cash Receipts:		
Loan Principal	5,967.91	
Loan Interest	1,076.80	
Interest on Investments	640.20	
	<u>                    </u>	<u>7,684.91</u>
		144,904.43
Decreased by:		
Cash Disbursed:		
Loans Issued		
Other	11,392.24	
	<u>                    </u>	<u>11,392.24</u>
Balance December 31, 2014	\$	<u><u>133,512.19</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR HOME INVESTMENT PARTNERSHIP PROGRAM**

Balance December 31, 2013	\$	168,436.03
Increased by:		
Current Year Award		
	<u>135,773.00</u>	<u>135,773.00</u>
		304,209.03
Decreased by:		
Cash Disbursed		
	<u>38,539.42</u>	<u>38,539.42</u>
Balance December 31, 2014	\$	<u><u>265,669.61</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR REVOLVING LOAN FUND - UDAG**

Balance December 31, 2013		\$	55,887.82
Increased by:			
Cash Receipts:			
Loan Principal	87,158.82		
Loan Interest	5,976.13		
Interest on Investments	12.68		
			93,147.63
			149,035.45
Decreased by:			
Cash Disbursed:			
Loans Issued			
Other	23,947.00		
			23,947.00
Balance December 31, 2014		\$	125,088.45

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2013		\$ 1,644,159.75
Increased by:		
Bond Anticipation Notes Issued	5,120,000.00	
Received from Revenue Allocation District	479,209.19	
Premium Received on Sale of BAN	9,319.12	
Due to Current Fund	980.47	
Due to Sewer Capital Fund	2,942.88	
Budget Appropriation:		
Capital Improvement Fund	50,000.00	
Payment of Bond Anticipation Notes	100,000.00	
	<hr/>	<hr/>
		5,762,451.66
		7,406,611.41
Decreased by:		
Improvement Authorizations	2,624,834.69	
Retained Percentage Due Contractor	140.80	
Anticipated as Current Fund Revenue	134,113.30	
Bond Anticipation Notes Paid	1,420,000.00	
	<hr/>	<hr/>
		4,179,088.79
Balance December 31, 2014		\$ <u><u>3,227,522.62</u></u>

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2013		Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
			Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$	855,612.58	362,775.33	\$					1,118,387.91
Capital Improvement Fund		319,561.73	50,000.00		100,000.00	19,000.00			350,561.73
Encumbrances Payable		1,153,321.93			1,153,321.93			1,345,984.60	1,345,984.60
Due to Federal & State Grant Fund		7.00							7.00
Due to Current Fund		399.33	980.47						1,379.80
Due to Sewer Capital		2,850.00	2,942.88						2,942.88
Reserve for Preliminary Expenses		140.80			140.80				2,850.00
Retained Percentage Due Contractor		1,330,706.88			34,113.30				-
Reserve for Payment of Debt									1,296,593.58
<u>Improvement Authorizations:</u>									
33-07 Acquisition of Computer Equipment & Technology		(40,916.70)							(40,916.70)
41-07 Improvements to Vacant Land & Environmental Remediation		(571,291.24)			(68,431.61)	239,352.73			(742,212.36)
10-08 Various Capital Improvements		(2,128.54)			(140.80)	140.80			(2,128.54)
12-08 Capital Expenditures for Public Purposes - Millville Gardens		(1,527.27)							(1,527.27)
15-08:34:08 Capital Expenditures for Public Purposes - Road Improvements		(32,687.90)							(32,687.90)
12-09 Various Capital Improvements & Acquisitions		(138,210.61)							(138,210.61)
8-10 Installation of Certain Capital Improvements - Kates Blvd.		2,428.41							2,428.41
19-12:36-12 Various Capital Improvements & Acquisitions		(115,980.88)							(115,980.88)
4-13 Capital Expenditures for Public Purposes - Road Improvements		(1,118,125.77)		3,800,000.00	1,532,629.39	1,104,091.07			45,153.77
02-07 Phase - Improvements to Center City Revenue Allocation District			125,752.98		7,455.78	2,400.00		19,000.00	125,752.98
33-14 Various Capital Improvements									9,144.22
	\$	1,644,159.75	542,451.66	\$	3,800,000.00	1,364,984.60	1,364,984.60	1,364,984.60	3,227,522.62

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

Balance December 31, 2013		\$ 319,561.73
Increased by:		
Budget Appropriation	50,000.00	50,000.00
		369,561.73
Decreased by:		
Improvement Authorizations Funded	19,000.00	19,000.00
Balance December 31, 2014		\$ 350,561.73

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

Balance December 31, 2013		\$ 14,437,326.84
Increased by:		
Transferred from Revenue Allocation District	5,525,000.00	
	5,525,000.00	19,962,326.84
Decreased by:		
Serial Bonds Paid	1,246,000.00	
Loan Principal Paid	52,747.62	
	1,298,747.62	18,663,579.22
Balance December 31, 2014		\$ <u>18,663,579.22</u>





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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Decreased	Transferred from Revenue Allocation District	Balance Dec. 31, 2014
			Date	Amount					
General Obligation Bonds of 2004	7/15/2004	5,374,000			\$	25,000.00	25,000.00		-
General Refunding Bonds of 2008	9/1/2008	3,756,000	9/1/2015	200,000	4.000%	2,851,000.00	200,000.00		2,651,000.00
			9/1/2016	200,000	5.000%				
			9/1/2017	250,000	5.000%				
			9/1/2018	250,000	5.000%				
			9/1/2019	275,000	4.000%				
			9/1/2020	275,000	4.000%				
			9/1/2021	275,000	4.000%				
			9/1/2022	300,000	4.000%				
General Obligation Bonds of 2011	11/1/11	5,639,000	9/1/2023	300,000	4.000%				
			9/1/2024	326,000	4.125%				
			11/1/2015	350,000	5.000%	4,939,000.00	350,000.00		4,589,000.00
			11/1/2016	350,000	5.000%				
			11/1/2017	500,000	5.000%				
			11/1/2018	500,000	5.000%				
			11/1/2019	500,000	5.000%				
			11/1/2020	500,000	5.000%				
General Refunding Bonds of 2012	9/5/2012	7,222,000	11/1/2021	600,000	5.000%				
			11/1/2022	600,000	3.000%				
			11/1/2023	689,000	3.000%				
			7/15/2015	1,270,000	2.000%	5,923,000.00	671,000.00		5,252,000.00
			7/15/2016	1,217,000	2.000%				
			7/15/2017	675,000	2.000%				
		7/15/2018	660,000	2.250%					
		7/15/2019	695,000	2.250%					
		7/15/2020	735,000	2.500%					

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Decreased	Transferred from Revenue Allocation District	Balance Dec. 31, 2014
			Date	Amount					
Revenue Allocation District Bonds	11/1/2011	7,025,000	11/1/2015	550,000	5.000%				
			11/1/2016	600,000	5.000%				
			11/1/2017	600,000	5.000%				
			11/1/2018	600,000	5.000%				
			11/1/2019	600,000	5.000%				
			11/1/2020	600,000	5.000%				
			11/1/2021	650,000	5.000%				
			11/1/2022	650,000	3.000%				
			11/1/2023	675,000	3.000%				
						<u>\$ 13,738,000.00</u>			
							<u>1,246,000.00</u>	<u>5,525,000.00</u>	<u>18,017,000.00</u>

**GENERAL CAPITAL FUND  
SCHEDULE OF LOANS PAYABLE**

Purpose	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
	Date	Amount				
Green Trust Loans	2015	53,807.85	2.00%	\$ 699,326.84	52,747.62	646,579.22
	2016	54,889.38	2.00%			
	2017	55,992.66	2.00%			
	2018	57,118.11	2.00%			
	2019	58,266.18	2.00%			
	2020	59,437.35	2.00%			
	2021	60,632.02	2.00%			
	2022	53,733.72	2.00%			
	2023	46,615.58	2.00%			
	2024	47,552.56	2.00%			
	2025	32,193.17	2.00%			
	2026	32,840.25	2.00%			
	2027	33,500.39	2.00%			
			\$ 699,326.84	52,747.62	646,579.22	

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

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Improvements to Vacant Land & Environmental Remediation	41-07	3/28/2018	12/5/2013	12/5/2014	1.250% \$	420,000.00		420,000.00	-
		3/28/2018	12/4/2014	8/4/2015	0.900%		320,000.00		320,000.00
Various Capital Improvements & Acquisitions	19-12:36-12	12/7/2012	12/5/2013	12/5/2014	1.250%	1,000,000.00		1,000,000.00	-
		12/7/2012	12/4/2014	8/4/2015	0.900%		1,000,000.00		1,000,000.00
Capital Expenditures for Public Purposes - Road Improvements	4-13	12/4/2014	12/4/2014	8/4/2015	0.900%		3,800,000.00		3,800,000.00
						\$ 1,420,000.00	5,120,000.00	1,420,000.00	5,120,000.00

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Transferred from Revenue Allocation District	Balance Dec. 31, 2014
33-07	Acquisition of Computer Equipment & Technology	\$ 41,000.00				41,000.00
41-07	Improvements to Vacant Land & Environmental Remediation	2,350,000.00				2,350,000.00
10-08	Various Capital Improvements	50,000.00				50,000.00
12-08	Capital Expenditures for Public Purposes - Millville Gardens	413,946.43				413,946.43
15-08	Capital Expenditures for Public Purposes - Road Improvements	37,000.00				37,000.00
12-09	Various Capital Improvements & Acquisitions	263,000.00				263,000.00
19-12:36-12	Various Capital Improvements & Acquisitions	266,000.00				266,000.00
4-13	Capital Expenditures for Public Purposes - Road Improvements	5,890,000.00		3,800,000.00		2,090,000.00
33-14	Various Capital Improvements		361,000.00			361,000.00
02-07	Phase - I Improvements to Center City Revenue Allocation District				839,000.00	839,000.00
		<u>\$ 9,310,946.43</u>	<u>\$ 361,000.00</u>	<u>\$ 3,800,000.00</u>	<u>839,000.00</u>	<u>6,710,946.43</u>

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

	Operating Fund	Assessment Fund	Capital Fund
Balance December 31, 2013	\$ 2,766,962.67	\$ 11,000.00	1,126,885.27
Increased by Receipts:			
Water Accounts Receivable	3,384,140.27		
Miscellaneous Revenue Anticipated	155,304.27		
Prior Year Protested Checks	7,069.32		
Overpaid Water Rents	5,522.77		
Refund of Prior Year's Expenditure	418.25		
Due from NJEIT			493,181.00
Due to Water Utility Operating	366.06		1,096.68
Due from Sewer Operating	455.78		
Due to Trust			
	3,553,276.72	-	494,277.68
	6,320,239.39	11,000.00	1,621,162.95
Decreased by Disbursements:			
Current Year Appropriation	2,639,291.56		
Prior Year Appropriations	94,345.64		
Encumbrances			514,709.97
Accounts Payable	25,422.77		
Improvement Authorizations			36,791.90
Accrued Interest on Bonds	420,405.34		
Due to Water Capital Fund	1,096.68		
Due from Current Fund	7,530.84		
Prior Year's Operating Surplus -			
Anticipated as Current Fund Revenue	201,586.00		
	3,389,678.83	-	551,501.87
Balance December 31, 2014	\$ 2,930,560.56	\$ 11,000.00	1,069,661.08

**WATER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Improvement Authorizations	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 80,131.36							80,131.36
Capital Improvement Fund	169,402.58							169,402.58
Reserve for Payment of Debt	566,388.65							566,388.65
Encumbrances Payable	514,709.97				514,709.97			-
Due from NJEIT	(952,100.63)	493,181.00						(458,919.63)
Due to Water Operating Fund	214.57	1,096.68				10,000.00		(8,688.75)
<u>Improvement Authorizations:</u>								
06-03 Construction of Treatment Plant for Airport Water Wells	208,555.68							208,555.68
43-04 Infrastructure Improvements to Airport Industrial Park	132,391.09							132,391.09
42-07 Replacement of Well #2						10,000.00		10,000.00
4-12 Capital Improvements for Water Utility	407,192.00		36,791.90					370,400.10
	<u>\$ 1,126,885.27</u>	<u>494,277.68</u>	<u>36,791.90</u>	<u>514,709.97</u>	<u>10,000.00</u>	<u>10,000.00</u>		<u>1,069,661.08</u>

**WATER UTILITY OPERATING FUND  
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2013		\$ 221,291.28
Increased by:		
Consumer Accounts Charges and Levies	3,398,810.19	
		3,398,810.19
		3,620,101.47
Decreased by:		
Collections	3,394,068.29	
Transfers to Liens	720.00	
		3,394,788.29
Balance December 31, 2014		\$ <u><u>225,313.18</u></u>

**WATER UTILITY OPERATING FUND  
SCHEDULE OF UTILITY LIENS**

Balance December 31, 2013		\$ 5,494.12
Increased by:		
Transferred from Consumer Accounts Receivable	720.00	
		720.00
		6,214.12
Decreased by:		
Collections	2,471.12	
Other	(24.19)	
		2,446.93
Balance December 31, 2014		\$ <u><u>3,767.19</u></u>

**WATER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 112,709.41	112,709.41	8,400.00	104,309.41
Other Expenses	239,975.50	239,975.50	89,588.34	150,387.16
Statutory Expenditures				
Contribution to:				
Social Security System (O.A.S.I.)	11,609.05	11,609.05	2,792.08	8,816.97
Disability Insurance	846.00	846.00	135.69	710.31
	<u>\$ 365,139.96</u>	<u>365,139.96</u>	<u>100,916.11</u>	<u>264,223.85</u>

**WATER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2013		55,480.01
Increased by:		
Budget Appropriations	417,832.01	
	417,832.01	417,832.01
		473,312.02
Decreased By:		
Payments of Debt Service Interest		420,405.34
		420,405.34
Balance December 31, 2014		52,906.68

Analysis of Accrued Interest December 31, 2013

Principal Outstanding December 31, 2014	Interest Rate	From	To	Days	Amount
1,880,000.00	Var	9/1/2014	12/31/2014	121	\$ 27,946.83
556,000.00	Var	11/1/2014	12/31/2014	60	4,180.00
156,000.00	2.00%	7/15/2014	12/31/2014	165	1,430.00
850,000.00	3.57%	8/1/2014	12/31/2014	150	12,645.95
440,000.00	4.57%	9/1/2014	12/31/2014	119	6,703.90
					\$ 52,906.68

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
06-03	Construction of Treatment Plant for Airport Water Wells	4/1/2003	1,500,000	208,555.68	101,560.00			208,555.68	101,560.00
43-04	Infrastructure Improvements to Airport Industrial Park	12/21/2004	2,000,000	132,391.09				132,391.09	-
61-05	Purchase of Vehicles and Apparatus	12/20/2005	80,000		12,332.82			-	12,332.82
14-06	Improvements/Upgrades to Existing Equipment and Infrastructure	4/18/2006	4,000,000		748,625.71			-	748,625.71
42-07	Replacement of Well #2	10/16/2007	475,000		13,326.69			-	13,326.69
4-12	Capital Improvements for Water Utility	2/21/2012	3,750,000	407,192.00	90,000.00		36,791.90	370,400.10	90,000.00
				<u>\$ 748,138.77</u>	<u>965,845.22</u>	<u>-</u>	<u>36,791.90</u>	<u>711,346.87</u>	<u>965,845.22</u>

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
Water Bonds 2004	7/15/2004	874,000				80,000.00	80,000.00	-
Water Bonds of 2008	9/1/2008	2,430,000	9/1/2015	100,000.00	4.00%			
			9/1/2016-2018	125,000.00	5.00%			
			9/1/2019-2021	125,000.00	4.00%			
			9/1/2022	130,000.00	4.00%			
			9/1/2023	150,000.00	4.00%			
			9/1/2024-2025	150,000.00	4.125%			
			9/1/2026-2028	150,000.00	4.250%	1,980,000.00	100,000.00	1,880,000.00
Water Bonds of 2011	11/1/2011	671,000	11/1/2016	50,000.00	5.00%			
			11/1/2017-2018	60,000.00	5.00%			
			11/1/2019-2021	70,000.00	5.00%			
			11/1/2022	70,000.00	3.00%			
			11/1/2023	66,000.00	3.00%	596,000.00	40,000.00	556,000.00
Water Refunding Bonds of 2012	9/5/2012	164,000	7/15/2015	82,000.00	2.00%	159,000.00	3,000.00	156,000.00
			7/15/2016	74,000.00	2.00%			
						<u>\$ 2,815,000.00</u>	<u>223,000.00</u>	<u>2,592,000.00</u>

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS**

Purpose	Maturities of Bonds Outstanding December 31, 2014		Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
	Date	Amount			
Series 2003A - Trust Loan	8/2015	\$ 35,000.00	\$ 885,000.00	35,000.00	850,000.00
	8/2016	35,000.00			
	8/2017	35,000.00			
	8/2018	40,000.00			
	8/2019	40,000.00			
	8/2020	40,000.00			
	8/2021	45,000.00			
	8/2022	45,000.00			
	8/2023	45,000.00			
	8/2024	50,000.00			
	8/2025	50,000.00			
	8/2026	50,000.00			
	8/2027	55,000.00			
	8/2028	55,000.00			
	8/2029	55,000.00			
	8/2030	60,000.00			
	8/2031	60,000.00			
8/2032	55,000.00				
Series 2003A - Fund Loan	2/2015	47,033.89	2,680,932.21	141,101.68	2,539,830.53
	8/2015	94,067.79			
	2/2016	47,033.89			
	8/2016	94,067.79			
	2/2017	47,033.89			
	8/2017	94,067.79			
	2/2018	47,033.89			
	8/2018	94,067.79			
	2/2019	47,033.89			
	8/2019	94,067.79			
	2/2020	47,033.89			
	8/2020	94,067.79			
	2/2021	47,033.89			
	8/2021	94,067.79			
	2/2022	47,033.89			
	8/2022	94,067.79			
	2/2023	47,033.89			
	8/2023	94,067.79			
	2/2024	47,033.89			
	8/2024	94,067.79			
	2/2025	47,033.89			
	8/2025	94,067.79			
	2/2026	47,033.89			
	8/2026	94,067.79			
	2/2027	47,033.89			
	8/2027	94,067.79			
	2/2028	47,033.89			
	8/2028	94,067.79			
2/2029	47,033.89				
8/2029	94,067.79				
2/2030	47,033.89				

**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS**

Purpose	Maturities of Bonds Outstanding December 31, 2014		Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
	Date	Amount			
Series 2003A - Fund Loan (Continued)	8/2030	94,067.79			
	2/2031	47,033.89			
	8/2031	94,067.79			
	2/2032	47,033.89			
	8/2032	94,068.08			
Series 2003A - Trust Loan	9/2015	40,000.00	480,000.00	40,000.00	440,000.00
	9/2016	40,000.00			
	9/2017	45,000.00			
	9/2018	45,000.00			
	9/2019	50,000.00			
	9/2020	50,000.00			
	9/2021	55,000.00			
	9/2022	55,000.00			
	9/2023	60,000.00			
Series 2003A - Fund Loan	3/2015	6,043.46	317,390.73	37,545.87	279,844.86
	9/2015	30,290.07			
	3/2016	5,558.53			
	9/2016	29,805.14			
	3/2017	5,073.60			
	9/2017	32,351.03			
	3/2018	4,500.77			
	9/2018	31,778.21			
	3/2019	3,921.13			
	9/2019	34,229.39			
	3/2020	3,163.42			
	9/2020	33,471.68			
	3/2021	2,405.71			
	9/2021	35,744.80			
	3/2022	1,655.58			
	9/2022	19,852.34			
			\$ 4,363,322.94	253,647.55	4,109,675.39

**WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Debt Issued	Balance Dec. 31, 2014
06-03	Construction of Treatment Plant for Airport Water Wells	\$ 101,560.00			101,560.00
61-05	Purchase of Vehicles and Apparatus	12,332.82			12,332.82
14-06	Improvements/Upgrades to Existing Equipment and Infrastructure	748,625.71			748,625.71
42-07	Replacement of Well #2	13,326.69		10,000.00	3,326.69
4-12	Capital Improvements for Water Utility	90,000.00			90,000.00
		<u>\$ 965,845.22</u>	<u>-</u>	<u>10,000.00</u>	<u>955,845.22</u>

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

	Operating Fund	Assessment Fund	Capital Fund
Balance December 31, 2013	\$ 3,596,865.54	\$ 60,599.82	537,316.94
Increased by Receipts:			
Sewer Accounts Receivable	5,911,316.59		
Miscellaneous Revenue Anticipated	44,401.14		
NJ UEZ - Debt Service Aid	75,755.53		
Overpaid Sewer Rents	7,687.89		
Sewer Assessments Receivable		650.00	
Due to Sewer Operating Fund			525.66
Bond Anticipation Notes Issued	6,039,161.15	650.00	1,616,772.00
	9,636,026.69	61,249.82	2,154,614.60
Decreased by Disbursements:			
Current Year Appropriation	4,700,368.47		
Prior Year Appropriations	205,345.68		
Net Encumbrances			(78,982.51)
Improvement Authorizations	120,316.10		296,784.38
Accounts Payable			625,000.00
Bond Anticipation Notes Paid	209,150.72		
Accrued Interest on Bonds	525.66		
Due to Sewer Capital Fund	366.06		
Due to Water Operating Fund	6,960.71		
Due to Current Fund	385,290.00		
Prior Year's Surplus Anticipated as Current Fund Revenue			
	5,628,323.40	-	842,801.87
Balance December 31, 2014	\$ 4,007,703.29	\$ 61,249.82	1,311,812.73

**SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 290,078.60							293,021.48
Capital Improvement Fund	301,951.59					2,942.88		401,951.59
Reserve for Payment of Debt	614,077.43					100,000.00		639,477.43
Reserve for Payment of Loan	20,145.00					25,400.00		20,145.00
Due to Sewer Utility Operating Fund	86.46	525.66					108,228.00	(107,615.88)
Due from General Capital	(67,811.75)						2,942.88	(2,942.88)
NJ EIT Loan Payable	30,410.62							(67,811.75)
Retained Percentage due Contractors	656,401.82				686,812.44			765,794.95
Contracts Payable							796,205.57	
<u>Improvement Authorizations:</u>								
22-2002 Environmental Investigation & Cleanup of Taxiway Pump Station	636.81			(195,564.28)				636.81
11-2003 Improvements to Wastewater Treatment Plant & Collection System	16,840.24							16,840.24
43-2004 Infrastructure Improvements to Airport Industrial Park	149,536.60							149,536.60
6-2008 Upgrades to Wastewater Collection System	(227,925.02)			300.00				(228,225.02)
7-2008:								
19-2009 Upgrades to Wastewater Treatment Plant - Phase I	(3,466.96)		616,772.00	(30,975.75)			8,228.00	1,543.66
11-2011 Capital Improvements	100,000.00							100,000.00
39-2012 Upgrades to Municipal Sewer Utility	(1,343,644.50)		1,000,000.00	(242,770.54)			569,665.54	(670,539.50)
	\$ 537,316.94	525.66	1,616,772.00	(469,010.57)	1,311,812.44	932,776.45	932,776.45	1,311,812.73

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

Balance December 31, 2013		\$ 392,599.58
Increased by Receipts:		
Consumer Accounts Charges and Levies	5,928,836.28	
		5,928,836.28
		6,321,435.86
Decreased by Disbursements:		
Collections	5,907,805.05	
Transfers to Liens	520.00	
		5,908,325.05
Balance December 31, 2014		\$ 413,110.81
	Current Balances	\$ 393,010.68
	Arrears	20,100.13
		\$ 413,110.81

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

Balance December 31, 2013		\$ 6,294.78
Increased by Receipts:		
Transferred from Consumer Accounts Receivable	520.00	
		520.00
		6,814.78
Decreased by Disbursements:		
Collections	3,511.54	
Other	(1,623.29)	
		1,888.25
Balance December 31, 2014		\$ 4,926.53

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 39,582.63	39,582.63	11,250.00	28,332.63
Other Expenses	511,592.24	511,592.24	283,698.16	227,894.08
Capital Improvements				
Capital Outlay	50,000.00	50,000.00	24,947.10	25,052.90
Statutory Expenditures				
Social Security System (O.A.S.I.)	5,849.13	5,849.13	3,756.59	2,092.54
Disability Insurance	2,000.00	2,000.00	180.93	1,819.07
	<u>\$ 609,024.00</u>	<u>609,024.00</u>	<u>323,832.78</u>	<u>285,191.22</u>
		Cash Disbursed	205,345.68	
		Accounts Payable	118,487.10	
			<u>323,832.78</u>	

**SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES**

Balance December 31, 2013		92,000.30
Increased by:		
Budget Appropriations	196,985.00	
		<u>196,985.00</u>
		288,985.30
Decreased By:		
Payments of Debt Service Interest		<u>209,150.72</u>
Balance December 31, 2014		<u><u>79,834.58</u></u>

Analysis of Accrued Interest December 31, 2014

	Principal Outstanding December 31, 2014	Interest Rate	From	To	Days	Amount
<u>Serial Bonds:</u>						
	1,280,000.00	4.250%	9/1/2014	12/31/2014	120	\$ 18,200.00
	2,375,000.00	4.500%	11/1/2014	12/31/2014	59	17,791.67
	602,000.00	2.000%	7/15/2014	12/31/2014	168	5,518.33
<u>Loans:</u>						
	195,000.00	5.250%	9/1/2014	12/31/2014	120	3,412.50
	13,314.88	0.000%	9/1/2014	12/31/2014	120	-
	450,000.00	5.574%	9/1/2014	12/31/2014	120	8,361.30
	187,736.50	0.000%	9/1/2014	12/31/2014	120	-
	860,000.00	4.568%	9/1/2014	12/31/2014	120	13,093.93
	651,791.81	0.000%	9/1/2014	12/31/2014	120	-
	885,000.00	4.205%	9/1/2014	12/31/2014	120	12,405.95
	2,453,625.00	0.000%	9/1/2014	12/31/2014	120	-
<u>BAN's:</u>						
	616,772.00	0.900%	12/4/2014	12/31/2014	26	400.90
	1,000,000.00	0.900%	12/4/2014	12/31/2014	26	650.00
	<u>11,570,240.19</u>					<u>\$ 79,834.58</u>

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

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Paid or Charged	Cancelled	Balance December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
22-2002	Environmental Investigation & Cleanup of Taxiway Pump Station	7/2/2002	2,000,000	\$ 636.81				636.81	
11-2003	Improvements to Wastewater Treatment Plant & Collection System	5/6/2003	2,900,000	16,840.24	50,000.00			16,840.24	50,000.00
43-2004	Infrastructure Improvements to Airport Industrial Park	12/21/2004	2,500,000	149,536.60				149,536.60	
6-2008	Upgrades to Wastewater Collection System	2/19/2008	3,150,000		72,074.98	300.00			71,774.98
7-2008:		2/19/2008:							
19-2009	Upgrades to Wastewater Treatment Plant - Phase I	6/16/2009	8,843,000		4,126,133.04	(30,410.62)	(4,155,000.00)		1,543.66
11-2011	Capital Improvements	8/2/2011	100,000	100,000.00				100,000.00	
39-2012	Upgrades to Municipal Sewer Utility	12/18/2012	9,822,500		8,478,855.50	326,895.00			8,151,960.50
				\$ 267,013.65	12,727,063.52	296,784.38	(4,155,000.00)	267,013.65	8,275,279.14



**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS**

Purpose	Maturities of Bonds Outstanding December 31, 2014		Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
	Date	Amount			
Series 1996A - Trust Loan	8/2015	\$ 95,000.00	\$ 285,000.00	90,000.00	195,000.00
	8/2016	100,000.00			
Series 1996A - Fund Loan	2/2015	2,953.48	73,877.44	60,562.56	13,314.88
	8/2015	10,361.40			
Series 1999A - Trust Loan	8/2015	80,000.00	525,000.00	75,000.00	450,000.00
	8/2016	85,000.00			
	8/2017	90,000.00			
	8/2018	95,000.00			
	8/2019	100,000.00			
Series 1999A - Fund Loan	2/2015	6,044.98	249,468.27	61,731.77	187,736.50
	8/2015	56,235.76			
	2/2016	4,664.73			
	8/2016	57,992.43			
	2/2017	3,198.22			
	8/2017	59,600.38			
Series 2003A - Trust Loan	9/2015	80,000.00	935,000.00	75,000.00	860,000.00
	9/2016	80,000.00			
	9/2017	85,000.00			
	9/2018	90,000.00			
	9/2019	95,000.00			
	9/2020	100,000.00			
	9/2021	105,000.00			
	9/2022	110,000.00			
	9/2023	115,000.00			
	Series 2003A - Fund Loan	3/2015			
9/2015		60,405.79			
3/2016		10,856.38			
9/2016		59,434.23			
3/2017		9,884.83			
9/2017		61,498.79			
3/2018		8,800.93			
9/2018		63,451.01			
3/2019		7,639.62			
9/2019		65,325.81			
3/2020		6,197.47			
9/2020		66,919.77			
3/2021		4,679.41			
9/2021		68,437.83			
3/2022		3,244.84			
9/2022		70,039.38			
3/2023		1,658.47			
9/2023	71,489.31				

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS**

Purpose	Maturities of Bonds Outstanding December 31, 2014		Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
	Date	Amount			
Series 2010A - Trust Loan	8/2015	\$ 45,000.00	\$ 925,000.00	40,000.00	885,000.00
	8/2016	45,000.00			
	8/2017	45,000.00			
	8/2018	50,000.00			
	8/2019	50,000.00			
	8/2020	55,000.00			
	8/2021	55,000.00			
	8/2022	60,000.00			
	8/2023	60,000.00			
	8/2024	65,000.00			
	8/2025	65,000.00			
	8/2026	70,000.00			
	8/2027	70,000.00			
	8/2028	75,000.00			
8/2029	75,000.00				
Series 2010A - Fund Loan	2/2015	54,525.00	2,617,200.00	163,575.00	2,453,625.00
	8/2015	109,050.00			
	2/2016	54,525.00			
	8/2016	109,050.00			
	2/2017	54,525.00			
	8/2017	109,050.00			
	2/2018	54,525.00			
	8/2018	109,050.00			
	2/2019	54,525.00			
	8/2019	109,050.00			
	2/2020	54,525.00			
	8/2020	109,050.00			
	2/2021	54,525.00			
	8/2021	109,050.00			
	2/2022	54,525.00			
	8/2022	109,050.00			
	2/2023	54,525.00			
	8/2023	109,050.00			
	2/2024	54,525.00			
	8/2024	109,050.00			
	2/2025	54,525.00			
	8/2025	109,050.00			
	2/2026	54,525.00			
	8/2026	109,050.00			
	2/2027	54,525.00			
	8/2027	109,050.00			
	2/2028	54,525.00			
	8/2028	109,050.00			
2/2029	54,525.00				
8/2029	109,050.00				
			<u>\$ 6,333,812.22</u>	<u>637,344.03</u>	<u>5,696,468.19</u>

**SEWER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Upgrades to Wastewater Treatment Plant - Phase I	7-08: 19-09	12/8/2011	12/5/2013	12/5/2014	1.25%	\$ 625,000.00	616,772.00	625,000.00	-
		12/8/2011	12/4/2014	8/4/2015	0.90%				616,772.00
Upgrades to Municipal Sewer Utility	39-2012	12/4/2014	12/4/2014	8/4/2015	0.90%		1,000,000.00		1,000,000.00
						\$ 625,000.00	1,616,772.00	625,000.00	1,616,772.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	Debt Issued	Cancelled	Balance Dec. 31, 2014
11-2003	Improvements to Wastewater Treatment Plant and Collection System	\$ 50,000.00			50,000.00
6-2008	Upgrades to Wastewater Collection System	300,000.00			300,000.00
7-2008:					
19-2009	Upgrades to Wastewater Treatment Plant - Phase I	4,129,600.00		4,129,600.00	-
39-2012	Upgrades to Municipal Sewer Utility	9,822,500.00	1,000,000.00		8,822,500.00
		<u>\$ 14,302,100.00</u>	<u>1,000,000.00</u>	<u>4,129,600.00</u>	<u>9,172,500.00</u>

**REVENUE ALLOCATION DISTRICT UTILITY FUND  
SCHEDULE OF CASH - TREASURER**

	Operating Fund	Capital Fund
Balance December 31, 2013	\$ 176,641.19	810,516.81
Increased by Receipts:		
Miscellaneous Revenue Anticipated	829,270.41	
Miscellaneous Revenue Not Anticipated	13,893.60	
Due from Current Fund	81,103.38	
Due from RAD Capital	57.62	
Due to RAD Operating - Interest Earned		445.65
	924,325.01	445.65
	1,100,966.20	810,962.46
Decreased by Disbursements:		
Current Year Appropriation	827,250.00	
Prior Year Appropriations	50.00	
Due to RAD Operating		331,753.27
Due to Current Fund		
Transferred to Current Fund	273,666.20	
Transferred to General Capital Fund		479,209.19
	1,100,966.20	810,962.46
Balance December 31, 2014	\$ -	-

**REVENUE ALLOCATION DISTRICT UTILITY CAPITAL FUND  
ANALYSIS OF CASH**

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014	
		Miscellaneous		Miscellaneous		From	To		
Fund Balance	\$ 684,706.21			353,456.21		331,250.00		(0.00)	
Due to Revenue Allocation District Operating Fund	57.62	445.65		331,753.27			331,250.00	-	
<u>Improvement Authorizations:</u>									
02-07 Phase-I Improvements to Center City Revenue Allocation District	125,752.98			125,752.98				-	
	\$ 810,516.81	445.65		810,962.46		331,250.00	331,250.00	(0.00)	

**REVENUE ALLOCATION DISTRICT UTILITY OPERATING FUND  
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR**

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charges	Balance Lapsed
Operating:				
Other Expenses	\$ 2,000.00	2,000.00	50.00	1,950.00
	<u>2,000.00</u>	<u>2,000.00</u>	<u>50.00</u>	<u>1,950.00</u>
	<u>\$ 2,000.00</u>	<u>2,000.00</u>	<u>50.00</u>	<u>1,950.00</u>



**REVENUE ALLOCATION DISTRICT UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2013		Authorizations Deferred Charges to Future Revenue	Transferred to General Capital Fund	Balance December 31, 2014	
				Funded	Unfunded			Funded	Unfunded
02-07	Phase-I Improvements to Center City Revenue Allocation District	2/6/2007	8,130,000	\$ 125,752.98	839,000.00		(964,752.98)	-	-
				\$ 125,752.98	839,000.00	-	(964,752.98)	-	-

**REVENUE ALLOCATION DISTRICT UTILITY CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2013	Decreased	Transferred to General Capital Fund	Balance Dec. 31, 2014
			Date	Amount					
Revenue Allocation									
District Utility Bonds	11/1/2011	\$ 7,025,000.00	11/1/2015	550,000.00	5.00%	6,075,000.00	550,000.00	(5,525,000.00)	-
			11/1/2016	600,000.00	5.00%				
			11/1/2017	600,000.00	5.00%				
			11/1/2018	600,000.00	5.00%				
			11/1/2019	600,000.00	5.00%				
			11/1/2020	600,000.00	5.00%				
			11/1/2021	650,000.00	5.00%				
			11/1/2022	650,000.00	3.00%				
			11/1/2023	675,000.00	3.00%				
						\$ 6,075,000.00	550,000.00	(5,525,000.00)	-

**REVENUE ALLOCATION DISTRICT UTILITY CAPITAL FUND  
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Transferred to General Capital Fund	Balance Dec. 31, 2014
02-07	Phase-I Improvements to Center City Revenue Allocation District	\$ 839,000.00		(839,000.00)	-
		<u>\$ 839,000.00</u>	<u>-</u>	<u>(839,000.00)</u>	<u>-</u>

**CITY OF MILLVILLE**

**PART II**

**GENERAL COMMENTS AND FINDINGS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2014**



## CITY OF MILLVILLE

### GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states, "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. Due to the City having a Qualified Purchasing Agent, pursuant to N.J.S.A. 40A:11-3(a), the maximum bid threshold is \$36,000.

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

Our examination of expenditures did not reveal any payments in excess of the bid threshold for the provision or performance of any goods or services, other than those where bids had been previously sought by public advertisement, awarded under state or county cooperative purchasing agreements, or awarded in compliance with other provisions of the "Local Public Contracts Law," N.J.S.A. 40A:11.

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

- Structural Stabilization & Stucco Restoration of Millville Bank – Phase IB
- Furnishing of Various Chemicals
- Uniforms
- Electrical Services
- Landscape Services
- Cleaning Services
- Fuel Dispensing
- Ford E 350
- Demolition of Property
- 2 Dodge Chargers
- 1 Dodge Durango
- Generator Maintenance
- Water & Sewer Department Supplies
- Road Reconstruction of 7<sup>th</sup> Street
- 2 Ford F 350 Trucks
- Wastewater Treatment Plant Upgrades
- Utility Pipe Fittings
- Construction of Sanitary Sewers & Retention Ponds

#### **Collection of Interest on Delinquent Taxes and Assessments**

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

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

**"BE IT RESOLVED** by the Board of Commissioners of the City of Millville, County of Cumberland, that pursuant to R.S. 54:4-67, the rate of interest to be charged for non-payment of taxes and/or assessments on or before the date when they would become delinquent is hereby fixed at 8 percent per annum on the first \$1,500 of delinquency and 18 percent per annum on any amount in excess of \$1,500."

**CITY OF MILLVILLE**

**GENERAL COMMENTS (Continued)**

**Delinquent Taxes and Tax Title Liens**

The tax sale was held and was complete.

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

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

<u>Year</u>	<u>Number</u>
2014	75
2013	65

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

**Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2014 and 2015 Taxes	10
Delinquent Taxes	5
Payment of Water Rents	10
Delinquent Water Rents	5
Payment of Sewer Rents	10
Delinquent Sewer Rents	5
Total	45

**Deposit of Municipal Funds**

N.J.S. 40A:5-15 states, "All municipal funds shall be deposited within 48 hours upon receipt."

Our examination has revealed that municipal funds were deposited within the mandated time.

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

**Comparative Schedule of Tax Rates**

		<b>2014</b>	<b>2013</b>	<b>2012</b>
Tax Rate	\$	3.228	3.183	3.135
Apportionment of Tax Rate:				
Municipal		1.266	1.258	1.261
County		1.207	1.190	1.150
Local School		0.755	0.735	0.724

**CITY OF MILLVILLE**

**GENERAL COMMENTS (Continued)**

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2014	\$ 1,470,934,168
2013	1,480,439,592
2012	1,473,939,664

**Comparison of Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
CY2014	\$ 47,925,631.59	\$ 46,705,619.57	97.45%
RP2013	24,020,483.42	23,239,435.04	96.75%
FY2013	47,892,470.56	46,649,670.56	97.41%

**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>
CY2014	\$ 601,587.58	\$ 892,609.98	\$ 1,494,197.56	3.12%
RP2013	480,728.67	848,202.24	1,328,930.91	N/A
FY2013	471,557.86	641,154.98	1,112,712.84	2.32%

**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, was as follows:

<u>Year</u>	<u>Amount</u>
CY2014	\$ 1,385,230
RP2013	1,385,230
FY2013	1,385,230

CITY OF MILLVILLE

**FINDINGS AND RECOMMENDATIONS**

**NONE**

In accordance with the Division of Local Government Services Regulations, a corrective action plan must be prepared and filed by the City in response to comments, if any.

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

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**CITY OF MILLVILLE**  
**PART III**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2014**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and  
Members of the City Commission  
City of Millville  
County of Cumberland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements – regulatory basis, as listed in the accompanying table of contents, of the City of Millville, State of New Jersey, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2015, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of Millville prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

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

*Michael S. Garcia*  
**Michael S. Garcia**  
**Certified Public Accountant**  
**Registered Municipal Accountant**  
**No. 472**

**June 19, 2015**



# FORD - SCOTT

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**INDEPENDENT AUDITOR'S REPORT**  
**ON COMPLIANCE WITH REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT ON**  
**EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**  
**IN ACCORDANCE WITH OMB CIRCULAR A-133 & NJ OMB CIRCULAR 04-04**

The Honorable Mayor and  
Members of City Commission  
City of Millville  
County of Cumberland, New Jersey

***Report on Compliance for Each Major State Program***

We have audited the City of Millville's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and NJ OMB 04-04 that could have a direct and material effect on each of the City of Millville's major state programs for the year ended December 31, 2014. The City of Millville's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Millville's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and NJ OMB 04-04. Those standards and OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Millville's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, the City of Millville complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2014.

### ***Report on Internal Control Over Compliance***

Management of the City of Millville is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Millville's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Millville's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and NJ OMB 04-04. Accordingly, this report is not suitable for any other purpose.

### ***Report on Schedule of Expenditures of State Financial Assistance as Required by NJ OMB 04-04***

We have audited the financial statements of the various funds and account group of the City of Millville as of and for the year ended December 31, 2014, and have issued our report thereon dated June 19, 2015, which was adverse due to being presented in accordance with the New Jersey Regulatory Basis of Accounting. Our report disclosed that, as described in Note 1 to the financial statements, the City of Millville prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state assistance is presented for purposes of additional analysis as required by OMB Circular A-133 and NJ OMB 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state assistance is fairly stated in all material respects in relation to the financial statements as a whole.

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

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**No. 472**

**June 19, 2015**

**CITY OF MILLVILLE**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

State Funding Department	Program	State Account Number	Grant Period From	Grant Period To	Program Receipts	Program Expenditures	Cumulative Expenditures
<b>Department of Commerce &amp; Economic Development</b>	NJ UEZ - 2013	763-020-2830-007	7/1/2013	Open	187,008.99	165,083.28	308,803.60
	NJ UEZ - 2014	763-020-2830-007	7/1/2015	Open	97,416.83	148,461.44	148,461.44
<b>Department of Community Affairs</b>	NJ Historic Preservation	N/A	Open	Open	88,822.28	136,900.00	184,225.00
<b>Department of Environmental Protection</b>	Recycling Tonnage Grant	2000-150-990120-50	Open	Open		92,948.98	728,852.22
	Clean Communities	4900-765-178-900-60	Open	Open	53,007.99	50,910.88	95,094.32
	Hazardous Discharge Site	HG307(C)P10413	Open	Open		(149,829.28)	155,829.28
<b>Department of Treasury</b>	Municipal Alliance Program	2000-475-995120-60	Open	Open	27,206.38	34,226.18	34,226.18
<b>Department of Law and Public Safety</b>	Body Armor Replacement Fund	1020-718-066-1020	Open	Open	6,404.59	15,698.73	15,698.73
	Aggressive Driver Program	N/A	Open	Open			
	Safe & Secure Communities	1020-789-066-1020	6/1/2013	6/30/2014			
	Safe & Secure Communities	1020-789-066-1020	6/1/2014	12/31/2014	90,000.00	68,448.12	90,000.00
	State Police EMS	N/A	01/01/12	12/31/12		44,409.22	44,409.22
	Over the Limit Under Arrest	N/A	01/01/12	12/31/12			
Drive Sober or Get Pulled Over	N/A		Open		15,665.41	15,665.41	
Drunk Driving Enforcement Fund	1110-448-031020-22004C		Open	Open			
<b>Total State Assistance</b>					\$ 549,867.06	\$ 622,922.96	\$ 1,821,265.40

**CITY OF MILLVILLE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2014**

**Note 1: General**

The accompanying schedule of expenditures of state financial assistance presents the activity of all state financial assistance programs of the City of Millville. The City is defined in Note 1 to the City's financial statements – regulatory basis.

**Note 2: Basis of Accounting**

The accompanying schedule of state assistance is presented using the modified accrual basis of accounting in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through separate funds, which differ from the funds required by accounting principles generally accepted in the United States of America (GAAP).

**Note 3: Relationship to General-Purpose Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements – regulatory basis. The financial statements – regulatory basis present the Grant Fund on a budgetary basis. The Grant Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

	<u>State</u>
Current Fund	\$ 622,922.96
Total Financial Assistance	\$ <u>622,922.96</u>

**Note 4: Relationship to State Financial Reports**

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

**CITY OF MILLVILLE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2014**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: **Adverse GAAP Opinion**  
**Unqualified Regulatory Basis Opinion**

Internal control over financial reporting:

- 1) Material Weakness identified? **NO**
- 2) Significant Deficiencies? **NONE REPORTED**

Non-Compliance material to Financial Statements – Regulatory Basis noted? **NO**

**State Awards**

Internal control over major programs:

- 1) Material Weakness identified? **NO**
- 2) Significant Deficiencies identified? **NONE REPORTED**

Type of auditor's report issued on compliance for major programs: **Unqualified Opinion**

Any audit findings disclosed that are required to be reported in accordance with OMB A-133 or NJ OMB 04-04? **NO**

Identification of major programs: **NJ UEZ – 2013 & 2014**  
**763-020-2830-007**

Dollar threshold used to distinguish between Type A and Type B Programs: **\$300,000**

Auditee qualified as low-risk Auditee? **YES**

**CITY OF MILLVILLE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING DECEMBER 31, 2014**  
**(CONTINUED)**

**Federal Awards**

NOT APPLICABLE

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS – REGULATORY BASIS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no finding relating to the financial statements – regulatory basis that is required to be reported under this section.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AND STATE AWARDS**

**Federal:** NOT APPLICABLE

**State:** Our audit disclosed no material Findings or Questioned Costs.

**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year findings.