CITY OF MILLVILLE

REPORT OF AUDIT

FOR THE YEAR ENDED

DECEMBER 31, 2016

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CITY OF MILLVILLE

PART I

REPORT ON AUDIT OF

FINANCIAL STATEMENTS - REGULATORY BASIS

FOR THE YEAR ENDED

DECEMBER 31, 2016

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, 2016 and 2015, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the City of 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, 2016 and 2015, 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, 2016 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 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 16, 2017 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 16, 2017

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EXHIBIT - A
CURRENT FUND

Exhibit A
Sheet 1

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

ASSETS		2016	2015
Regular Fund:			
Cash:			
Cash Treasurer	$	18,058,526.03	18,710,099.40
Cash - Change		2,200.00	2,200.00
Total Cash		18,060,726.03	18,712,299.40
Other Receivables:			
Due from State - Chapter 20 P.L. 1971		44,562.01	43,408.04
Total Other Receivables		44,562.01	43,408.04
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable		1,133,582.11	1,074,774.92
Tax Title and Other Liens		274,634.93	390,232.33
Property Acquired for Taxes - at Assessed Valuation		3,892,700.00	3,392,700.00
Revenue Accounts Receivable		20,945.49	19,182.32
Protested Checks Receivable		-	8,504.40
Due from Bank		2,314.17	2,314.17
Interfund Receivable:			
Animal Control Fund		13.53	7.22
Trust Other		-	49,016.99
Grant Fund		-	5,325.61
Water Utility Operating		178.40	-
Sewer Utility Operating		550.60	1,454.20
Total Receivables and Other Assets		5,324,919.23	4,943,512.16
Deferred Charges:			
Emergency Appropriation		-	185,000.00
Total Deferred Charges		-	185,000.00
Total Regular Fund		23,430,207.27	23,884,219.60
Federal and State Grant Fund:			
Cash		1,098,429.26	1,220,051.76
Federal and State Grants Receivable		2,179,242.64	2,450,324.93
Total Federal and State Grant Fund		3,277,671.90	3,670,376.69
Total Current Fund	$	26,707,879.17	27,554,596.29

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

Exhibit A
Sheet 2

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

LIABILITIES, RESERVES AND FUND BALANCE		2016	2015
Regular Fund:			
Liabilities:			
Appropriation Reserves	$	2,502,081.84	1,945,027.85
Reserve for Encumbrances		531,521.97	485,929.60
Accounts Payable		258,751.78	230,257.12
Prepaid Taxes		365,337.04	356,024.86
Overpaid Taxes		93,255.30	5,508.81
Local School Tax Payable		2,691,565.74	2,701,565.43
County Added Tax Payable		28,819.90	42,708.91
Due to State:			
Marriage Licenses		429.00	748.00
Burial Fees		15.00	20.00
Interfund Payable:			
Trust Other		2,200.00	962.59
Payroll Trust		2,753.70	-
Grant Fund		-	7.00
Water Operating Fund		-	8,117.42
Other Reserves			
Tax Appeals		2,617,628.84	2,584,796.72
Insurance Proceeds		147,330.32	151,397.57
Sale of Municipal Asset Proceeds		127,790.00	127,790.00
		9,369,480.43	8,640,861.88
Reserve for Receivables and Other Assets		5,324,919.23	4,943,512.16
Fund Balance		8,735,807.61	10,299,845.56
Total Regular Fund		23,430,207.27	23,884,219.60
Federal and State Grant Fund:			
Unappropriated Reserves		-	80,800.17
Appropriated Reserves		3,136,273.47	3,578,871.26
Accounts Payable		5,386.65	5,386.65
Encumbrances Payable		136,011.78	-
Due to Current Fund		-	5,318.61
Total Federal and State Grant Fund		3,277,671.90	3,670,376.69
Total Current Fund	$	26,707,879.17	27,554,596.29

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

Exhibit A - 1
Sheet 1

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

	Year 2016	Year 2015
Revenue and Other Income Realized		
Fund Balance	$ 5,862,830.00	5,638,730.00
Miscellaneous Revenue Anticipated	9,133,466.56	9,619,854.15
Receipts from Delinquent Taxes	758,955.29	909,923.27
Receipts from Current Taxes	47,471,646.14	46,596,724.48
Non Budget Revenue	373,628.93	643,374.51
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,754,971.49	2,049,823.28
Interfund Returned	55,061.49	100,160.18
Accounts Payable Cancelled	-	68,243.92
Refund of Prior Year's Expenditures	-	40,925.59
Cancelled Prior Year Stale Dated Checks	752.86	-
Cancellation of Trust Fund Reserves	-	49,473.41
Total Income	65,411,312.76	65,717,232.79
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	11,421,778.14	12,047,304.00
Other Expenses	12,036,195.00	11,605,681.00
Deferred Charges & Statutory Expenditures	2,770,719.00	2,516,981.34
Appropriations Excluded from "CAPS"		
Operations:		
Other Expenses	1,511,835.23	2,346,921.18
Capital Improvements	50,000.00	635,000.00
Debt Service	3,222,506.89	3,246,161.73
Deferred Charges	185,000.00	-
Local District School Tax	11,772,394.00	11,319,609.00
County Tax	18,074,643.74	17,590,438.59
County Share of Added Tax	28,819.90	42,708.91
Refund of Prior Year's Revenue	29,818.63	-
Other:		
Prior Year's Deduction Disallowed	8,810.18	8,726.71
Cancelled Grant Balances	-	49,009.50
Total Expenditures	61,112,520.71	61,408,541.96

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 2016	Year 2015
Excess/(Deficit) in Revenue	$	4,298,792.05	4,308,690.83
Adjustments to Income before Fund Balance:			
None			
Expenditures included above which are by Statute Deferred Charges to Budgets of Succeeding Year			
Emergency Appropriation		-	185,000.00
Total Adjustments		-	185,000.00
Statutory Excess to Fund Balance		4,298,792.05	4,493,690.83
Fund Balance January 1		10,299,845.56	11,444,884.73
		14,598,637.61	15,938,575.56
Decreased by:			
Utilization as Anticipated Revenue		5,862,830.00	5,638,730.00
Fund Balance December 31	$	8,735,807.61	10,299,845.56

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

Exhibit A-2

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

	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 5,862,830.00		5,862,830.00	-
Total Fund Balance Anticipated	5,862,830.00	-	5,862,830.00	-
Miscellaneous Revenues:				
Section A: Local Revenues				
Licenses:				
Alcoholic Beverages	14,500.00		14,814.00	314.00
Other	18,000.00		20,377.00	2,377.00
Fees and Permits	350,000.00		956,927.35	606,927.35
Fines and Costs:				
Municipal Court	371,000.00		374,896.25	3,896.25
Interest and Costs on Taxes	175,000.00		181,379.85	6,379.85
Interest on Investments and Deposits	80,000.00		87,002.00	7,002.00
Manufactured Homes Annual Service Fee	230,000.00		238,537.83	8,537.83
Cable Franchise Fee	80,000.00		94,771.82	14,771.82
Rent - Millville Library	176,680.00		176,680.00	-
Total Section A: Local Revenues	1,495,180.00	-	2,145,386.10	650,206.10
Section B: State Aid Without Offsetting Appropriations				
Consolidated Municipal Property Tax Relief Aid	219,204.00		219,204.00	-
Energy Receipts Tax	4,000,669.00		4,000,669.00	-
Open Space PILOT AID (Garden State Trust)	29,852.00		29,852.00	-
Total Section B: State Aid Without Offsetting Appropriations	4,249,725.00	-	4,249,725.00	-

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

Exhibit A-2

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

	Anticipated			Excess or
	Budget	N.J.S. 40A:4-87	Realized	(Deficit)
Section C: Uniform Construction Code Fees				
Uniform Construction Code Fees	100,000.00		159,965.00	59,965.00
Total Section C: Uniform Construction Code Fees	100,000.00	-	159,965.00	59,965.00
Section D: Interlocal Service Agreements				
Millville Board of Education - Gasoline	20,000.00		8,457.22	(11,542.78)
Shared Services - Tax Assessor	29,000.00		29,004.00	4.00
Total Section D: Interlocal Service Agreements	49,000.00	-	37,461.22	(11,538.78)
Section F: Special Items - Public and Private Programs				
Off-Set with Appropriations				
Municipal Alliance on Alcoholism and Drug Abuse		31,594.00	31,594.00	-
Drunk Driving Enforcement Fund		12,967.47	12,967.47	-
Clean Communities Program		73,663.92	73,663.92	-
Safe & Secure Communities Program		90,000.00	90,000.00	-
Drive Sober or Get Pulled Over		5,000.00	5,000.00	-
Click it or Ticket		5,000.00	5,000.00	-
Bullet Proof Vest Partnership		4,755.97	4,755.97	-
Local Law Enforcement Grant		22,026.00	22,026.00	-
Body Armor Grant		6,434.70	6,434.70	-
Recycling Tonnage Grant		80,800.17	80,800.17	-
Total Section F: Special Items - Public and Private Programs Off-Set with Appropriations	-	332,242.23	332,242.23	-

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

Exhibit A-2

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

	Anticipated Budget	Anticipated N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Section G: Other Special Items				
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	83,000.00		83,473.42	473.42
PILOT - Abatements	475,000.00		574,039.29	99,039.29
Hotel Motel Tax	125,000.00		141,058.45	16,058.45
PILOT - Housing Authority	75,670.00		79,219.13	3,549.13
PILOT - Senior Center	33,359.00		34,031.72	672.72
NJ UEZ - Debt Service Aid	622,269.00		622,269.00	-
Reserve for Payment of Debt	87,720.00		87,720.00	-
Total Section G: Other Special Items	2,088,894.00	-	2,208,687.01	119,793.01
Total Miscellaneous Revenues:	7,982,799.00	332,242.23	9,133,466.56	818,425.33
Receipts from Delinquent Taxes	652,000.00		758,955.29	106,955.29
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	18,634,053.00		19,855,591.36	1,221,538.36
Total Amount to be Raised by Taxes for Support of Municipal Budget	18,634,053.00	-	19,855,591.36	1,221,538.36
Budget Totals	33,131,682.00	332,242.23	35,610,843.21	2,146,918.98
Non- Budget Revenues:				
Other Non- Budget Revenues:			373,628.93	373,628.93
	$ 33,131,682.00	332,242.23	35,984,472.14	2,520,547.91

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

Exhibit A - 2

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

Analysis of Realized Revenues		
Allocation of Current Tax Collections:		
Revenue from Collections		$ 47,471,646.14
Less: Reserve for Tax Appeals Pending		-
Net Revenue from Collections		47,471,646.14
Allocated to:		
School, County and Other Taxes		29,875,857.64
Balance for Support of Municipal Budget Appropriations		17,595,788.50
Increased by:		
Appropriation "Reserved for Uncollected Taxes"		2,259,802.86
Amount for Support of Municipal Budget Appropriations		19,855,591.36
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	744,957.71	
Tax Title Lien Collections	13,997.58	
Total Receipts from Delinquent Taxes		758,955.29
Analysis of Non-Budget Revenue:		
Miscellaneous Revenue Not Anticipated:		
Sale of Maps	36.00	
Photo Copies	234.65	
Lot Cleaning Assessments	118,895.33	
Firearm Registration	2,263.00	
Sale of Municipal Assets	20,747.00	
Accident Reports	147.50	
Confiscated Funds	1,789.57	
Cost of Tax Sale	26,600.69	
MRNA - RAD Revenue	3,277.50	
Sprint Rent Proceeds	34,287.58	
T - Mobile Rent Proceeds	23,335.60	
AT & T Rent Proceeds	31,429.55	
Senior & Vets Admin Fee	5,451.83	
FEMA	20,524.93	
RAD Revenue	3,277.50	
Miscellaneous	81,330.70	
Total Miscellaneous Revenue Not Anticipated:		$ 373,628.93

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

Exhibit A - 3

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration						
Salaries and Wages	$ 49,000.00	49,000.00	47,217.88		1,782.12	0.00
Other Expenses	20,214.00	18,614.00	3,171.59		15,442.41	-
Human Resources						
Salaries and Wages	106,500.00	106,500.00	99,806.15		6,693.85	-
Other Expenses	14,375.00	14,375.00	6,090.32		8,284.68	-
Board of Commissioners						
Salaries and Wages	71,000.00	71,000.00	59,942.09		11,057.91	-
Other Expenses	7,920.00	7,920.00	2,941.09		4,978.91	-
Municipal Clerk's Office						
Salaries and Wages	336,500.00	336,500.00	320,854.96		15,645.04	(0.00)
Other Expenses	61,285.00	62,885.00	55,988.97	4,262.65	2,633.38	-
Financial Administration						
Salaries and Wages	442,000.00	442,000.00	397,420.81		44,579.19	(0.00)
Other Expenses	43,850.00	43,850.00	32,857.03	3,895.06	7,097.91	-
Annual Audit	50,000.00	50,000.00			50,000.00	-
Information Systems						
Salaries and Wages	45,000.00	33,000.00	25,338.11		7,661.89	-
Other Expenses	134,300.00	116,300.00	55,911.76	36,998.98	23,389.26	-
Collection of Taxes						
Salaries and Wages	166,000.00	166,000.00	164,973.62		1,026.38	0.00
Other Expenses	28,050.00	28,050.00	22,001.00	271.50	5,777.50	-
Assessment of Taxes						
Salaries and Wages	185,500.00	185,500.00	181,759.84		3,740.16	0.00
Other Expenses	119,400.00	79,400.00	32,319.15	4,218.36	42,862.49	-
Legal Services and Costs						
Other Expenses	308,250.00	348,250.00	341,189.44	6,078.93	981.63	(0.00)
Municipal Court						
Salaries and Wages	360,000.00	360,000.00	357,573.12		2,426.88	0.00
Other Expenses	58,750.00	58,750.00	47,488.99	433.84	10,827.17	-
Public Defender						
Other Expenses	37,500.00	37,500.00	31,011.90	2,062.50	4,425.60	-

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, 2016

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Engineering Services and Costs						
Salaries and Wages	256,000.00	206,000.00	203,458.54		2,541.46	(0.00)
Other Expenses	35,000.00	85,000.00	63,573.91	8,975.42	12,450.67	-
Economic Development						
Other Expenses	30,000.00	30,000.00	28,610.53	1,387.47	2.00	0.00
LAND USE ADMINISTRATION						
Planning/Community Development						
Other Expenses	52,600.00	52,600.00	13,269.53	10,492.67	28,837.80	-
Planning Board						
Salaries and Wages	23,000.00	23,000.00	19,287.30		3,712.70	-
Other Expenses	28,350.00	28,350.00	27,159.48	22.75	1,167.77	-
Zoning Board of Adjustment						
Salaries and Wages	30,000.00	30,000.00	29,239.55		760.45	-
Other Expenses	19,600.00	19,600.00	11,197.11	23.82	8,379.07	-
Bureau of Permits and Inspections						
Salaries and Wages	255,000.00	255,000.00	199,985.31		55,014.69	-
Other Expenses	108,450.00	108,450.00	62,325.06	24,337.66	21,787.28	-
INSURANCE						
Surety Bond Premiums	5,000.00	5,000.00	1,250.00		3,750.00	-
General Liability	365,000.00	365,000.00	345,995.58		19,004.42	-
Workers Compensation Insurance	950,000.00	950,000.00	864,149.12		85,850.88	-
Employee Group Health	4,531,087.00	4,531,087.00	4,141,169.76		389,917.24	-
Health Benefit Waiver	50,200.00	50,200.00	50,200.00			-
PUBLIC SAFETY						
Police						
Salaries and Wages	6,405,178.14	6,405,178.14	5,968,658.78	100,000.00	336,519.36	(0.00)
Other Expenses	482,100.00	482,100.00	347,054.37	129,354.65	5,690.98	0.00
Office of Emergency Management						
Salaries and Wages	15,000.00	15,000.00	14,194.56		805.44	-
Other Expenses	20,175.00	20,175.00	12,477.07	2,073.34	5,624.59	-
Aid to Volunteer Ambulance Companies	105,000.00	105,000.00	105,000.00			-
Fire Department						
Salaries and Wages	971,900.00	971,900.00	964,574.29		7,325.71	(0.00)
Other Expenses	101,500.00	119,500.00	85,774.97	29,553.49	4,171.54	-

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

Exhibit A - 3

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Municipal Prosecutor's Office						
Other Expenses	74,000.00	74,000.00	49,537.53	5,250.00	19,212.47	-
Uniform Fire Safety Act						
Salaries and Wages	43,500.00	43,500.00	30,720.14		12,779.86	-
Other Expenses	25,100.00	25,100.00	23,664.02	1,086.79	349.19	-
PUBLIC WORKS						
Streets and Road Maintenance						
Salaries and Wages	824,000.00	824,000.00	714,192.91		109,807.09	-
Other Expenses	196,350.00	208,350.00	189,822.22	11,177.32	7,350.46	(0.00)
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	4,690.00	1,960.00	350.00	-
Solid Waste and Recycling Collection						
Salaries and Wages	7,500.00	7,500.00	1,740.63		5,759.37	-
Other Expenses	996,214.00	996,214.00	766,289.08	95,732.33	134,192.59	-
Solid Waste and Recycling-Apartments	15,000.00	15,000.00	14,593.20	331.10	75.70	(0.00)
Public Buildings and Grounds						
Salaries and Wages	112,000.00	112,000.00	106,135.63		5,864.37	-
Other Expenses	173,125.00	173,125.00	124,878.25	31,090.59	17,156.16	-
Fleet Management						
Salaries and Wages	168,000.00	168,000.00	163,680.05		4,319.95	0.00
Other Expenses	21,450.00	21,450.00	17,227.38	651.59	3,571.03	-
HEALTH AND HUMAN SERVICES						
Animal Control Services						
Salaries and Wages	63,000.00	63,000.00	58,118.11		4,881.89	-
Other Expenses	36,000.00	36,000.00	35,196.70	776.00	27.30	0.00
Contributions to Social Services Agencies	6,900.00	6,900.00	6,900.00			-
PARKS AND RECREATION						
Recreation Services and Programs						
Salaries and Wages	86,000.00	86,000.00	81,200.80		4,799.20	-
Other Expenses	56,950.00	56,950.00	49,617.21	1,052.50	6,280.29	-

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, 2016

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Federal and State Downtown Maintenance						
Salaries and Wages	29,000.00	29,000.00	28,917.15		82.85	(0.00)
Other Expenses	36,000.00	36,000.00	25,605.62	918.35	9,476.03	-
Park and Playgrounds						
Salaries and Wages	216,000.00	216,000.00	205,691.30		10,308.70	-
Other Expenses	132,900.00	132,900.00	111,431.81	8,370.11	13,098.08	-
Celebration of Public Events						
Other Expenses	31,250.00	31,250.00	19,992.69		11,257.31	-
UNIFORM CONSTRUCTION CODE-N.J.S.A. 5:23-4.17						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	66,000.00	66,000.00	51,146.64		14,853.36	-
Other Expenses	26,200.00	26,200.00	20,645.99	211.01	5,343.00	-
Elevator Inspector						
Other Expenses	15,000.00	15,000.00	4,168.00		10,832.00	-
UNCLASSIFIED						
Reserve for Payment of Unused Accumulated Sick	100,000.00	100,000.00	100,000.00			-
Electricity	487,950.00	487,950.00	344,779.67		143,170.33	-
Street Lighting	659,000.00	659,000.00	578,542.19	5,502.19	74,955.62	-
Telephone	241,350.00	241,350.00	209,988.27		31,361.73	-
Natural Gas	87,900.00	87,900.00	56,328.40		31,571.60	-
Gasoline	260,000.00	260,000.00	116,926.73		143,073.27	-
Landfill/Solid Waste Disposal Costs	668,800.00	668,800.00	524,271.82	2,969.00	141,559.18	-
TOTAL OPERATIONS WITHIN "CAPS"	23,455,973.14	23,455,973.14	20,682,102.74	531,521.97	2,242,348.43	(0.00)
Contingent	2,000.00	2,000.00			2,000.00	-

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

Exhibit A - 3

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	23,457,973.14	23,457,973.14	20,682,102.74	531,521.97	2,244,348.43	(0.00)
Detail:						
Salaries and Wages	11,483,778.14	11,421,778.14	10,647,028.23	100,000.00	674,749.91	(0.00)
Other Expenses	11,974,195.00	12,036,195.00	10,035,074.51	431,521.97	1,569,598.52	(0.00)
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						
Contributions to:						
Public Employees' Retirement System	637,201.00	637,201.00	637,201.00			-
Social Security System (O.A.S.I.)	500,000.00	500,000.00	430,531.73		69,468.27	-
Police and Firemen's Retirement System	1,614,518.00	1,614,518.00	1,614,518.00			-
Unemployment Compensation Insurance	16,000.00	16,000.00			16,000.00	-
Defined Contribution Retirement Program	3,000.00	3,000.00			3,000.00	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	2,770,719.00	2,770,719.00	2,682,250.73	-	88,468.27	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	26,228,692.14	26,228,692.14	23,364,353.47	531,521.97	2,332,816.70	(0.00)
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Employee Group Health Insurance	77,413.00	77,413.00			77,413.00	-
Tax Appeal Refunds	200,000.00	200,000.00	200,000.00			-
Interest on Tax Appeals	10,000.00	10,000.00			10,000.00	-
Aid to Library (N.J.S.A. 40:54-35)	689,680.00	689,680.00	689,680.00			-
Recycling Tax	40,000.00	40,000.00	26,240.67		13,759.33	-
Length of Service Awards Program	30,000.00	30,000.00	16,100.00		13,900.00	-
						-

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, 2016

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Shared Service Agreements						
Millville Board of Education-Gasoline	20,000.00	20,000.00	7,908.69		12,091.31	-
Millville Board of Education-Information Technology	33,500.00	33,500.00	33,500.00	-		-
Tax Assessor Shared Service with Upper Deerfield	29,000.00	29,000.00	29,000.00			-
	1,129,593.00	1,129,593.00	1,002,429.36	-	127,163.64	-
(A) Public and Private Programs Off-Set by Revenues						
Clean Communities		73,663.92	73,663.92			-
Drunk Driving Enforcement Fund	-	12,967.47	12,967.47			-
Matching Funds for Grants	50,000.00	50,000.00	7,898.50		42,101.50	-
Click it or Ticket		5,000.00	5,000.00			-
Drive Sober or Get Pulled Over		5,000.00	5,000.00			-
Body Armor Grant		6,434.70	6,434.70			-
Bulletproof Vest Partnership		4,755.97	4,755.97			-
Edward Bryne Justice Assistance Grant Program		22,026.00	22,026.00			-
Safe & Secure		90,000.00	90,000.00			-
Municipal Alliance on Alcoholism and Drug Abuse		31,594.00	31,594.00			-
Recycling Tonnage Grant		80,800.17	80,800.17			-
Total Public and Private Programs Off-Set by Revenues	50,000.00	382,242.23	340,140.73	-	42,101.50	-

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

Exhibit A - 3

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

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Total Operations - Excluded from "CAPS"	1,179,593.00	1,511,835.23	1,342,570.09	-	169,265.14	-
Detail:						
Other Expenses	1,179,593.00	1,511,835.23	1,342,570.09	-	169,265.14	-
(C) Capital Improvements						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			-
Total Capital Improvements	50,000.00	50,000.00	50,000.00	-	-	-
(D) Debt Service						
Payment of Bond Principal	2,367,000.00	2,377,000.00	2,377,000.00			-
Payment of Bond Anticipation Notes and Capital Notes	110,549.00	110,549.00	110,549.00			-
Interest on Bonds	600,570.00	590,570.00	584,792.08			5,777.92
Interest on Notes	84,000.00	84,000.00	83,694.07			305.93
Green Trust Loan Program:						-
Loan Repayments for Principal and Interest	66,475.00	66,475.00	66,471.74			3.26
Total Debt Service	3,228,594.00	3,228,594.00	3,222,506.89	-	-	6,087.11
(E) Deferred Charges - Municipal						
Emergency Authorizations	185,000.00	185,000.00	185,000.00			-

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, 2016

	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"	4,643,187.00	4,975,429.23	4,800,076.98	-	169,265.14	6,087.11
SUBTOTAL GENERAL APPROPRIATIONS	30,871,879.14	31,204,121.37	28,164,430.45	531,521.97	2,502,081.84	6,087.11
(M) Reserve for Uncollected Taxes	2,259,802.86	2,259,802.86	2,259,802.86			-
TOTAL GENERAL APPROPRIATIONS	$ 33,131,682.00	33,463,924.23	30,424,233.31	531,521.97	2,502,081.84	6,087.11

Budget	$ 33,131,682.00	Cancelled	$ 6,087.11
Appropriations by 40A:4-87	332,242.23	Overexpended	(0.00)
Emergency Appropriations			$ 6,087.11
	$ 33,463,924.23		

Reserve for Uncollected Taxes	$ 2,259,802.86
Reserve for Tax Appeals	200,000.00
Federal and State Grants	340,140.73
Deferred Charges	185,000.00
Disbursements	27,439,289.72
	$ 30,424,233.31

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

EXHIBIT - B
TRUST FUND

Exhibit B

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

ASSETS		2016	2015
Animal Control Fund:			
Cash	$	23,315.11	21,029.74
Protested Checks		49.00	28.00
		23,364.11	21,057.74
Other Funds:			
Cash - Community Development Trust		202,698.75	321,470.59
Cash - Other Trust		5,455,117.84	5,888,047.41
Cash - Payroll Trust		163,008.11	72,751.59
Due from Water Utility Fund - Payroll		3,348.83	1,992.44
Due from Sewer Utility Fund - Payroll		-	38.38
Due from Current Fund - UDAG		-	1,040.00
Due from Current Fund - Payroll Trust		2,753.70	276.38
Due from Current Fund - Trust Other		2,200.00	-
Due from CDBG Trust - Trust Other		1,109.86	-
Due from CDBG Trust - Payroll Trust Fund		7.05	-
Due from CDBG Trust - UEZ		-	17,000.00
Due from Bank		137.86	137.86
Accounts Receivable - Public Defender Fees		314,665.65	193,446.06
Mortgages & Loans Receivable - UEZ		3,077,392.33	3,367,211.92
CDBG Grants Receivable		130,988.25	214,326.81
Home Investment Partnership Program Receivable		296,689.92	330,114.12
Mortgages Receivable - Rehabilitation Projects		77,784.28	81,472.06
Mortgages Receivable - UDAG		130,980.83	152,379.44
Other Receivables - CDBG		32,448.35	-
		9,891,331.61	10,641,705.06
		9,914,695.72	10,662,762.80

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

Exhibit B

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

LIABILITIES, RESERVES AND FUND BALANCE	2016	2015
Animal Control Fund:		
Due to State of New Jersey	20.80	69.60
Prepaid License Fees	72.00	893.00
Due to Current Fund	13.53	7.22
Overpayments	39.00	39.00
Reserve for Dog Fund Expenditures	23,218.78	20,048.92
	23,364.11	21,057.74
Other Funds:		
Miscellaneous Trust Reserves:		
Outside Employment of Police	39,223.57	42,600.67
Public Defender	63,652.25	54,097.25
Planning Board Escrows	247,185.47	203,253.53
Unemployment Compensation Insurance	27,148.23	115,454.68
Landfill Closure	148,155.61	147,591.48
Municipal Alliance Grant Funds	1,176.88	883.19
Self - Insurance Funds	2,110,332.56	2,112,690.34
Neighborhood Preservation Program	315.00	315.00
State Law Enforcement Trust	17,111.85	15,891.85
Snow Removal	47,179.82	85,189.29
Vanaman Memorial Park Donations	1,052.00	952.00
Memorial in Patriot Park Donations	5,255.88	5,255.88
Parking Offenses Adjudication Act	9,408.00	7,616.00
COAH Fees	22,150.39	22,132.78
Millville Garden Rent Revenue	7,755.93	7,755.93
Neighborhood Opportunity Fund	2,860.00	2,860.00
Recreation Donations	4,909.70	4,909.70
Uniform Fire Safety Act	4,830.62	376.62
Employee Accumulated Absences	846,317.15	790,100.40
Reserve for Sheldon Estate Bequest	6,640.57	6,613.84
Payroll Taxes Payable	167,298.49	75,196.65
TTL Redemptions	1,178,720.57	1,112,622.83
Accounts Receivable - Public Defender Fees	314,665.65	193,446.06
Reserve for:		
Revolving Loan Fund - UEZ	451,514.87	901,348.76
UEZ 1st Generation Project	215,530.78	215,518.40
Mortgage Receivable - UEZ	3,077,392.33	3,367,211.92
Mortgages Receivable - CDBG	77,784.28	81,472.06
Mortgages Receivable - UDAG	130,980.83	152,379.44
CDBG Funds	165,322.30	288,078.03
Revolving Loan Fund - Rehabilitation Program	120,809.25	159,516.10
Home Investment Partnership Income	213,468.53	277,202.73
Revolving Loan Fund - UDAG	129,207.18	124,750.87
UDAG Interest	402.75	-
Other Receivables	32,448.35	-
Third Ward Neighborhood Preservation	50.00	50.00
Due to Sewer Operating - Payroll	1,957.06	-
Due to UEZ - CDBG Trust	-	17,000.00
Due to Other Trust Fund - CDBG Trust	1,109.86	-
Due to Payroll Trust Fund - CDBG Trust	7.05	-
Due to Current Fund - Trust Other	-	49,016.99
Due to Current Fund - CDBG Trust	-	353.79
	9,891,331.61	10,641,705.06
Total	$ 9,914,695.72	10,662,762.80

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

EXHIBIT - C
GENERAL CAPITAL FUND

Exhibit C

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

ASSETS		2016	2015
Cash	$	1,419,678.65	1,492,198.94
Deferred Charges to Future Taxation -			
Funded		13,861,881.99	16,239,771.37
Unfunded		11,725,960.54	11,929,397.43
Interfunds and Receivables			
Grants Receivable		135,039.27	135,039.27
		27,142,560.45	29,796,407.01

LIABILITIES, RESERVES AND FUND BALANCE				
Serial Bonds Payable		13,324,000.00		15,647,000.00
Green Trust Loans Payable		537,881.99		592,771.37
Bond Anticipation Notes Payable		6,356,902.00		5,579,451.00
Improvement Authorizations:				
Funded		206,888.85		214,734.59
Unfunded		3,418,639.87		4,967,398.67
Encumbrances Payable		1,222,747.59		614,512.89
Due to Current Fund		-		-
Due to Federal & State Grant Fund		-		-
Due to Sewer Capital Fund		-		-
Reserve for Payment of Debt		1,121,153.58		1,208,873.58
Reserve for Preliminary Expenses		2,850.00		2,850.00
Reserve for Grants Receivable		135,039.27		135,039.27
Capital Improvement Fund		350,359.86		389,561.73
Fund Balance		466,097.44		444,213.91
	$	27,142,560.45	$	29,796,407.01

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

2015	6,349,946.43
2016	5,369,058.54

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

Exhibit C - 1

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

		Year 2016	Year 2015
Beginning Balance	$	444,213.91	1,118,387.91
Increased by:			
Funded Improvement Authorization Canceled		2,428.41	
Premium on Sale of Bond Anticipation Notes		19,455.12	25,826.00
Decreased by:			
Surplus budgeted in Current Fund		-	(400,000.00)
Appropriated to Fund Improvement Authorizations		-	(300,000.00)
Ending Balance December 31	$	466,097.44	444,213.91

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

EXHIBIT - D
WATER UTILITY FUND

Exhibit D
Sheet 1

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

		2016	2015
ASSETS			
Operating Fund:			
Cash	$	3,244,788.56	3,042,263.15
Interfunds and Receivables			
Due from Current Fund		-	8,117.42
Due from Sewer Operating Fund		-	9.91
		3,244,788.56	3,050,390.48
Receivables and Other Assets with Full Reserves:			
Water Sewer Accounts Receivable		163,398.72	147,214.55
Utility Liens		706.26	2,994.46
Other Accounts Receivable		4,176.85	1,457.82
		168,281.83	151,666.83
Total Operating Fund		3,413,070.39	3,202,057.31
Assessment Fund:			
Cash		11,000.00	11,000.00
Total Assessment Fund		11,000.00	11,000.00
Capital Fund:			
Cash - Treasurer		1,809,055.53	1,565,705.83
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		25,152,832.42	24,909,482.72
	$	28,576,902.81	28,122,540.03

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

Exhibit D
Sheet 2

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

		2016	2015
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves	$	431,297.75	402,701.09
Reserve for Encumbrances		81,911.70	163,670.70
Accounts Payable		8,383.23	8,073.79
Overpaid Water Rents		14,660.66	3,347.99
Accrued Interest on Bonds and Notes		44,775.33	45,504.66
Reserve for Insurance Proceeds		21,858.70	21,858.70
Reserve for Sale of Municipal Assets		2,130.00	2,130.00
Interfunds:			
Due to Current Fund		178.40	-
Due to Payroll Trust		3,348.83	1,992.44
		608,544.60	649,279.37
Reserve for Receivables		168,281.83	151,666.83
Fund Balance		2,636,243.96	2,401,111.11
Total Operating Fund		3,413,070.39	3,202,057.31
Assessment Fund:			
Fund Balance		11,000.00	11,000.00
Total Assessment Fund		11,000.00	11,000.00
Capital Fund:			
Bond Anticipation Notes Payable		956,845.00	-
Serial Bonds Payable		2,171,000.00	2,370,000.00
NJ Environmental Infrastructure Trust Loan Payable		3,604,759.83	3,857,240.18
Reserve for Payment of Debt		594,825.02	594,825.02
Improvement Authorizations:			
Funded		132,391.09	711,346.87
Unfunded		249,421.97	965,845.22
Reserve for Amortization		14,903,654.89	14,714,654.89
Deferred Reserve for Amortization		1,698,516.95	1,446,036.60
Capital Improvement Fund		169,402.58	169,402.58
Fund Balance		672,015.09	80,131.36
Total Capital Fund		25,152,832.42	24,909,482.72
	$	28,576,902.81	28,122,540.03

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

2015	955,845.22
2016	9,000.22

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 2016	Year 2015
Revenue and Other Income Realized			
Fund Balance	$	504,148.75	456,164.50
Water & Sewer Rents		3,562,110.82	3,473,300.69
Miscellaneous Revenue Anticipated		90,777.26	93,681.68
UEZ Debt Service Aid		75,526.25	84,702.50
Other Credits to Income:			
Accounts Payable Cancelled		-	3,677.32
Unexpended Balance of Appropriation Reserves		438,264.81	483,908.06
Total Income		4,670,827.89	4,595,434.75
Expenditures			
Operations		2,784,589.00	2,759,691.00
Capital Improvements		145,000.00	145,000.00
Debt Service		633,371.29	622,504.86
Deferred Charges and Statutory Expenditures		167,000.00	167,000.00
Other Charges:			
Protested Checks			
Total Expenditures		3,729,960.29	3,694,195.86
Excess in Revenue		940,867.60	901,238.89
Adjustments to Income before Fund Balance:			
None			
Total Adjustments		-	-
Excess in Operations		940,867.60	901,238.89
Beginning Fund Balance		2,401,111.11	2,157,622.72
		3,341,978.71	3,058,861.61
Decreased by:			
Utilization as Anticipated Revenue		504,148.75	456,164.50
Utilization as Anticipated Revenue - Current Fund		201,586.00	201,586.00
Fund Balance December 31	$	2,636,243.96	2,401,111.11

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

Exhibit D - 2

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

		Year 2016	Year 2015
Beginning Balance	$	80,131.36	80,131.36
Increased by:			
Premiums on sale of Bonds & Notes		2,927.95	
Cancellation of PY Funded Ordinance Balances		588,955.78	
Decreased by:			
None			
Ending Balance December 31	$	672,015.09	80,131.36

Exhibit D - 2a

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

		Year 2016	Year 2015
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, 2016

		Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	$	504,148.75	504,148.75	-
Rents		3,125,000.00	3,562,110.82	437,110.82
Fire Hydrant Service		11,400.00	12,698.10	1,298.10
NJUEZ - Debt Service Aid		75,526.25	75,526.25	-
Miscellaneous Revenue		52,000.00	78,079.16	26,079.16
	$	3,768,075.00	4,232,563.08	464,488.08

Analysis of Realized Revenue:

Rents	
Consumer Accounts Receivable:	
Current Collections	3,571,460.93
Prepayments & Overpayments Applied	3,347.99
Liens Collected	-
	3,574,808.92

Miscellaneous Revenue Anticipated	
Interest on Delinquent Rents	14,085.17
Turn ON & Turn Off Fees	14,115.28
Water Service Contracts	4,500.00
Meter Fees	3,053.81
Connection Fees	21,620.00
Interest on Investments	17,838.47
Miscellaneous	2,866.43
	78,079.16

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

Exhibit D - 4

WATER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operations:						
Salaries and Wages	$ 1,150,793.00	1,150,793.00	1,052,967.24		97,825.76	
Other Expenses	1,633,796.00	1,633,796.00	1,315,453.76	75,611.70	242,730.54	
	2,784,589.00	2,784,589.00	2,368,421.00	75,611.70	340,556.30	-
Capital Improvements:						
Capital Outlay	145,000.00	145,000.00	75,906.45	6,300.00	62,793.55	
	145,000.00	145,000.00	75,906.45	6,300.00	62,793.55	-
Debt Service:						
Payment of Bond Principal	249,000.00	254,000.00	254,000.00			-
Interest on Bonds	99,530.00	94,530.00	82,503.08			12,026.92
Interest On Notes	14,000.00	14,000.00	5,016.79			8,983.21
Water Supply & Infrastructure Bond Loans	298,956.00	298,956.00	291,851.42			7,104.58
	661,486.00	661,486.00	633,371.29	-	-	28,114.71
Deferred Charges and Statutory Expenditures:						
Cost of Improvements Authorized Ordinance 42-07	10,000.00	10,000.00				10,000.00
Public Employees' Retirement System	68,000.00	68,000.00	63,118.00		4,882.00	
Social Security System	97,000.00	97,000.00	75,934.10		21,065.90	
Disability Insurance	2,000.00	2,000.00			2,000.00	
	177,000.00	177,000.00	139,052.10	-	27,947.90	10,000.00
	$ 3,768,075.00	3,768,075.00	3,216,750.84	81,911.70	431,297.75	38,114.71

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

EXHIBIT - E
SEWER UTILITY FUND

Exhibit E
Sheet 1

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

	2016	2015
ASSETS		
Operating Fund:		
Cash	$ 4,471,093.75	4,237,974.02
Interfunds and Receivables		
Due from Payroll Trust	1,957.06	-
	4,473,050.81	4,237,974.02
Receivables and Other Assets with Full Reserves:		
Sewer Accounts Receivable	283,783.86	251,817.09
Sewer Liens	1,468.87	671.10
Due from Bank	522.56	522.56
Protested Checks	-	925.37
	285,775.29	253,936.12
Total Operating Fund	4,758,826.10	4,491,910.14
Assessment Fund:		
Cash	61,504.82	61,504.82
Assessments Receivable	983.53	983.53
Total Assessment Fund	62,488.35	62,488.35
Capital Fund:		
Cash - Treasurer	1,756,263.27	1,246,051.62
Interfunds and Receivables		
Due from Sewer Utility Operating Fund	100,000.00	108,228.00
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	24,314,422.25	24,438,182.45
Total Capital Fund	49,813,655.81	49,435,432.36
	$ 54,634,970.26	53,989,830.85

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

Exhibit E
Sheet 2

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

		2016	2015
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves	$	783,538.55	248,720.78
Reserve for Encumbrances		133,682.27	452,036.92
Accounts Payable		235,102.73	117,306.89
Overpaid Sewer Rents		18,506.20	5,547.04
Accrued Interest on Bonds and Notes		62,993.80	76,357.95
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		550.60	1,454.20
Due to Payroll Trust Fund		-	38.38
Due to Sewer Capital Fund		100,000.00	108,228.00
Due to Water Operating Fund		-	9.91
		1,339,722.11	1,015,048.03
Reserve for Receivables		285,775.29	253,936.12
Fund Balance		3,133,328.70	3,222,925.99
Total Operating Fund		4,758,826.10	4,491,910.14
Assessment Fund:			
Reserve for Assessments and Liens		983.53	983.53
Fund Balance		61,504.82	61,504.82
Total Assessment Fund		62,488.35	62,488.35
Capital Fund:			
Encumbrances Payable		7,762,230.49	790,223.75
Bond Anticipation Notes Payable		2,258,544.00	1,608,544.00
Serial Bonds Payable		3,160,000.00	3,699,000.00
NJEIT Loans Payable		3,060,891.07	5,085,063.84
Improvement Authorizations:			
Funded		195,409.53	267,805.21
Unfunded		793,181.16	8,171,479.91
Reserve for Amortization		27,090,214.26	26,453,549.48
Deferred Reserve for Amortization		4,018,856.44	1,994,683.67
Reserve for Payment of Debt		561,957.65	559,622.43
Capital Improvement Fund		601,951.59	501,951.59
Fund Balance		310,419.62	303,508.48
Total Capital Fund		49,813,655.81	49,435,432.36
	$	54,634,970.26	53,989,830.85

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

2015	9,172,500.00
2016	8,301,075.02

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 2016	Year 2015
Revenue and Other Income Realized			
Fund Balance	$	464,775.28	406,904.68
Water & Sewer Rents		5,946,099.13	5,911,818.61
Miscellaneous Revenue Anticipated		99,184.05	190,171.43
NJ UEZ - Debt Service Aid		66,278.72	70,773.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		257,166.52	632,339.14
Prior Year's Accounts Payable Cancelled		-	27,688.09
Total Income		6,833,503.70	7,239,695.27
Expenditures			
Operations		4,237,853.00	4,212,048.00
Capital Improvements		180,000.00	180,000.00
Debt Service		1,430,182.71	1,349,730.22
Deferred Charges and Statutory Expenditures		225,000.00	225,000.00
Total Expenditures		6,073,035.71	5,966,778.22
Excess in Revenue		760,467.99	1,272,917.05
Adjustments to Income before Fund Balance:			
None			
Total Adjustments		-	-
Excess in Operations		760,467.99	1,272,917.05
Fund Balance January 1		3,222,925.99	2,742,203.62
		3,983,393.98	4,015,120.67
Decreased by:			
Utilization as Anticipated Revenue		464,775.28	406,904.68
Utilization as Anticipated Revenue - Current Fund		385,290.00	385,290.00
Fund Balance December 31	$	3,133,328.70	3,222,925.99

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

Exhibit E - 2

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

		Year 2016	Year 2015
Beginning Balance	$	303,508.48	293,021.48
Increased by:			
Premiums on sale of Bonds & Notes		6,911.14	10,487.00
Decreased by:			
None			
Ending Balance December 31	$	310,419.62	303,508.48

Exhibit E - 2a

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

		Year 2016	Year 2015
Beginning Balance	$	61,504.82	61,504.82
Increased by:			
Collection of Assessments		-	-
Decreased by:			
None			
Ending Balance December 31	$	61,504.82	61,504.82

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, 2016

		Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	$	464,775.28	464,775.28	-
Rents		5,881,000.00	5,946,099.13	65,099.13
Miscellaneous		86,800.00	99,184.05	12,384.05
NJ UEZ - Debt Service Aid		66,278.72	66,278.72	-
	$	6,498,854.00	6,576,337.18	77,483.18

Analysis of Realized Revenue:

Rents	
Consumer Accounts Receivable:	
Current Collections	5,946,099.13
Liens Collected	-
	5,946,099.13

Miscellaneous Revenue Anticipated	
Interest on Delinquent Rents	26,970.66
Connection Fees	40,020.00
Interest on Investments	22,531.26
Miscellaneous	9,662.13
	99,184.05

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

Exhibit E - 4

SEWER UTILITY FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Appropriations		Expended			(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered	Reserved	
Operations:						
Salaries and Wages	$ 1,363,069.00	1,363,069.00	1,227,356.69		135,712.31	
Other Expenses	2,874,784.00	2,874,784.00	2,160,270.94	133,682.27	580,830.79	
	4,237,853.00	4,237,853.00	3,387,627.63	133,682.27	716,543.10	-
Capital Improvements:						
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		-	
Capital Outlay	80,000.00	80,000.00	62,383.46	-	17,616.54	
	180,000.00	180,000.00	162,383.46	-	17,616.54	-
Debt Service:						
Payment of Bond Principal	569,000.00	574,000.00	574,000.00			-
Payment of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00			-
Interest on Bonds	155,480.00	150,480.00	142,742.05			7,737.95
Interest on Notes	31,600.00	31,600.00	30,875.30			724.70
NJ Wastewater Treatment Loans	999,921.00	999,921.00	582,565.36			417,355.64
	1,856,001.00	1,856,001.00	1,430,182.71	-	-	425,818.29
Deferred Charges and Statutory Expenditures:						
Public Employees' Retirement System	103,000.00	103,000.00	75,253.00		27,747.00	
Social Security System	120,000.00	120,000.00	100,368.09		19,631.91	
Disability Insurance	2,000.00	2,000.00			2,000.00	
	225,000.00	225,000.00	175,621.09	-	49,378.91	-
	$ 6,498,854.00	6,498,854.00	5,155,814.89	133,682.27	783,538.55	425,818.29

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

EXHIBIT - F
GENERAL FIXED ASSETS ACCOUNT GROUP

Exhibit F

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

		Balance Dec. 31, 2016	Balance Dec. 31, 2015
General Fixed Assets:			
Land and Improvements	$	44,893,794.65	44,855,794.65
Buildings		6,526,955.34	6,338,728.98
Machinery and Equipment		13,083,180.99	12,873,363.53
Total General Fixed Assets		64,503,930.98	64,067,887.16
Investment in General Fixed Assets	$	64,503,930.98	64,067,887.16

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

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NOTES TO FINANCIAL STATEMENTS

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.

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.

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 10th 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.

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.

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.

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 1st, May 1st, August 1st, and November 1st. 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 1st through December 31st. 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 10th 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 10th of the current year and due to be paid to the County by February 15th of the following year.

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 31st 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 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans other Than Pension Plans". This statement is effective for fiscal periods beginning after June 30, 2016, and establishes new accounting and financial reporting requirements for OPEB plans. It is anticipated that this statement will not have any effect on the City's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement is effective for fiscal periods beginning after June 30, 2017. Although not determinable, the impact of this statement on the net position of the entity is anticipated to be significant.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement, which is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the City's financial reporting.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements Not Yet Effective (Continued)

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement, which is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements" This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the City's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "Pension issues – an amendment of GASB Statements No. 67, No.68, and No. 73". This statement, which is effective for fiscal periods beginning after June 15, 2016, may have an effect on the City's financial reporting.

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

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2016 and 2015 statutory budgets included a reserve for uncollected taxes in the amount of $2,259,802.86 and $2,297,097.36, respectively.

To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2016 and 2015 statutory budgets was $5,862,860.00 and $5,638,730.00. In addition, the entity operates self-liquidating Water and Sewer & Revenue 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 2016 and 2015 Water Budgets were $504,148,75 and $456,164.50, the 2016 and 2015 Sewer Budgets were $464,775.28 and $406,904.68.

Note 2: BUDGETARY INFORMATION (Continued)

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 the City Commission. The following significant budget transfers were approved in the 2016 and 2015 calendar years:

Budget Category	2016	2015
Current Fund:		
Salaries & Wages:		
Engineering Services & Costs	$ (50,000.00)	
Other Expenses:		
Assessment of Taxes	(40,000.00)	(50,000.00)
Legal Services & Costs	40,000.00	99,000.00
Engineering Services & Costs	50,000.00	
Planning & Community Development		69,000.00
Employee Group Health		(52,000.00)
Street Lighting		52,000.00
Telephone		60,000.00
Gasoline		(100,000.00)
Water Utility		
None Significant		-
Sewer Utility		
None Significant		

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 2016 and 2015, the following budget insertions were approved:

Budget Category	2016	2015
Clean Communities	$ 73,663.92	$ 64,425.62
Urban Enterprise Zone		
Drunk Driving Enforcement Fund	12,967.47	
Municipal Alliance on Alcoholism and Drug Abuse	31,594.00	31,594.00
Make it Click/Buckle Up/You Drink	5,000.00	4,000.00
Body Armor Grant	6,434.70	6,730.37
Drive Sober or Get Pulled Over	5,000.00	
Emergency Management Assistance Grant		5,000.00
Bulletproof Vest Partnership	4,755.97	8,427.41
Edward Bryne Justice Assistance Grant Program		
NJ DOT Transportation Trust Fund		517,000.00
NJ DOT Safe Streets		213,300.00
Safe & Secure	90,000.00	90,000.00
Sustainable NJ Grant		10,000.00
Recycling Tonnage Grant	80,800.17	97,416.83
NJ Forest Service		3,000.00
HMEP Grant -HazMat Training		19,995.00
Local Law Enforcement Grant	22,026.00	20,693.00
	$ 332,242.23	$ 1,091,582.23

Note 2: BUDGETARY INFORMATION (Continued)

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. In 2015 an Emergency Appropriation was made to repair a sinkhole at Esibill Avenue, the entire amount has been raised in the 2016 Budget.

Note 3: INVESTMENTS

As of December 31, 2016 and 2015, 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

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, 2016 and 2015, $191,220.65 and $104,803.04 of the municipality's bank balances of $39,091,194.68 and $38,098,816.11 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, 2016 and 2015:

	Balance 12/31/2015	Additions	Deletions	Balance 12/31/2016
Land & Improvements	$ 44,855,794.65	38,000.00		44,893,794.65
Buildings	6,338,728.98	229,424.36	41,198.00	6,526,955.34
Machinery & Equipment	12,873,363.53	249,167.46	39,350.00	13,083,180.99
	$ 64,067,887.16	516,591.82	80,548.00	64,503,930.98

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
Land & Improvements	$ 46,723,794.65		1,868,000.00	44,855,794.65
Buildings	6,338,728.98			6,338,728.98
Machinery & Equipment	12,566,035.66	457,264.03	149,936.16	12,873,363.53
	$ 65,628,559.29	457,264.03	2,017,936.16	64,067,887.16

Note 6: SHORT-TERM FINANCING

The following is a summary of changes in short-term debt for the years ended December 31, 2016 and 2015:

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total
Balance December 31, 2015	$ 5,579,451.00	$ -	$ 1,608,544.00	$ 7,187,995.00
Increases	6,356,902.00	956,845.00	2,358,544.00	9,672,291.00
Decreases	(5,579,451.00)		(1,708,544.00)	(7,287,995.00)
Balance December 31, 2016	$ 6,356,902.00	$ 956,845.00	$ 2,258,544.00	$ 9,572,291.00

	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total
Balance December 31, 2014	$ 5,120,000.00	$ -	$ 1,616,772.00	$ 6,736,772.00
Increases	5,579,451.00		1,608,544.00	7,187,995.00
Decreases	(5,120,000.00)		(1,616,772.00)	(6,736,772.00)
Balance December 31, 2015	$ 5,579,451.00	$ -	$ 1,608,544.00	$ 7,187,995.00

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

On August 2, 2016 the City issued a Bond Anticipation Note in the Amount of $9,572,291.00, bearing interest at a rate of 1.250% per annum to fund various General Capital, Water and Sewer Capital

Note 6: SHORT-TERM FINANCING (Continued)

Ordinances. The Note is due August 1, 2017 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 1.544%.

	Gross Debt	Deductions	Net Debt
Local School Debt	$ -	$ -	$ -
Water Utiltiy Debt	6,741,605.05	6,741,605.05	-
Sewer Utility Debt	16,780,510.09	16,780,510.09	-
General Debt	25,587,842.53	1,121,153.58	24,466,688.95
	$ 49,109,957.67	$ 24,643,268.72	$ 24,466,688.95

Net debt $24,466,688.95 divided by Equalized Valuation Basis per N.J.S.A. 40A: 2-2 as amended, $1,584,861,999.33 = 1.544%.

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

3-1/2% of Equalized Valuation Basis	$ 55,470,169.98
Net Debt	24,466,688.95
Remaining Borrowing Power	$ 31,003,481.03

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		$ 4,670,827.89
Deductions:		
Operating & Maintenance Costs	$ 2,951,589.00	
Debt Service per Water and Sewer Utility Fund	633,371.29	
Total Deductions		3,584,960.29
Excess in Revenue		$ 1,085,867.60

Note 7: LONG-TERM DEBT (Continued)

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		$ 6,833,503.70
Deductions:		
Operating & Maintenance Costs	$ 4,462,853.00	
Debt Service per Water and Sewer Utility Fund	1,430,182.71	
Total Deductions		5,893,035.71
Excess in Revenue		$ 940,467.99

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Note 7: LONG-TERM DEBT (Continued)

Summary of Municipal Debt

	Year 2016	Year 2015	Year 2014
Issued:			
General:			
Bonds, Notes & Loans	$ 20,218,783.99	$ 21,819,222.37	$ 23,783,579.22
Water Utility:			
Bonds, Notes & Loans	6,732,604.83	6,227,240.18	6,701,675.39
Sewer Utility:			
Bonds, Notes & Loans	5,319,435.39	10,392,607.84	11,570,240.19
Total Issued	32,270,824.21	38,439,070.39	42,055,494.80
Less:			
Funds Held Temporarily to pay Bonds and Notes	112,153.58	1,208,873.58	2,522,604.66
	32,158,670.63	37,230,196.81	39,532,890.14
Authorized But Not Issued:			
General:			
Bonds, Notes & Loans	5,369,058.54	6,349,946.43	6,710,946.43
Water Utility:			
Bonds, Notes & Loans	9,000.22	955,845.22	955,845.22
Sewer Utility:			
Bonds, Notes & Loans	8,301,075.02	9,172,500.00	9,172,500.00
Total Authorized But Not Issued	13,679,133.78	16,478,291.65	16,839,291.65
Net Bonds and Notes Issued and Authorized But Not Issued	$ 45,837,804.41	$ 53,708,488.46	$ 56,372,181.79

Description of Bonds and Loans Payable

At December 31, 2016, 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, 2018, bearing interest at rates varying from 4.000% to 5.000%. The balance remaining as of December 31, 2016, is $500,000.00.

$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, 2016, is $3,889,000.00.

$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, 2016, is $2,765,000.00.

Note 7: LONG-TERM DEBT (Continued)

$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, 2016, is $4,375,000.00.

$1,805,000 General Refunding Bonds dated April 21, 2016, due in annual installments through September 1, 2024, bearing interest at rates varying from 2.000% to 3.000%. The balance remaining as of December 31, 2016, is $1,795,000.00.

Green Trust Loan, due in semi-annual installments through 2027, bearing an interest rate of 2.00%. The balance remaining as of December 31, 2016, is $537,881.99.

At December 31, 2016, 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, 2018, bearing interest at rates varying from 4.000% to 5.000%. The balance remaining as of December 31, 2016, is $250,000.

$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, 2016, is $466,000.00.

$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, 2016, is $0.00.

$1,460,000 Water Utility Refunding Bonds dated September 1, 2016, due in annual installments through September 1, 2028, bearing interest at rates varying from 2.000% to 3.000%. The balance remaining as of December 31, 2016, is $1,455,000.00.

New Jersey Environmental Infrastructure – Trust Loan - Series 2014-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, 2016 is $780,000.00.

New Jersey Environmental Infrastructure – Fund Loan - Series 2014-A, due in semi - annual installments through August 2032, interest free. The balance remaining as of December 31, 2016 is $2,256,612.17.

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, 2016 is $360,000.00.

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, 2016 is $208,147.66.

Note 7: LONG-TERM DEBT (Continued)

At December 31, 2016, 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, 2018, bearing interest at rates varying from 4.000% to 5.000%. The balance remaining as of December 31, 2016, is $165,000.00.

$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, 2016, is $2,000,000.00.

$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, 2016, is $0.00.

$1,000,000 Sewer Utility Refunding Bonds dated April 21, 2016, due in annual installments through September 1, 2028, bearing interest at rates varying from 2.000% to 3.000%. The balance remaining as of December 31, 2016, is $955,000.00.

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, 2016 is $0.00.

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, 2016 is $285,000.00.

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, 2016 is $62,798.60.

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, 2016 is $700,000.00.

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, 2016 is $509,267.47.

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, 2016 is $795,000.00.

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, 2016 is $708,825.00.

Note 7: LONG-TERM DEBT (Continued)

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

	Outstanding 12/31/15	Issues or Additions	Payments or Expenditures	Outstanding 12/31/16	Amounts Due Within One Year
General Capital Fund:					
Serial Bonds Payable	$ 15,647,000.00	$ 54,000.00	2,377,000.00	13,324,000.00	2,035,000.00
Loans Payable	592,771.37		54,889.38	537,881.99	55,992.66
Compensated Absences Pay.	1,551,127.84	123,576.94	83,727.23	1,590,977.55	-
Total General Capital Fund	17,790,899.21	54,000.00	2,515,616.61	15,452,859.54	2,090,992.66
Utility Capital Funds:					
Water Bonds Payable	2,370,000.00	55,000.00	254,000.00	2,171,000.00	195,000.00
Water Loans Payable	3,857,240.18		252,480.35	3,604,759.83	258,526.31
Sewer Bonds Payable	3,699,000.00	35,000.00	574,000.00	3,160,000.00	330,000.00
Sewer Loans Payable	5,085,063.84		2,024,172.77	3,060,891.07	517,757.22
Total Utility Capital Fund	15,011,304.02	-	3,104,653.12	11,996,650.90	1,301,283.53
Total All Funds	$ 32,802,203.23	$ 54,000.00	5,620,269.73	27,449,510.44	3,392,276.19

	Outstanding 12/31/14	Payments or Expenditures	Outstanding 12/31/15	Amounts Due Within One Year
General Capital Fund:				
Serial Bonds Payable	$ 18,017,000.00	2,370,000.00	15,647,000.00	2,367,000.00
Loans Payable	646,579.22	53,807.85	592,771.37	54,889.38
Compensated Absences Pay.	1,786,191.49	235,063.65	1,551,127.84	
Total General Capital Fund	20,449,770.71	2,658,871.50	17,790,899.21	2,421,889.38
Utility Capital Funds:				
Water Bonds Payable	2,592,000.00	222,000.00	2,370,000.00	249,000.00
Water Loans Payable	4,109,675.39	252,435.21	3,857,240.18	251,465.35
Sewer Bonds Payable	4,257,000.00	558,000.00	3,699,000.00	569,000.00
Sewer Loans Payable	5,696,468.19	611,404.35	5,085,063.84	606,522.77
Total Utility Capital Fund	16,655,143.58	1,643,839.56	15,011,304.02	1,675,988.12
Total All Funds	$ 37,104,914.29	4,302,711.06	32,802,203.23	4,097,877.50

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 Principal	General Capital Fund Interest	Water Capital Fund Principal	Water Capital Fund Interest	Sewer Capital Fund Principal	Sewer Capital Fund Interest
2017	2,035,000.00	518,730.00	195,000.00	76,530.00	330,000.00	126,000.00
2018	2,020,000.00	437,730.00	195,000.00	67,080.00	370,000.00	109,650.00
2019	2,080,000.00	355,380.00	205,000.00	57,630.00	370,000.00	91,300.00
2020	2,120,000.00	273,742.50	200,000.00	50,080.00	395,000.00	74,700.00
2021	1,530,000.00	189,367.50	200,000.00	42,680.00	395,000.00	56,850.00
2022-2026	3,539,000.00	195,682.50	881,000.00	118,110.00	1,105,000.00	101,550.00
2027-2028			295,000.00	13,200.00	195,000.00	8,700.00
	$ 13,324,000.00	1,970,632.50	2,171,000.00	425,310.00	3,160,000.00	568,750.00

Schedule of Annual Debt Service for Principal and Interest for Loans

Year Ending December 31	General Capital Fund Principal	General Capital Fund Interest	Water Capital Fund Principal	Water Capital Fund Interest	Sewer Capital Fund Principal	Sewer Capital Fund Interest
2017	55,992.66	10,479.07	258,526.31	44,490.00	408,707.22	81,022.50
2018	57,118.11	9,353.62	262,380.66	41,200.00	361,776.94	70,252.50
2019	58,266.18	8,205.55	269,252.20	37,687.50	372,490.43	58,512.50
2020	59,437.35	7,034.38	267,736.76	33,587.50	282,642.24	46,062.50
2021	60,632.02	5,839.71	279,252.19	29,487.50	287,642.24	38,312.50
2022-2026	212,935.28	13,902.22	1,082,016.52	86,612.50	964,057.00	97,800.00
2027-2031	33,500.39	503.34	990,508.40	34,350.00	383,575.00	17,800.00
2032			195,086.79	1,650.00		
	$ 537,881.99	55,317.89	3,604,759.83	309,065.00	3,060,891.07	409,762.50

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 for compensated absences. The City has established an Accumulated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2016 and 2015 the balance of the fund was $846,317.15 and $790,100.40, respectively. It is estimated that, at December 31, 2016 and 2015, accrued benefits for compensated absences are valued at $1,590,977.55 and $1,551,127.84, respectively.

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, 2016	Balance December 31, 2015
Prepaid Taxes - Cash Liability	$ 365,337.04	$ 356,024.86

Note 10: SCHOOL TAXES

Local District School Tax in the amounts of $11,772,394.00 and $11,319,609.00 have been raised for the 2016 and 2015 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.

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 7.06% 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 $775,572.00 for 2016, $713,245.00 for the year 2015 and $641,518.00 for 2014.

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
12/31/16	$ 775,572.00	100%	$ -
12/31/15	713,245.00	100%	-
12/31/14	641,518.00	100%	-

For the Police and Firemen's Retirement System, the City's contribution was $1,614,518.00 for 2016 $1,449,433.00 for 2015 and $1,681,411.00 for 2014

Three-Year Trend Information for PFRS

Funding Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/16	$ 1,614,518.00	100%	$ -
12/31/15	$ 1,449,433.00	100%	-
12/31/14	1,681,411.00	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 2016, $0.00 for 2015 and $0.00 for 2014.

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 2016, 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.

Note 11: PENSION PLANS (Continued)

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

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

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, 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 1/7th 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: PENSION LIABILITIES

In 2012, the Governmental Accounting Standards Board issued GASB statement 68. This statement is effective for fiscal years beginning after June 15, 2014. This statement changes the method of reporting the municipality's pension liabilities. However, due to the fact that the municipality reports on the regulatory basis of accounting, no financial statement impact will be recognized.

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

Public Employees' Retirement System

The Municipality has a liability of $25,752,150.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Municipality's proportion would be 0.08695018220%, which would be a decrease of 3.61% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Municipality would have recognized pension expense of $2,572,916.00. At December 31, 2016, the Municipality would report deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	$ 478,912.00	
Changes of assumptions	5,334,470.00	
Changes in proportion	834,338.00	(531,392.00)
Net difference between projected and actual earnings on pension plan investments	981,953.00	
Total	$ 7,629,673.00	(531,392.00)

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

Year ended June 30,	
2017	$ 1,606,385.24
2018	1,606,385.24
2019	1,836,428.33
2020	1,536,784.58
2021	512,297.61
Total	$ 7,098,281.00

Note 12: PENSION LIABILITIES (Continued)

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more experience deviates, the larger the impact on future financial statements.

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

Note 12: PENSION LIABILITIES (Continued)

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

Discount Rate

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

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

Note 12: PENSION LIABILITIES (Continued)

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

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Municipality's proportionate share of the net pension liability	$ 30,861,472.92	25,752,150.00	21,538,489.94

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

The Municipality has a liability of $35,516,572.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Municipality's proportion of the net pension liability was based on a projection of the Municipality's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the Municipality's proportion would be 0.18592573620%, which would be a decrease of 6.39% from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Municipality would have recognized pension expense of $3,660,920.00. At December 31, 2016, the Municipality would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience		
Changes of assumptions	$ 4,919,337.00	
Changes in proportion	847,314.00	
Net difference between projected and actual earnings on pension plan investments	2,488,575.00	(232,816.00)
Total	$ 8,255,226.00	(232,816.00)

Note 12: PENSION LIABILITIES (Continued)

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

Year ended June 30,		
2017	$	1,540,449.36
2018		1,540,449.36
2019		2,044,631.25
2020		1,197,790.66
2021		370,423.00
Total	$	6,693,743.63

Actuarial Assumptions

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

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

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

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

Note 12: PENSION LIABILITIES (Continued)

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

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

Discount Rate

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

Note 12: PENSION LIABILITIES (Continued)

2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
District's proportionate share of the net pension liability	$ 45,150,680.49	35,516,572.00	27,663,691.33

In addition to the PFRS liabilities listed above, a special funding situation exists for the Local employers of the Police and Fire Retirement System of New Jersey. The State of New Jersey, as a non-employer, is required to pay the additional costs incurred by Local employers under Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The June 30, 2016 State special funding situation net pension liability amount of $1,604,141,087.00, is the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2016 State special funding situation pension expense of $204,886,666.00 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2016. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and required contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2016, the State contributed an amount less than the actuarially determined amount.

Although the liabilities related to the special funding situation are the liabilities of the State of New Jersey, the proportionate share of the statewide liability allocated to the Municipality was 0.18592573620% for 2016. The net pension liability amount allocated to the Municipality was $2,982,511.00. For the fiscal year ending June 30, 2016 State special funding situation pension expense of $380,937.00 is allocated to the Municipality.

Pension plan fiduciary net position.

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

Note 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City on a monthly basis. The City contributions to SHBP for the year ended December 31, 2016 and 2015 were $1,529,724.,58 and $1,498,364.09, respectively and for the fiscal year ended June 30, 2014 were $1,692,951.72.

Note 14: 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.

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 1st, May 1st, August 1st, and November 1st, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes, due February 1st and May 1st 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.

Note 14: PROPERTY TAXES (Continued)

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 15: ECONOMIC DEPENDENCY

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

Note 16: 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.

Year	Balance December 31st	Utilized in Budget of Succeeding Year	Utility Fund Balance Utilized as Current Fund Revenue	Percent Utilized
2016	$ 8,735,807.61	5,748,139.00		65.80%
2015	10,299,845.56	5,862,830.00		56.92%
2014	11,444,884.73	5,638,730.00		49.27%
2013	11,176,411.92	4,627,974.00		41.41%
2012	5,782,469.73	3,985,268.00		68.92%
2016	2,636,243.96	457,043.00	201,586.00	24.98%
2015	2,401,111.11	504,148.75	201,586.00	29.39%
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%
2016	3,133,328.70	166,019.00	385,290.00	17.59%
2015	3,222,925.99	464,775.28	385,290.00	26.38%
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%

Note 17: RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Receivables and payables at December 31, 2016 are as follows:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 742.53	$ 4,953.70
Animal Control Trust	-	13.53
Other Trust	3,309.86	-
CDBG Trust		1,116.91
Payroll Trust	6,109.58	1,957.06
Water Operating	-	3,527.23
Sewer Operating	1,957.06	100,550.60
Sewer Capital	100,000.00	-
Total	$ 112,119.03	$ 112,119.03

The remaining interfunds are due to amounts that should have been transferred to the proper bank accounts, these Interfund balances will be liquidated in 2017.

Note 18: 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 19: 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.

Note 19: 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

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, 2016 the balance in the Reserve for Self-Insurance Fund in the Trust Other Fund was $2,110,332.56. 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
2016	$ -	-	-	88,306.45	27,148.23
2015	-	46,027.98	1.37	55,510.97	115,454.68
2014	-	-	157.70	34,690.21	124,936.30

Note 20: 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 21: 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, 2016 the Reserve for Landfill Closure had a balance of $148,155.61. 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 22: 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 23: SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2016 and June 16, 2017 the date the financial statements were available for issuance for possible disclosure and recognition in the financial statements 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, 2015	$	18,710,099.40		1,220,051.76
Increased by Receipts:				
Prepaid Taxes	365,337.04			
Taxes Receivable	47,583,324.46			
Tax Overpayments	93,255.30			
Tax Title and Other Liens	13,997.58			
Revenue Accounts Receivable	9,174,853.26			
Veterans and Senior Citizen Deductions	270,591.55			
Due to State of NJ - Marriage Licenses	3,256.00			
Due to State - Burial Fees	5.00			
Matching Funds			7,898.50	
Due from Grant Fund	5,318.61			
Due to Payroll Trust	2,753.70			
Due from Trust Other Fund	50,254.40			
Due from Sewer Operating Fund	903.60			
Prior Year's Protested Checks Receivable	8,504.40			
Reserve for Insurance Receipts	27,800.00			
Cancelled Prior Year Stale Dated Checks	752.86			
Federal and State Receivables			309,224.35	
		57,600,907.76		317,122.85
		76,311,007.16		1,537,174.61
Decreased by Disbursements:				
Current Year Appropriation	27,439,289.72			
Prior Year Appropriations	640,048.50			
Federal and State Grant - Appropriated Reserves			433,426.74	
Accounts Payable	7,442.80			
County Taxes	18,117,352.65			
Local District School Taxes	11,782,393.69			
Due to State of NJ - Marriage Licenses	3,575.00			
Due to State - Burial Fees	10.00			
Reserve for Tax Appeals	167,167.88			
Reserve for Insurance Receipts	57,080.13			
Due to Current Fund			5,318.61	
Due from Animal Control Fund	6.31			
Due from Water Operating	8,295.82			
Refund of Prior Year Revenue	29,818.63			
		58,252,481.13		438,745.35
Balance December 31, 2016	$	18,058,526.03		1,098,429.26

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

Year	Balance Dec. 31, 2015	Current Year Levy	Added Taxes	Collections by Cash 2015	Collections by Cash 2016	Adjustments	Transferred To Tax Title Lien	Transferred To Tax Arrears	Balance Dec. 31, 2016
Arrears	$ 41,048.91				10,758.37	17,463.12	9.82	21,941.39	34,758.99
2015	1,033,726.01		-		734,199.34	245,383.41	41,138.88	(13,004.38)	(0.00)
	1,074,774.92	-	-	-	744,957.71	262,846.53	41,148.70	8,937.01	34,758.99
2016		48,533,063.08	77,262.19	356,024.86	47,115,621.28	(28,515.98)	59,434.98	(8,937.01)	1,098,823.12
	$ 1,074,774.92	48,533,063.08	77,262.19	356,024.86	47,860,578.99	234,330.55	100,583.68	-	1,133,582.11

47,583,324.46	Cash Receipts
5,508.81	Overpayments Applied
271,745.52	Senior Citizens and Veterans
47,860,578.79	

Analysis of Current Year Tax Levy

Tax Yield:		
General Property Tax	48,533,063.08	
Added Taxes (54:4-63.1 et. Seq.)	77,262.19	
		48,610,325.27
Tax Levy:		
General County Taxes	17,082,346.09	
County Open Space Taxes	162,849.29	
County Health Taxes	829,448.36	
County Added and Omitted Taxes	28,819.90	
Total County Taxes		18,103,463.64
Local School District Tax		11,772,394.00
Local Tax for Municipal Purposes	18,634,053.00	
Add: Additional Tax Levied	100,414.63	
		18,734,467.63
		48,610,325.27

Exhibit A - 7

CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS

Balance December 31, 2015		$ 390,232.33
Increased by:		
Transfers from Taxes Receivable	100,583.68	
Interest and Costs Accrued at Tax Sale	3,609.25	
Other	40,346.91	
		144,539.84
		534,772.17
Decreased by:		
Collections	13,997.58	
Foreclosed	246,139.66	
		260,137.24
Balance December 31, 2016		$ 274,634.93

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2015	Accrued in 2015	Collected by Treasurer	Balance Dec. 31, 2016
Licenses:				
Alcoholic	$	14,814.00	14,814.00	-
Other		20,377.00	20,377.00	-
Fees and Permits		956,927.35	956,927.35	-
Fines and Costs:				
Municipal Court	19,182.32	376,659.42	374,896.25	20,945.49
Interest and Costs on Taxes		181,379.85	181,379.85	-
Interest Earned on Investments		87,002.00	87,002.00	-
Manufactured Homes Annual Service Fee		238,537.83	238,537.83	-
Cable Franchise Fee		94,771.82	94,771.82	-
Rent - Millville Library		176,680.00	176,680.00	-
Consolidated Municipal Property Tax Relief Aid		219,204.00	219,204.00	-
Energy Receipts Tax		4,000,669.00	4,000,669.00	-
Open Space PILOT AID (Garden State Trust)		29,852.00	29,852.00	-
Uniform Construction Code Fees		159,965.00	159,965.00	-
Millville Board of Education - Gasoline		8,457.22	8,457.22	-
Shared Services - Tax Assessor		29,004.00	29,004.00	-
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		83,473.42	83,473.42	-
PILOT - Abatements		574,039.29	574,039.29	-
Hotel Motel Tax		141,058.45	141,058.45	-
PILOT - Housing Authority		79,219.13	79,219.13	-
PILOT - Senior Center		34,031.72	34,031.72	-
NJ UEZ - Debt Service Aid		622,269.00	622,269.00	-
Reserve for Payment of Debt		87,720.00	87,720.00	-
				-
Miscellaneous Revenue Not Anticipated		373,628.93	373,628.93	-
	$ 19,182.32	9,176,616.43	9,174,853.26	20,945.49

Exhibit A - 9

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
OPERATIONS WITHIN "CAPS"				
GENERAL GOVERNMENT:				
General Administration				
Salaries and Wages	$ 2,187.52	2,187.52		2,187.52
Other Expenses	14,940.35	14,940.35	1,224.00	13,716.35
Human Resources				
Salaries and Wages	56,331.03	56,331.03		56,331.03
Other Expenses	3,738.96	3,738.96	3,517.20	221.76
Board of Commissioners				
Salaries and Wages	7,691.38	7,691.38		7,691.38
Other Expenses	4,071.43	4,071.43	214.84	3,856.59
Municipal Clerk's Office				
Salaries and Wages	4,569.17	4,569.17		4,569.17
Other Expenses	17,178.91	17,178.91	10,460.07	6,718.84
Financial Administration				
Salaries and Wages	11,317.03	11,317.03		11,317.03
Other Expenses	13,943.59	13,943.59	5,957.53	7,986.06
Annual Audit	50,000.00	50,000.00	35,800.00	14,200.00
Information Systems				
Salaries and Wages	6,292.36	6,292.36		6,292.36
Other Expenses	38,915.90	38,915.90	33,245.33	5,670.57
Collection of Taxes				
Salaries and Wages	3,504.01	3,504.01		3,504.01
Other Expenses	27.63	27.63	27.63	-
Assessment of Taxes				
Salaries and Wages	30,902.31	30,902.31		30,902.31
Other Expenses	40,086.90	40,086.90	30,890.97	9,195.93
Legal Services & Costs				
Other Expenses	36,757.64	36,757.64	30,956.27	5,801.37
Municipal Court				
Salaries and Wages	10,557.62	10,557.62		10,557.62
Other Expenses	11,992.11	11,992.11	1,978.02	10,014.09

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Public Defender				
Other Expenses	9,793.44	9,793.44	1,562.50	8,230.94
Engineering Services & Costs				
Salaries and Wages	31,590.11	31,590.11		31,590.11
Other Expenses	14,271.15	14,271.15	13,045.83	1,225.32
Economic Development				
Other Expenses	11,250.00	11,250.00		11,250.00
LAND USE ADMINISTRATION				
Planning / Community Development				
Other Expenses	87,644.22	87,644.22	70,227.04	17,417.18
Planning Board				
Salaries and Wages	980.13	980.13		980.13
Other Expenses	7,739.10	7,739.10	4,488.65	3,250.45
Zoning Board of Adjustment				
Salaries and Wages	86.88	86.88		86.88
Other Expenses	4,920.27	4,920.27	116.25	4,804.02
Bureau of Permits and Inspections				
Salaries and Wages	12,906.61	12,906.61	1,610.50	11,296.11
Other Expenses	5,016.70	5,016.70	4,989.62	27.08
Construction Official				
Salaries and Wages	9,799.14	9,799.14		9,799.14
Other Expenses	778.72	778.72	778.72	-
Elevator Inspector				
Other Expenses	3,506.00	3,506.00	3,506.00	-

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Insurance				
Surety Bond Premiums	3,146.00	3,146.00		3,146.00
Liability Insurance	-	-		-
Workers Compensation	16,403.60	16,403.60		16,403.60
Group Insurance Plan for Employees	324,411.43	324,411.43		324,411.43
Health Benefit Waiver	4,191.79	4,191.79		4,191.79
PUBLIC SAFETY FUNCTIONS				
Police				
Salaries and Wages	354,451.10	354,451.10	400.00	354,051.10
Other Expenses	127,057.48	127,057.48	122,144.28	4,913.20
Office of Emergency Management				
Salaries and Wages	805.44	805.44		805.44
Other Expenses	10,214.08	10,214.08	291.69	9,922.39
Fire Department				
Salaries and Wages	29,562.82	29,562.82		29,562.82
Other Expenses	20,838.46	20,838.46	19,998.92	839.54
Uniform Fire Safety Act				
Salaries and Wages	10,989.56	10,989.56		10,989.56
Other Expenses	1,063.80	1,063.80	185.53	878.27
Municipal Prosecutor's Office				
Other Expenses	96.00	96.00		96.00
PUBLIC WORKS FUNCTIONS				
Streets and Roads Maintenance				
Salaries and Wages	58,118.78	58,118.78		58,118.78
Other Expenses	33,296.46	33,296.46	27,542.06	5,754.40
Shade Tree Commission				
Salaries and Wages	-	-		-
Other Expenses	4,360.10	4,360.10	75.00	4,285.10
Solid Waste and Recycling Collection				
Salaries and Wages	5,432.35	5,432.35		5,432.35
Other Expenses	243,571.20	243,571.20	67,697.33	175,873.87
Solid Waste and Recycling - Apartments	935.40	935.40	887.26	48.14
Public Buildings & Grounds				

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages	38,371.73	38,371.73		38,371.73
Other Expenses	68,495.27	68,495.27	17,951.10	50,544.17
Fleet Management				
Salaries and Wages	5,640.90	5,640.90		5,640.90
Other Expenses	6,139.42	6,139.42	(698.05)	6,837.47
HEALTH & HUMAN SERVICES FUNCTIONS				
Animal Control Services				
Salaries and Wages	6,616.68	6,616.68		6,616.68
Other Expenses	498.15	498.15	276.80	221.35
Contribution to Social Service Agencies	-	-		-
PARKS & RECREATION FUNCTIONS				
Recreation Services & Programs				
Salaries and Wages	11,274.76	11,274.76		11,274.76
Other Expenses	5,966.05	5,966.05	4,720.25	1,245.80
Parks & Playgrounds				
Salaries and Wages	-	-		-
Other Expenses	16,642.20	16,642.20	2,208.99	14,433.21
State & Federal Downtown Maintenance				
Salaries and Wages	32,207.81	32,207.81		32,207.81
Other Expenses	11,043.78	11,043.78		11,043.78
Celebration of Public Events				
Other Expenses	9,106.68	9,106.68		9,106.68
UNCLASSIFIED				
Accumulated Leave Compensation	-	-		-
Electricity	4,841.36	44,841.36	41,138.87	3,702.49
Street Lighting	26,578.91	26,578.91	19,104.35	7,474.56
Telephone	14,979.18	14,979.18	14,979.18	-
Natural Gas	16,702.98	16,702.98	7,987.36	8,715.62
Heating Oil	-	-		-
Gasoline	55,083.30	15,083.30	6,158.69	8,924.61
Landfill / Solid Waste Disposal Costs	83,175.77	83,175.77	54,760.58	28,415.19
Contingent	2,000.00	2,000.00		2,000.00

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
STATUTORY EXPENDITURES				
Contributions to:				
Public Employees' Retirement System	754.66	754.66		754.66
Social Security System (O.A.S.I.)	57,741.84	57,741.84		57,741.84
Police and Firemen's Retirement System	5,548.34	5,548.34		5,548.34
Unemployment	16,000.00	16,000.00	1,860.68	14,139.32
DCRP (Defined Contribution Retirement Program)	3,000.00	3,000.00		3,000.00
OPERATIONS EXCLUDED FROM "CAPS"				
Group Insurance Plan for Employees		-		-
Recycling Tax	13,394.74	13,394.74	2,485.02	10,909.72
LOSAP	18,500.00	18,500.00		18,500.00
Matching Funds for Grants		-		-
Interest on Tax Appeals	10,000.00	10,000.00		10,000.00
Aid to Library (N.J.S.A. 40:54-35)	0.04	0.04		0.04
Interlocal Agreements				
Millville Board of Education-Gasoline	7,927.23	7,927.23	483.10	7,444.13
Millville Board of Education-IT	8,750.00	8,750.00	8,750.00	-
Public and Private Programs Off-Set by Revenues				
Matching Funds for Grants	42,101.50	42,101.50		42,101.50
Capital Improvements				
Sinkhole Repair - Esibill Avenue	17,640.00	17,640.00		17,640.00
	$ 2,430,957.45	2,430,957.45	675,985.96	1,754,971.49

Cash Disbursed	640,048.50
Accounts Payable	35,937.46
	675,985.96

Exhibit A - 10

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance December 31, 2015		
School Tax Payable	$ 2,701,565.43	
School Tax Deferred	1,791,000.00	
		$ 4,492,565.43
Increased by:		
Levy - School Fiscal Year		11,772,394.00
		16,264,959.43
Decreased by:		
Payments		11,782,393.69
Balance December 31, 2016		
School Tax Payable	2,691,565.74	
School Tax Deferred	1,791,000.00	
		4,482,565.74
Current Year Liability for Local School District School Tax:		
Tax Paid		11,782,393.69
Tax Payable Ending		2,691,565.74
		14,473,959.43
Less: Tax Payable Beginning		2,701,565.43
Amount charged to Current Year Operations		$ 11,772,394.00

Exhibit A - 11

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2015	Transferred From 2016 Revenues	Received	Cancelled	Balance Dec. 31, 2016
FEDERAL GRANTS:					
US DOT - Highway Planning & Construction Authority Act:	$				
Municipal Aid	80,503.93				80,503.93
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	3,825.34				3,825.34
Local Aid Bikeway Program	390,008.25				390,008.25
Local Aid Centers of Place Program	76,518.23				76,518.23
DOT	526,842.07				526,842.07
US Department of Homeland Security:					
EMA Exercise Grant	14,000.00				14,000.00
EMPG Exercise Pass Thru Grant	5,000.00		5,000.00		-
US Department of Justice:					
Justice Assistance Grant	20,693.20		20,693.00		0.20
Local Law Enforcement Grant		22,026.00			22,026.00
Bulletproof Vest Partnership	15,323.04	4,755.97	15,323.04		4,755.97
Total Federal	1,380,150.56	26,781.97	41,016.04	-	1,365,916.49

Exhibit A - 11

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Purpose	Balance Dec. 31, 2015	Transferred From 2016 Revenues	Received	Cancelled	Balance Dec. 31, 2016
STATE GRANTS:					
Hazardous Discharge Site Remediation	692,394.52				692,394.52
NJ Historic Preservation	31,836.62		29,246.11		2,590.51
Safe & Secure Communities	67,855.73	90,000.00	90,000.00		67,855.73
Drunk Driving Enforcement Fund		12,967.47	12,967.47		(0.00)
Sustainable Jersey Small Grant	5,000.00				5,000.00
Click it or Ticket		5,000.00	3,200.00		1,800.00
Drive Sober or Get Pulled Over		5,000.00			5,000.00
Clean Communities Program		73,663.92	73,663.92		-
HMEP Grant-HazMat Training	19,995.00		19,995.00		-
NJ Forest Service	3,000.00				3,000.00
Body Armor Replacement Fund		6,434.70	6,434.70		-
NJ DOT- Safe Streets	213,300.00			213,300.00	-
Municipal Alliance	36,792.50	31,594.00	32,701.11		35,685.39
Total State	1,070,174.37	224,660.09	268,208.31	213,300.00	813,326.15
	$ 2,450,324.93	251,442.06	309,224.35	213,300.00	2,179,242.64

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2015 Appropriated	2016 Appropriations	Disbursed	Canceled	Balance Dec. 31, 2016
FEDERAL GRANTS:					
US DOT - Safe Corridors Program	$ 85,035.77		81,763.05		3,272.72
US DOT Flammable Liquids Firefighting Training	236.36				236.36
US DOT	907,000.00		8,150.00		898,850.00
US Department of Homeland Security:					
Emergency Management Assistance Grant	3,733.32				3,733.32
2011 EMA Grant	69.88				69.88
2009 EMA Grant	5,000.00		337.58		4,662.42
Emergency Management Assistance Grant	10,000.00				10,000.00
US Department of Justice:					
Bulletproof Vest Partnership Grant	3,009.91	4,755.97	1,918.00		5,847.88
Justice Assistance Grant	30,193.96	22,026.00	19,788.67		32,431.29
Total Federal	1,044,279.20	26,781.97	111,957.30	-	959,103.87

CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS

	Balance December 31, 2015 Appropriated	2016 Appropriations	Disbursed	Canceled	Balance Dec. 31, 2016
STATE GRANTS:					
2014 NJ UEZ	50.00				50.00
Clean Communities Program	144,227.79	73,663.92	59,166.12		158,725.59
Recycling Tonnage Grant	134,698.34	80,800.17	145,802.76		69,695.75
NJ Forest Service	3,000.00		3,000.00		-
DOT - Pedestrian Safety	213,300.00			213,300.00	-
Recycling Tonnage Grant - Purchase of Trash Truck	1,400.00				1,400.00
Safe & Secure Communities	41,538.72	90,000.00	90,000.00		41,538.72
Body Armor Replacement Fund	6,749.60	6,434.70	6,713.00		6,471.30
Sustainable Jersey Small Grant	5,180.95		1,869.27		3,311.68
Click it or Ticket		5,000.00	3,200.00		1,800.00
Drive Sober or Get Pulled Over		5,000.00	3,000.00		2,000.00
Drunk Driving Enforcement	11,644.56	12,967.47	726.58		23,885.45
Hazardous Discharge Site Remediation	1,924,870.84		107,196.50		1,817,674.34
NJ Historic Preservation	296.75		296.75		-
Municipal Public Access Plan & Coastal Hazards	15,000.00				15,000.00
Alcohol Education & Rehabilitation	2,212.22				2,212.22
Municipal Alliance	21,715.12	39,492.50	36,510.24		24,697.38
Total State	2,525,884.89	313,358.76	457,481.22	213,300.00	2,168,462.43
OTHER GRANTS:					
Cumberland County Wastewater Grant	8,707.17				8,707.17
Total Other	8,707.17	-	-	-	8,707.17
	$ 3,578,871.26	$ 340,140.73	569,438.52	213,300.00	3,136,273.47

Cash Disbursed	$ 433,426.74
Encumbered	136,011.78
	$ 569,438.52

CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES

Purpose	Balance Dec. 31, 2015	Transferred To 2016 Appropriations	Received	Adjustments	Balance Dec. 31, 2016
FEDERAL GRANTS:					
None	$				-
Total Federal	-	-	-	-	-
STATE GRANTS:					
Recycling Tonnage	80,800.17	80,800.17			-
Total State	80,800.17	80,800.17	-	-	-
OTHER GRANTS:					
None	-				-
Total Other	-	-	-	-	-
	$ 80,800.17	80,800.17	-	-	-

Exhibit B-1

TRUST FUND
SCHEDULE OF CASH - TREASURER

	Ref.	Community Development Trust		Other Trust		Payroll Trust		Animal Control	
Balance December 31, 2015	$		321,470.59		5,888,047.41		72,751.59		21,029.74
Increased by Receipts:									
Dog License Fees 2016								13,993.40	
Due to State of New Jersey								4,214.40	
Prepaid Dog Licenses								72.00	
Due to / from:									
Current Fund		1,040.00						106.71	
Payroll Trust		7.05							
Trust Other		1,109.86							
CDBG Trust				17,000.00					
Sewer Utility Operating Fund						1,995.44			
Miscellaneous Trust Reserves				2,637,615.76		16,015,516.66			
CDBG Grant Receivable		83,338.56							
Home Investment Grant Receivable		33,424.20							
Mortgages & Loans Receivable - UDAG		21,398.61							
Mortgages & Loans Receivable - UEZ				289,819.59					
Reserve for Revolving Loan Fund - UEZ				30,594.66					
Reserve for UEZ - 1st Generation Project				12.38					
Revolving Loan Fund - Rehabilitation Program		3,814.05							
UDAG Interest		402.75							
Revolving Loan Fund - UDAG		1,057.70							
			145,592.78		2,975,042.39		16,017,512.10		18,386.51
			467,063.37		8,863,089.80		16,090,263.69		39,416.25
Decreased by Disbursements									
Statutory Expenditures								11,716.54	
Due to State of New Jersey								4,263.20	
Protested Checks								21.00	
Due to / from:									
Current Fund		353.79		51,216.99		2,477.32		100.40	
CDBG Trust				1,109.86		7.05			
Water Utility Operating Fund						1,356.39			
Trust Other Fund		17,000.00						-	
Miscellaneous Trust Reserves				2,585,396.97		15,923,414.82			
Reserve for CDBG Funds		122,755.73							
Reserve for Revolving Loan Fund - UEZ				770,248.14					
Revolving Loan Fund - Rehabilitation Program		42,520.90							
Reserve for Home Investment Partnership		63,734.20							
Reserve for Revolving Loan Fund - UDAG		18,000.00							
			264,364.62		3,407,971.96		15,927,255.58		16,101.14
Balance December 31, 2016	$		202,698.75		5,455,117.84		163,008.11		23,315.11

Exhibit B-2

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2015		$	20,048.92
Increased by:			
Dog License Fees Collected		13,993.40	
Prior Year Prepaid Dog License Fees		893.00	
			14,886.40
			34,935.32
Decreased by:			
Statutory Excess			
Expenditures under N.J.S. 4:19-15:11		11,716.54	
			11,716.54
Balance December 31, 2016		$	23,218.78

License Fees Collected:

Year		Amount
2015	$	14,086.20
2014		13,240.60
	$	27,326.80

Exhibit B-3

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

	Ref.		
Balance December 31, 2015		$	7.22
Increased by:			
Cash Receipts	106.71		
			106.71
			113.93
Decreased by:			
Payments to Current			100.40
Balance December 31, 2016		$	13.53

Exhibit B-4

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

	Ref.		
Balance December 31, 2015		$	69.60
Increased by:			
2016 State License Fees	4,214.40		
			4,214.40
			4,284.00
Decreased by:			
Disbursements to the State			4,263.20
Balance December 31, 2016		$	20.80

Exhibit B-5

TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES

Reserve	Balance 12/31/15	Receipts	Disbursements	Cancelled	Balance 12/31/16
Outside Employment of Police	$ 42,600.67	242,423.14	245,800.24		39,223.57
Public Defender	54,097.25	15,925.00	6,370.00		63,652.25
Planning Board Escrows	203,253.53	76,102.55	32,170.61		247,185.47
Unemployment Compensation Insurance	115,454.68		88,306.45		27,148.23
Landfill Closure	147,591.48	564.13			148,155.61
Municipal Alliance Grant Funds	883.19	620.00	326.31		1,176.88
Self - Insurance Funds	2,112,690.34		2,357.78		2,110,332.56
Neighborhood Preservation Program	315.00				315.00
State Law Enforcement Trust	15,891.85	1,220.00			17,111.85
Snow Removal	85,189.29		38,009.47		47,179.82
Vanaman Memorial Park Donations	952.00	100.00			1,052.00
Memorial in Patriot Park Donations	5,255.88				5,255.88
Parking Offenses Adjudication Act	7,616.00	1,792.00			9,408.00
COAH Fees	22,132.78	17.61			22,150.39
Millville Garden Rent Revenue	7,755.93				7,755.93
Neighborhood Opportunity Fund	2,860.00				2,860.00
Recreation Donations	4,909.70				4,909.70
Uniform Fire Safety Act	376.62	4,454.00			4,830.62
Employee Accumulated Absences	790,100.40	122,000.00	65,783.25		846,317.15
Reserve for Sheldon Estate Bequest	6,613.84	26.73			6,640.57
Payroll Taxes Payable	75,196.65	16,015,516.66	15,923,414.82		167,298.49
TTL Redemptions	1,112,622.83	2,172,370.60	2,106,272.86		1,178,720.57
	$ 4,814,359.91	18,653,132.42	18,508,811.79	-	4,958,680.54

Exhibit B-6

TRUST FUND
SCHEDULE OF CDBG GRANT RECEIVABLE

Balance December 31, 2015		$	214,326.81
Increased by:			
Current Year Award	-		
			-
			214,326.81
Decreased by:			
Cancelled	-		
Receipts	83,338.56		
			83,338.56
Balance December 31, 2016		$	130,988.25
	2016 Grant	$	130,988.25
			130,988.25

Exhibit B-7

TRUST FUND
SCHEDULE OF MORTGAGE RECEIVABLE - RESERVE FOR REHABILITATION PROJECTS

Balance December 31, 2015		$	81,472.06
Increased by:			
Loan Granted -			
			-
			81,472.06
Decreased by:			
Receipts	3,687.78		
Cancelled Loans	-		
			3,687.78
Balance December 31, 2016		$	77,784.28

Exhibit B-8

TRUST FUND
SCHEDULE OF MORTGAGE RECEIVABLE - UDAG

Balance December 31, 2015		$ 152,379.44
Increased by:		
Loan Granted -	-	
		-
		152,379.44
Decreased by:		
Receipts	21,398.61	
Cancelled Loans	-	
		21,398.61
Balance December 31, 2016		$ 130,980.83

Exhibit B-9

TRUST FUND
SCHEDULE OF MORTGAGES & LOANS RECEIVABLE - UEZ

Balance December 31, 2015		$ 3,367,211.92
Increased by:		
Loan Granted	-	
		-
		3,367,211.92
Decreased by:		
Receipts	289,819.59	
Cancelled Loans	-	
		289,819.59
Balance December 31, 2016		$ 3,077,392.33

Exhibit B-10

TRUST FUND
SCHEDULE OF HOME INVESTMENT PARTNERSHIP PROGRAM RECEIVABLE

Balance December 31, 2015		$	330,114.12
Increased by:			
Current Year Award	-		-
			330,114.12
Decreased by:			
Other	-		
Receipts	33,424.20		33,424.20
Balance December 31, 2016		$	296,689.92
	2013 & Prior	$	53,960.92
	2014		135,773.00
	2015		106,956.00
		$	296,689.92

Exhibit B-11

TRUST FUND
SCHEDULE OF RESERVE FOR CDBG FUNDS

Balance December 31, 2015		$	288,078.03
Increased by:			
Cash Receipts	-		
Current Year Award	-		-
			288,078.03
Decreased by:			
Cash Disbursed:			
Other	122,755.73		
Cancelled	-		122,755.73
Balance December 31, 2016		$	165,322.30
	2013	$	5,720.01
	2014		33,561.62
	2015		126,040.67
		$	165,322.30

Exhibit B-12

TRUST FUND
SCHEDULE OF RESERVE FOR REVOLVING LOAN FUND - UEZ

Balance December 31, 2015		$ 901,348.76
Increased by:		
Cash Receipts:		
Loan Principal	289,819.59	
Loan Interest	3,461.25	
Interest on Investments	4.15	
Other Receipts	27,129.26	
		320,414.25
		1,221,763.01
Decreased by:		
Cash Disbursed:		
Realized as Debt Service Aid:		
Current Fund	622,269.00	
Water Utility Operating Fund	75,526.25	
Sewer Utility Operating Fund	66,278.72	
Other	6,174.17	
		770,248.14
Balance December 31, 2016		$ 451,514.87

Exhibit B-13

TRUST FUND
SCHEDULE OF RESERVE FOR UEZ 1st GENERATION PROJECT

Balance December 31, 2015		$ 215,518.40
Increased by:		
Cash Receipts:		
Interest on Investments	12.38	
		12.38
		215,530.78
Decreased by:		
Cancelled	-	
Cash Disbursed	-	
		-
Balance December 31, 2016		$ 215,530.78

Exhibit B-14

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

Balance December 31, 2015		$ 159,516.10
Increased by:		
Cash Receipts:		
Loan Principal	3,687.78	
Loan Interest	125.16	
MHA Reimbursement	-	
Interest on Investments	1.11	
		3,814.05
		163,330.15
Decreased by:		
Cash Disbursed:		
Loans Issued	42,520.90	
		42,520.90
Balance December 31, 2016		$ 120,809.25

Exhibit B-15

TRUST FUND
SCHEDULE OF RESERVE FOR HOME INVESTMENT PARTNERSHIP PROGRAM

Balance December 31, 2015		$ 277,202.73
Increased by:		
Current Year Award	-	
		-
		277,202.73
Decreased by:		
Cancelled	-	
Cash Disbursed	63,734.20	
		63,734.20
Balance December 31, 2016		$ 213,468.53

2013 & Prior	$	14,716.42
2014		91,796.11
2015		106,956.00
	$	213,468.53

Exhibit B-16

TRUST FUND
SCHEDULE OF RESERVE FOR REVOLVING LOAN FUND - UDAG

Balance December 31, 2015		$ 124,750.87
Increased by:		
Cash Receipts:		
Loan Principal	21,398.61	
Loan Interest	1,047.99	
Other Receipts	-	
Interest on Investments	9.71	
		22,456.31
		147,207.18
Decreased by:		
Cash Disbursed:		
Loans Issued	18,000.00	
Other	-	
		18,000.00
Balance December 31, 2016		$ 129,207.18

Exhibit C - 2

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

Balance December 31, 2015		$ 1,492,198.94
Increased by:		
Bond Anticipation Notes Issued	6,356,902.00	
Premium Received on Sale of BAN	19,455.12	
Budget Appropriation:		
Capital Improvement Fund	50,000.00	
Payment of Bond Anticipation Notes	110,549.00	
		6,536,906.12
		8,029,105.06
Decreased by:		
Improvement Authorizations	327,742.52	
Prior Year Encumbrances	614,512.89	
Anticipated as Current Fund Revenue	87,720.00	
Bond Anticipation Notes Paid	5,579,451.00	
		6,609,426.41
Balance December 31, 2016		$ 1,419,678.65

Exhibit C - 3

GENERAL CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2015	Receipts Miscellaneous	Receipts Debt Issued	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2016
Fund Balance		$ 444,213.91	19,455.12				-	2,428.41	466,097.44
Capital Improvement Fund		389,561.73	50,000.00				89,201.87		350,359.86
Encumbrances Payable		614,512.89				614,512.89		1,222,747.59	1,222,747.59
Reserve for Preliminary Expenses		2,850.00							2,850.00
Reserve for Payment of Debt		1,208,873.58				87,720.00			1,121,153.58
Improvement Authorizations:									
33-07	Acquisition of Computer Equipment & Technology	(40,916.70)							(40,916.70)
41-07	Improvements to Vacant Land & Environmental Remediation	(852,736.21)			71,151.99		103,457.99		(1,027,346.19)
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	(157,210.61)			45,970.55				(203,181.16)
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	(359,059.70)		1,000,000.00	66,611.47		142,238.92		432,089.91
02-07	Phase - I Improvements to Center City Revenue Allocation District	125,752.98							125,752.98
33-14	Various Capital Improvements	94,188.05		(68,000.00)	26,283.53		5,611.46		(5,706.94)
16-15	Acquisition of Mechanical Broom Sweepers	85,512.00		(44,000.00)	39,107.52			-	2,404.48
19-15	Various Capital Improvements	86,553.20			(14,435.67)		25,798.00	-	75,190.87
24-16	Municipal Buildings Repairs and Improvements				34,645.99		30,131.02	24,201.87	(40,575.14)
29-16	Acquisition of Public Safety System				56,540.74		908,321.60	50,000.00	(914,862.34)
45-16	Municipal Stormwater Drainage				2,007.20		7,047.80	15,000.00	5,945.00
		$ 1,492,198.94	69,455.12	$ 888,000.00	327,742.52	702,232.89	1,314,377.87	1,314,377.87	1,419,678.65

Exhibit C - 4

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance December 31, 2015		$ 389,561.73
Increased by:		
Budget Appropriation	50,000.00	
		50,000.00
		439,561.73
Decreased by:		
Improvement Authorizations Funded	89,201.87	
		89,201.87
Balance December 31, 2016		$ 350,359.86

Exhibit C - 5

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

Balance December 31, 2015		$ 16,239,771.37
Increased by:		
Refunding Bond	54,000.00	
		54,000.00
		16,293,771.37
Decreased by:		
Serial Bonds Paid	2,377,000.00	
Loan Principal Paid	54,889.38	
		2,431,889.38
Balance December 31, 2016		$ 13,861,881.99

Exhibit C - 6

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

Ord #	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Raised in 2016 Budget	Other	Balance Dec. 31, 2016	Analysis of Balance: Bond Anticipation Notes	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorizations
33-07	Acquisition of Computer Equipment & Technology	$ 41,000.00			(83.30)	40,916.70		40,916.70	-
41-07	Improvements to Vacant Land & Environmental Remediation	2,618,275.00		51,725.00		2,566,550.00	216,550.00	1,027,346.19	1,322,653.81
10-08	Various Capital Improvements	50,000.00			(47,871.46)	2,128.54		2,128.54	-
12-08	Capital Expenditures for Public Purposes - Millville Gardens	413,946.43			(412,419.16)	1,527.27		1,527.27	-
15-08:34-08	Capital Expenditures for Public Purposes - Road Improvements	37,000.00			(4,312.10)	32,687.90		32,687.90	-
12-09	Various Capital Improvements & Acquisitions	263,000.00			(59,780.75)	203,219.25		203,181.16	38.09
19-12:36-12	Various Capital Improvements & Acquisitions	1,207,176.00		58,824.00	(150,019.12)	998,332.88	882,352.00	115,980.88	-
4-13	Capital Expenditures for Public Purposes - Road Improvements	5,890,000.00			(274,206.00)	5,615,794.00	4,800,000.00		815,794.00
02-07	Phase - I Improvements to Center City Revenue Allocation District	839,000.00			(839,000.00)	-			-
33-14	Various Capital Improvements	361,000.00				361,000.00	293,000.00	5,706.94	62,293.06
16-15	Acquisition of Mechanical Broom Sweepers	209,000.00	-			209,000.00	165,000.00		44,000.00
24-16	Municipal Buildings Repairs and Improvements	-	459,804.00			459,804.00		40,575.14	419,228.86
29-16	Acquisition of Public Safety System	-	950,000.00			950,000.00		914,862.34	35,137.66
45-16	Municipal Stormwater Drainage	-	285,000.00			285,000.00			285,000.00
		$ 11,929,397.43	1,694,804.00	110,549.00	(1,787,691.89)	11,725,960.54	6,356,902.00	2,384,913.06	2,984,145.48

Improvement Authorizations Unfunded		$ 3,418,639.87
Less:		
Unexpended Proceeds of Bond Anticipation Notes Issued:		
Ord. Number		
4-13	$ 432,089.91	
16-2015	2,404.48	
		434,494.39
		$ 2,984,145.48

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded	Other Funding	Authorizations Deferred Charges to Future Taxation	Paid or Charged	Cancelled	Balance December 31, 2016 Funded	Balance December 31, 2016 Unfunded
33-07	Acquisition of Computer Equipment & Technology	9/18/2007	400,000	$	83.30				83.30		-
41-07	Improvements to Vacant Land & Environmental Remediation	10/16/2007	3,000,000		1,497,263.79			174,609.98			1,322,653.81
10-08	Various Capital Improvements	4/15/2008	825,000		47,871.46			-	47,871.46		-
12-08	Capital Expenditures for Public Purposes - Millville Gardens	5/20/2008	3,600,000		412,419.16				412,419.16		-
15-08 34-08	Capital Expenditures for Public Purposes - Road Improvements	6/17/2008	580,000		4,312.10				4,312.10		-
12-09	Various Capital Improvements & Acquisitions	3/3/2009	660,000		105,789.39			45,970.55	59,780.75		38.09
8-10	Installation of Certain Capital Improvements - Kates Blvd.	5/18/2010	80,000	2,428.41					2,428.41	-	
19-12 38-12	Various Capital Improvements & Acquisitions	5/15/2012	1,330,000		150,019.12				150,019.12		-
4-13	Capital Expenditures for Public Purposes - Road Improvements	3/19/2013	6,200,000		1,730,940.30			208,850.39	274,206.00		1,247,883.91
02-07	Phase - I Improvements to Center City Revenue Allocation District	2/16/2007	8,130,000	125,752.98	839,000.00				839,000.00	125,752.98	-
33-14	Various Capital Improvements	9/16/2014	380,000		94,188.05			31,894.99			62,293.06
16-15	Acquisition of Mechanical Broom Sweepers	6/2/2015	220,000		85,512.00			39,107.52			46,404.48
19-15	Various Capital Improvements	8/18/2015	300,000	86,553.20	-			11,362.33		75,190.87	-
24-16	Municipal Buildings Repairs and Improvements	6/7/2016	484,005			24,201.87	459,804.00	64,777.01			419,228.86
29-16	Acquisition of Public Safety System	7/19/2016	1,000,000			50,000.00	950,000.00	964,862.34			35,137.66
45-16	Municipal Stormwater Drainage	10/22/2016	300,000			15,000.00	285,000.00	9,055.00		5,945.00	285,000.00
				$ 214,734.59	4,967,398.67	89,201.87	1,894,804.00	1,550,490.11	1,790,120.30	206,888.85	3,418,639.87

Cash Disbursed	$ 942,255.41
Encumbrances - Prior	(614,512.89)
Encumbrances - Current	1,222,747.59
	$ 1,550,490.11

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016 Date	Amount	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
General Refunding Bonds of 2008	9/1/2008	3,756,000	9/1/2017	250,000	5.000%	$ 2,451,000.00	(1,751,000.00)	200,000.00	500,000.00
			9/1/2018	250,000	5.000%				
General Obligation Bonds of 2011	11/1/11	5,639,000	11/1/2017	500,000	5.000%	4,239,000.00		350,000.00	3,889,000.00
			11/1/2018	500,000	5.000%				
			11/1/2019	500,000	5.000%				
			11/1/2020	500,000	5.000%				
			11/1/2021	600,000	5.000%				
			11/1/2022	600,000	5.000%				
			11/1/2023	689,000	3.000%				
General Refunding Bonds of 2012	9/5/2012	7,222,000	7/15/2017	675,000	2.000%	3,982,000.00		1,217,000.00	2,765,000.00
			7/15/2018	660,000	2.250%				
			7/15/2019	695,000	2.250%				
			7/15/2020	735,000	2.500%				
Revenue Allocation District Bonds	11/1/2011	7,025,000	11/1/2017	600,000	5.000%	4,975,000.00		600,000.00	4,375,000.00
			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%				
General Refunding Bonds of 2016	4/21/2016	1,805,000	9/1/2017	10,000	2.000%		1,805,000.00	10,000.00	1,795,000.00
			9/1/2018	10,000	2.000%				
			9/1/2019	285,000	3.000%				
			9/1/2020	285,000	3.000%				
			9/1/2021	280,000	3.000%				
			9/1/2022	300,000	3.000%				
			9/1/2023	300,000	3.000%				
			9/1/2024	325,000	3.000%				
						$ 15,647,000.00	$ 54,000.00	2,377,000.00	13,324,000.00

Exhibit C - 8b

GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

Purpose	Maturities of Bonds Outstanding December 31, 2016 Date	Amount	Interest Rate		Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
Green Trust Loans	2017	55,992.66	2.00%	$	592,771.37	54,889.38	537,881.99
	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%				
				$	592,771.37	54,889.38	537,881.99

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, 2015	Increased	Decreased	Balance Dec. 31, 2016
Improvements to Vacant Land & Environmental Remediation	41-07	3/28/2008	8/2/2016	8/1/2017	1.250%	$ 268,275.00	216,550.00	268,275.00	216,550.00
Various Capital Improvements & Acquisitions	19-12:36-12	12/7/2012	8/2/2016	8/1/2017	1.250%	941,176.00	882,352.00	941,176.00	882,352.00
Capital Expenditures for Public Purposes - Road Improvements	4-13	12/4/2014	8/2/2016	8/1/2017	1.250%	3,800,000.00	4,800,000.00	3,800,000.00	4,800,000.00
Various Capital Improvements	33-14	8/3/2015	8/2/2016	8/1/2017	1.250%	361,000.00	293,000.00	361,000.00	293,000.00
Acquisition of Mechanical Broom Sweepers	16-15	8/3/2015	8/2/2016	8/1/2017	1.250%	209,000.00	165,000.00	209,000.00	165,000.00
						$ 5,579,451.00	6,356,902.00	5,579,451.00	6,356,902.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Debt Issued	Cancelled	Balance Dec. 31, 2016
33-07	Acquisition of Computer Equipment & Technology	$ 41,000.00			(83.30)	40,916.70
41-07	Improvements to Vacant Land & Environmental Remediation	2,350,000.00				2,350,000.00
10-08	Various Capital Improvements	50,000.00			(47,871.46)	2,128.54
12-08	Capital Expenditures for Public Purposes - Millville Gardens	413,946.43			(412,419.16)	1,527.27
15-08	Capital Expenditures for Public Purposes - Road Improvements	37,000.00			(4,312.10)	32,687.90
12-09	Various Capital Improvements & Acquisitions	263,000.00			(59,780.75)	203,219.25
19-12:36-12	Various Capital Improvements & Acquisitions	266,000.00			(150,019.12)	115,980.88
4-13	Capital Expenditures for Public Purposes - Road Improvements	2,090,000.00		1,000,000.00	(274,206.00)	815,794.00
33-14	Various Capital Improvements			(68,000.00)		68,000.00
16-15	Acquisition of Mechanical Broom Sweepers			(44,000.00)		44,000.00
02-07	Phase - I Improvements to Center City Revenue Allocation District	839,000.00			(839,000.00)	-
24-16	Municipal Buildings Repairs and Improvements		459,804.00			459,804.00
29-16	Acquisition of Public Safety System		950,000.00			950,000.00
45-16	Municipal Stormwater Drainage		285,000.00			285,000.00
		$ 6,349,946.43	1,694,804.00	$ 888,000.00	(1,787,691.89)	5,369,058.54

WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Operating Fund		Assessment Fund		Capital Fund	
Balance December 31, 2015		$ 3,042,263.15		$ 11,000.00		1,565,705.83
Increased by Receipts:						
Water Accounts Receivable	3,571,460.93					
Miscellaneous Revenue Anticipated	153,605.41					
Overpaid Water Rents	14,660.66					
Premium on Sale of Bonds					2,927.95	
Bond Anticipation Notes					956,845.00	
Due from Current Fund	8,295.82					
Due from Sewer Operating	9.91					
Due to Payroll Trust	1,356.39					
		3,749,389.12		-		959,772.95
		6,791,652.27		11,000.00		2,525,478.78
Decreased by Disbursements:						
Current Year Appropriation	2,837,379.55					
Encumbrances	127,797.54				-	
Improvement Authorizations					716,423.25	
Accrued Interest on Bonds	380,100.62					
Prior Year's Operating Surplus - Anticipated as Current Fund Revenue	201,586.00					
		3,546,863.71		-		716,423.25
Balance December 31, 2016		$ 3,244,788.56		$ 11,000.00		1,809,055.53

Exhibit D - 6

WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2015	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2016
Fund Balance		$ 80,131.36	2,927.95				588,955.78	672,015.09
Capital Improvement Fund		169,402.58						169,402.58
Reserve for Payment of Debt		594,825.02						594,825.02
Improvement Authorizations:								
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	370,400.10				370,400.10		
6-16	Repairs of Water Meters		956,845.00	716,423.25				240,421.75
7-16	Cedarville Rd. Water Main Replacement						132,391.09	132,391.09
		$ 1,565,705.83	959,772.95	716,423.25	-	721,346.87	721,346.87	1,809,055.53

Exhibit D - 7

WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2015		$ 147,214.55
Increased by:		
Consumer Accounts Charges and Levies	3,591,482.02	
		3,591,482.02
		3,738,696.57
Decreased by:		
Collections	3,571,460.93	
Prepayments & Overpayments Applied	3,347.99	
Transfers to Liens	488.93	
		3,575,297.85
Balance December 31, 2016		$ 163,398.72

Exhibit D - 8

WATER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS

Balance December 31, 2015		$ 2,994.46
Increased by:		
Transferred from Consumer Accounts Receivable	488.93	
Interest and Costs Added		
		488.93
		3,483.39
Decreased by:		
Cancelled	2,777.13	
		2,777.13
Balance December 31, 2016		$ 706.26

WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 48,002.78	48,002.78		48,002.78
Other Expenses	388,722.62	388,722.62	90,507.17	298,215.45
Capital Improvements:				
Capital Outlay	110,842.02	110,842.02	37,470.00	73,372.02
Statutory Expenditures				
Contribution to:				
Social Security System (O.A.S.I.)	16,804.37	16,804.37		16,804.37
Disability Insurance	2,000.00	2,000.00	129.81	1,870.19
	$ 566,371.79	566,371.79	128,106.98	438,264.81

Cash Disbursed	$ 127,797.54
Accounts Payable	309.44
	$ 128,106.98

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

Balance December 31, 2015		45,504.66
Increased by:		
Budget Appropriations	379,371.29	
		379,371.29
		424,875.95
Decreased By:		
Payments of Debt Service Interest		380,100.62
Balance December 31, 2016		44,775.33

Analysis of Accrued Interest December 31, 2016

Principal Outstanding December 31, 2016	Interest Rate	From	To	Days	Amount
250,000.00	5.00%	9/1/2016	12/31/2016	121	$ 4,201.39
466,000.00	Var	11/1/2016	12/31/2016	60	3,473.25
1,455,000.00	Var	9/1/2016	12/31/2016	121	14,792.50
780,000.00	3.57%	8/1/2016	12/31/2016	152	11,760.49
360,000.00	4.57%	9/1/2016	12/31/2016	121	5,530.91
956,845.00	1.25%	8/2/2016	12/31/2016	151	5,016.79
					$ 44,775.33

WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded	Other Funding	Authorizations Deferred Charges to Future Revenue	Paid or Charged	Cancelled	Balance December 31, 2016 Funded	Balance December 31, 2016 Unfunded
06-03	Construction of Treatment Plant for Airport Water Wells	4/1/2003	1,500,000	208,555.68	101,560.00				310,115.68	-	-
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	370,400.10	90,000.00				460,400.10	-	-
6-16	Repair Various Water Mains		965,845.22					716,423.25		-	249,421.97
7-16	Water Main Replacement		132,391.09			132,391.09				132,391.09	-
				$ 711,346.87	965,845.22	$ -	-	716,423.25	1,544,801.00	132,391.09	249,421.97

WATER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016 Date	Amount	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Refunded	Balance Dec. 31, 2016
Water Bonds of 2008	9/1/2008	2,430,000	9/1/2017-2018	$ 125,000.00	5.00%	$ 1,780,000.00		125,000.00	(1,405,000.00)	250,000.00
Water Bonds of 2011	11/1/2011	671,000	11/1/2017-2018	60,000.00	5.00%	516,000.00		50,000.00		466,000.00
			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%					
Water Refunding Bonds of 2012	9/5/2012	164,000				74,000.00		74,000.00		-
General Refunding Bonds of 2016	9/1/2016	1,460,000	9/1/2017	10,000	2.000%		1,460,000.00	5,000.00		1,455,000.00
			9/1/2018	10,000	2.000%					
			9/1/2019	135,000	3.000%					
			9/1/2020	130,000	3.000%					
			9/1/2021	130,000	3.000%					
			9/1/2022	135,000	3.000%					
			9/1/2023	155,000	3.000%					
			9/1/2024	155,000	3.000%					
			9/1/2025	150,000	3.000%					
			9/1/2026	150,000	3.000%					
			9/1/2027	150,000	3.000%					
			9/1/2028	145,000	3.000%					
						$ 2,370,000.00	$ 1,460,000.00	254,000.00	(1,405,000.00)	2,171,000.00

WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS

Purpose	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
Series 2003A - Trust Loan	8/2017	$ 35,000.00	$ 815,000.00	35,000.00	780,000.00
	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	2/2017	47,033.89	2,398,728.85	142,116.68	2,256,612.17
	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			
	8/2030	94,067.79			
	2/2031	47,033.89			
	8/2031	94,067.79			
	2/2032	47,033.89			
	8/2032	93,053.08			

WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS

Purpose	Maturities of Bonds Outstanding December 31, 2015 Date	Amount	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
Series 2003A - Trust Loan	9/2017	45,000.00	400,000.00	40,000.00	360,000.00
	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	3/2017	5,073.60	243,511.33	35,363.67	208,147.66
	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			
			$ 3,857,240.18	252,480.35	3,604,759.83

Principal Payments	251,465.35
De-obligated NJEIT Funds	1,015.00
	252,480.35

WATER 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, 2015	Increased	Decreased	Balance Dec. 31, 2016
Repair of Water Mains	6-16	8/2/2016	8/2/2016	8/1/2017	1.25%	-	956,845.00		956,845.00
					$	-	956,845.00	-	956,845.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Debt Issued	Other	Balance Dec. 31, 2016
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	3,326.69			3,326.69	-
4-12	Capital Improvements for Water Utility	90,000.00			90,000.00	-
6-16	Repair Various Water Mains		965,845.22	956,845.00		9,000.22
		$ 955,845.22	965,845.22	956,845.00	955,845.22	9,000.22

Exhibit E - 5

SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	Operating Fund		Assessment Fund		Capital Fund	
Balance December 31, 2015		$ 4,237,974.02		$ 61,504.82		1,246,051.62
Increased by Receipts:						
Sewer Accounts Receivable	5,940,552.09					
Miscellaneous Revenue Anticipated	99,184.05					
NJ UEZ - Debt Service Aid	66,278.72					
Overpaid Sewer Rents	18,506.20					
Premium on Sale of Notes					6,911.14	
Due to Sewer Operating Fund					208,228.00	
Bond Anticipation Notes Issued					2,358,544.00	
		6,124,521.06		-		2,573,683.14
		10,362,495.08		61,504.82		3,819,734.76
Decreased by Disbursements:						
Current Year Appropriation	4,199,632.18					
Prior Year Appropriations	325,795.34					
Improvement Authorizations					354,927.49	
Bond Anticipation Notes Paid					1,708,544.00	
Accrued Interest on Bonds	769,546.86					
Due to Sewer Capital Fund	208,228.00					
Due from Payroll Trust	1,995.44					
Due to Water Operating Fund	9.91					
Due to Current Fund	903.60					
Prior Year's Surplus Anticipated as Current Fund Revenue	385,290.00					
		5,891,401.33		-		2,063,471.49
Balance December 31, 2016		$ 4,471,093.75		$ 61,504.82		1,756,263.27

SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

		Balance Dec. 31, 2015	Receipts Miscellaneous	Disbursements Improvement Authorizations	Disbursements Miscellaneous	Transfers From	Transfers To	Balance Dec. 31, 2016
Fund Balance		$ 303,508.48	6,911.14					310,419.62
Capital Improvement Fund		501,951.59	100,000.00					601,951.59
Reserve for Payment of Debt		559,622.43					2,335.22	561,957.65
Due to Sewer Utility Operating Fund		(108,228.00)	8,228.00		-			(100,000.00)
NJ EIT Loan Payable		(67,811.75)						(67,811.75)
Contracts Payable		790,223.75			790,223.75		7,762,230.49	7,762,230.49
Improvement Authorizations:								
22-2002	Environmental Investigation & Cleanup of Taxiway Pump Station	1,428.37		(194,772.72)		791.56		195,409.53
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	(228,575.02)		-				(228,575.02)
7-2008: 19-2009	Upgrades to Wastewater Treatment Plant - Phase I	1,543.66		(88.41)	(476.72)	1,632.07		476.72
11-2011	Capital Improvements	100,000.00			100,000.00			-
39-2012	Upgrades to Municipal Sewer Utility	(773,988.73)	750,000.00	(506,335.25)		7,762,142.08		(7,279,795.56)
		$ 1,246,051.62	865,139.14	(701,196.38)	1,056,123.87	7,764,565.71	7,764,565.71	1,756,263.27

Exhibit E - 7

SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance December 31, 2015		$	251,817.09
Increased by Receipts:			
Consumer Accounts Charges and Levies	5,978,065.90		
			5,978,065.90
			6,229,882.99
Decreased by Disbursements:			
Collections	5,940,552.09		
Prepayments & Overpayments Applied	5,547.04		
Transfers to Liens	-		
			5,946,099.13
Balance December 31, 2016		$	283,783.86
	Current Balances	$	277,843.24
	Arrears		5,940.62
		$	283,783.86

Exhibit E - 8

SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY LIENS

Balance December 31, 2015		$	671.10
Increased by Receipts:			
Transferred from Consumer Accounts Receivable	-		
			-
			671.10
Decreased by Disbursements:			
Collections			
Other	(797.77)		
			(797.77)
Balance December 31, 2016		$	1,468.87

SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

		Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:					
Salaries and Wages	$	597.21	597.21		597.21
Other Expenses		646,329.30	646,329.30	422,824.42	223,504.88
Capital Improvements					
Capital Outlay		28,781.41	28,781.41	20,593.67	8,187.74
Statutory Expenditures					
Social Security System (O.A.S.I.)		23,049.78	23,049.78		23,049.78
Disability Insurance		2,000.00	2,000.00	173.09	1,826.91
	$	700,757.70	700,757.70	443,591.18	257,166.52

Cash Disbursed	325,795.34
Accounts Payable	117,795.84
	443,591.18

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

Balance December 31, 2015		76,357.95
Increased by:		
Budget Appropriations	756,182.71	
		756,182.71
		832,540.66
Decreased By:		
Payments of Debt Service Interest		769,546.86
Balance December 31, 2016		62,993.80

Analysis of Accrued Interest December 31, 2016

Principal Outstanding December 31, 2016	Interest Rate	From	To	Days	Amount
Serial Bonds:					
165,000.00	5.000%	9/1/2016	12/31/2016	120	$ 2,750.00
2,000,000.00	4.500%	11/1/2016	12/31/2016	59	14,750.00
995,000.00	2.000%	9/1/2016	12/31/2016	120	6,633.33
Loans:					
285,000.00	5.574%	9/1/2016	12/31/2016	120	5,295.30
62,798.60	0.000%	9/1/2016	12/31/2016	120	-
700,000.00	4.568%	9/1/2016	12/31/2016	120	10,658.67
509,267.47	0.000%	9/1/2016	12/31/2016	120	-
795,000.00	4.205%	9/1/2016	12/31/2016	120	11,143.25
708,825.00	0.000%	9/1/2016	12/31/2016	120	-
BAN's:					
558,544.00	1.25%	8/2/2016	12/31/2016	150	2,909.08
1,700,000.00	1.25%	8/2/2016	12/31/2016	150	8,854.17
6,779,435.07					$ 62,993.80

SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord #	Improvement Description	Ord. Date	Amount	Balance December 31, 2015 Funded	Balance December 31, 2015 Unfunded	Paid or Charged	Cancelled	Balance December 31, 2016 Funded	Balance December 31, 2016 Unfunded
22-2002	Environmental Investigation & Cleanup of Taxiway Pump Station	7/2/2002	2,000,000	$ 1,428.37		(194,772.72)	(791.56)	195,409.53	
11-2003	Improvements to Wastewater Treatment Plant & Collection System	5/6/2003	2,900,000	16,840.24	50,000.00		(66,840.24)	-	-
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		71,424.98	-	(71,424.98)		-
7-2008: 19-2009	Upgrades to Wastewater Treatment Plant - Phase I	2/19/2008: 6/16/2009	8,843,000		1,543.66	(476.72)	(1,543.66)		476.72
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		8,048,511.27	7,255,806.83	-		792,704.44
25-2016	Sewer Jet & Catch Basin Cleaner	6/7/2016	266,377			266,376.84	266,376.84	-	
				$ 267,805.21	8,171,479.91	7,326,934.23	(123,760.20)	195,409.53	793,181.16

SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016 Date	Amount	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Refunding	Balance Dec. 31, 2016
Sewer Bonds of 2008	9/1/2008	1,630,000	9/1/2017	75,000.00	5.000%	$ 1,205,000.00		75,000.00	965,000.00	165,000.00
			9/1/2018	90,000.00	5.000%					
Sewer Bonds of 2011	11/1/2011	2,850,000	11/1/2017	250,000.00	5.000%	2,200,000.00		200,000.00		2,000,000.00
			11/1/2018	275,000.00	5.000%					
			11/1/2019	275,000.00	5.000%					
			11/1/2020	300,000.00	5.000%					
			11/1/2021	300,000.00	5.000%					
			11/1/2022	300,000.00	3.000%					
			11/1/2023	300,000.00	3.000%					
Sewer Refunding Bonds of 2012	9/5/2012	629,000				294,000.00		294,000.00		-
Sewer Refunding Bonds of 2016	4/21/2016	1,000,000	9/1/2017	5,000.00	2.000%		1,000,000.00	5,000.00		995,000.00
			9/1/2018	5,000.00	2.000%					
			9/1/2019	95,000.00	3.000%					
			9/1/2020	95,000.00	3.000%					
			9/1/2021	95,000.00	3.000%					
			9/1/2022	100,000.00	3.000%					
			9/1/2023	105,000.00	3.000%					
			9/1/2024	100,000.00	3.000%					
			9/1/2025	100,000.00	3.000%					
			9/1/2026	100,000.00	3.000%					
			9/1/2027	100,000.00	3.000%					
			9/1/2028	95,000.00	3.000%					
						$ 3,699,000.00	$ 1,000,000.00	574,000.00	965,000.00	3,160,000.00

SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE LOANS

Purpose	Maturities of Bonds Outstanding December 31, 2016 Date	Amount	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
Series 1996A - Trust Loan		$	$ 100,000.00	100,000.00	-
Series 1999A - Trust Loan	8/2017	90,000.00	370,000.00	85,000.00	285,000.00
	8/2018	95,000.00			
	8/2019	100,000.00			
Series 1999A - Fund Loan	2/2017	3,198.22	125,455.76	62,657.16	62,798.60
	8/2017	59,600.38			
Series 2003A - Trust Loan	9/2017	85,000.00	780,000.00	80,000.00	700,000.00
	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	3/2017	9,884.83	579,558.08	70,290.61	509,267.47
	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, 2016 Date	Amount	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
Series 2010A - Trust Loan	8/2017	45,000.00	$ 840,000.00	45,000.00	795,000.00
	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	2/2017	18,175.00	2,290,050.00	1,581,225.00	708,825.00
	8/2017	36,350.00			
	2/2018	18,175.00			
	8/2018	36,350.00			
	2/2019	18,175.00			
	8/2019	36,350.00			
	2/2020	18,175.00			
	8/2020	36,350.00			
	2/2021	18,175.00			
	8/2021	36,350.00			
	2/2022	18,175.00			
	8/2022	36,350.00			
	2/2023	18,175.00			
	8/2023	36,350.00			
	2/2024	18,175.00			
	8/2024	36,350.00			
	2/2025	18,175.00			
	8/2025	36,350.00			
	2/2026	18,175.00			
	8/2026	36,350.00			
	2/2027	18,175.00			
	8/2027	36,350.00			
	2/2028	18,175.00			
	8/2028	36,350.00			
	2/2029	18,175.00			
	8/2029	36,350.00			
			$ 5,085,063.84	2,024,172.77	3,060,891.07

Principal Paid	$ 497,472.77
Principal Forgiveness	1,526,700.00
	$ 2,024,172.77

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, 2015	Increased	Decreased	Balance Dec. 31, 2016
Upgrades to Wastewater Treatment Plant - Phase I	7-08: 19-09	12/8/2011	8/2/2016	8/1/2017	1.25%	$ 608,544.00	608,544.00	658,544.00	558,544.00
Upgrades to Municipal Sewer Utility	39-2012	12/4/2014	8/2/2016	8/1/2017	1.25%	1,000,000.00	1,750,000.00	1,050,000.00	1,700,000.00
						$ 1,608,544.00	2,358,544.00	1,708,544.00	2,258,544.00

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Debt Issued	Cancelled	Balance Dec. 31, 2016
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		71,424.98	228,575.02
39-2012	Upgrades to Municipal Sewer Utility	8,822,500.00	750,000.00		8,072,500.00
		$ 9,172,500.00	750,000.00	121,424.98	8,301,075.02

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CITY OF MILLVILLE

PART II

GENERAL COMMENTS AND FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2015

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 $40,000.

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 Solicitor'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:

Landscaping Maintenance
Furnishing Various Chemical Supplies
Cedar Street Water Main Replacement
Work Uniforms
3rd Street Reconstruction
Jet Vac and Catch Basin Cleaner
2016 Electrical Maintenance and Service
Street Fencing and Gates
Water Main Replacement Phase I
Solar Panel Purchase Agreement
Wastewater Treatment Plan Rehabilitation Phase II

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."

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 three years:

Year	Number
2016	36
2015	94
2014	75

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:

Type	Number Mailed
Payments of 2016 and 2017 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

	2016	2015	2014
Tax Rate	$ 3.296	3.222	3.228
Apportionment of Tax Rate:			
Municipal	1.266	1.266	1.266
County	1.230	1.190	1.207
Local School	0.800	0.766	0.755

GENERAL COMMENTS (Continued)

Assessed Valuation

Year	Amount
2016	$ 1,472,483,710
2015	1,479,230,971
2014	1,470,934,168

Comparison of Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2016	$ 48,610,325.27	$ 47,471,646.14	97.66%
2015	47,776,082.47	46,596,724.48	97.53%
2014	47,925,631.59	46,705,619.57	97.45%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2016	$ 274,634.93	$ 1,133,582.11	$ 1,408,217.04	2.95%
2015	390,232.33	1,074,774.92	1,465,007.25	3.06%
2014	601,587.58	892,609.98	1,494,197.56	6.22%

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:

Year	Amount
2016	$ 3,892,700
2015	3,392,700
2014	1,385,230

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

June 16, 2017

FORD-SCOTT
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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, 2016, 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 16, 2017, 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 16, 2017

CITY OF MILLVILLE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDING DECEMBER 31, 2016

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	**Unmodified Opinion issued on the Financial Statements – Regulatory Basis, presented in accordance with an "Other Comprehensive Basis of Accounting".**
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**

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. We have also issued a Management Letter.

MANAGEMENT RESPONSES

Not Applicable

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.