

CITY OF PLEASANTVILLE

ATLANTIC COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2016**

CITY OF PLEASANTVILLE

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CITY OF PLEASANTVILLE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2016

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Pleasantville, as of December 31, 2016 and 2015, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 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 Pleasantville on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Pleasantville as of December 31, 2016 and 2015, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 17 of the financial statements, the City is required to obtain an actuarial report on the valuation of post employment benefits as required by Governmental Accounting Standards Board Statement 45. The City did not obtain the required actuarial report for the year ended December 31, 2016 and therefore does not have the required information for disclosure.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, 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 Pleasantville's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2017 on our consideration of the City of Pleasantville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Pleasantville's internal control over financial reporting and compliance.

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

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

April 21, 2017

EXHIBIT A - CURRENT FUND

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

	2016	2015
ASSETS		
Regular Fund:		
Cash - Treasurer	\$ 5,023,127	7,091,558
Due from State of New Jersey - Senior Citizens and Veterans	14,602	12,023
	5,037,729	7,103,581
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	128,774	107,548
Tax Title and Other Liens	1,322,687	1,278,521
Property Acquired for Taxes-Assessed Valuation	1,948,529	1,428,529
Revenue Accounts Receivable	9,791	11,349
Due from:		
Animal Control Fund	5,143	4,325
Fire Prevention Penalty Fund	2,312	2,312
Veterans Memorial Funnd	100	-
Utility Operating Fund	40,217	40,376
Tax Redemption Trust	127	127
Payroll Trust	119,099	119,099
Payroll Clearing	20,806	20,806
	3,597,585	3,012,992

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	2016	2015
ASSETS		
Deferred Charges:		
Cash Deficit in Operations	-	7,807
Emergency Appropriation	815,000	-
Special Emergency Appropriation	1,293,056	1,686,742
	2,108,056	1,694,549
Total Assets - Regular Fund	10,743,370	11,811,122
 Federal and State Grant Fund:		
Cash	2,992,971	3,927,288
Federal Grants Receivable	1,634,599	1,413,049
State Grants Receivable	4,262,005	2,910,340
Due from Current Fund	173,094	2,215,660
Total Assets - Grant Fund	9,062,669	10,466,337
Total Current Fund	\$ 19,806,039	22,277,459

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	2016	2015
LIABILITIES, RESERVES AND FUND BALANCE		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 279,712	712,613
Reserve for Encumbrances and Payables	373,734	441,359
Taxes Collected in Advance	441,089	257,265
Tax Overpayments	239,081	125,552
Special Emergency Note Payable	1,293,056	1,686,742
Emergency Note Payable	815,000	-
Due to:		
Board of Education	226,585	423,947
Grant Fund	173,094	2,215,660
Utility Capital	555	476,163
City Escrow Trust	1,500	-
General Capital Fund	20,001	947,416
County of Atlantic - Added/Omitted Taxes	38,112	6,158
State Training Fees	3,052	8,298
Reserve for:		
State Tax Appeals Pending	100,000	100,000
FICA Reimbursements	232	232
Tax Lien Sale Costs	47,611	16,320
Revaluation	408,891	408,891
Performance Bonds	81,939	112,778
	4,543,244	7,939,394
Reserves for Receivables and Other Assets	3,597,585	3,012,992
Fund Balance	2,602,541	858,736
Total Liabilites - Regular Fund	10,743,370	11,811,122

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

	2016	2015
LIABILITIES, RESERVES AND FUND BALANCE		
Federal and State Grant Fund:		
Encumbrances Payable	487,783	176,499
Due to General Capital	671,480	596,223
Commercial Development		
Unappropriated Reserves	40,514	40,514
Reserve for Federal Grants		
Appropriated	1,219,103	1,121,803
Reserve for State Grants		
Appropriated	3,573,320	4,780,898
Unappropriated	3,070,469	3,750,400
Total Liabilities - Grant Fund	9,062,669	10,466,337
Total Current Fund	\$ 19,806,039	22,277,459

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

	2016	2015
Revenue and Other Income Realized		
Fund Balance Utilized	\$ 363,494	1,635,311
Miscellaneous Revenue Anticipated	9,490,698	8,748,289
Receipts from Delinquent Taxes	147,501	53,032
Receipts from Current Taxes	34,158,500	33,518,526
Non Budget Revenue	267,586	774,346
Other Credits to Income:		
Interfund Returned	59	90,193
Cancellation of Liabilities	1,676,176	-
Unexpended Balance of Approp Reserves	653,608	75,986
Total Income	46,757,622	44,895,683
 Expenditures		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	11,023,589	11,746,000
Other Expenses	14,382,240	14,461,237
Deferred Charges and Statutory		
Expenditures	3,424,931	3,306,524
Capital Improvements	20,000	20,000
Municipal Debt Service	2,555,477	2,251,381
Transferred to Board of Education for Local Use	77,212	77,212
Local District School Tax	9,297,825	9,130,185
County Tax	4,199,788	3,877,470
County Share of Added Taxes	38,112	6,158
Interfund Created	-	75,367
Refund of Prior Year's Revenue	446,149	511,656
Total Expenditures	45,465,323	45,463,190
Excess/(Deficit) in Revenue	1,292,299	(567,507)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	<u>2016</u>	<u>2015</u>
Adjustments to Income before Fund Balance:		
Expenditures included above with are by Statute		
Deferred Charges to Budget of Succeeding Year		
Cash Deficit in Operations		7,507
Emergency Appropriation	<u>815,000</u>	<u>560,000</u>
Statutory Excess to Fund Balance	<u>2,107,299</u>	<u>-</u>
Fund Balance January 1	<u>858,736</u>	<u>2,494,047</u>
	2,966,035	2,494,047
Decreased by:		
Utilization as Anticipated Revenue	<u>363,494</u>	<u>1,635,311</u>
Balance December 31	<u>\$ 2,602,541</u>	<u>858,736</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 363,494	363,494	
Total Fund Balance Anticipated	363,494	-	-
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	22,000	22,300	300
Other	36,000	35,799	(201)
Fees and Permits	233,000	223,078	(9,922)
Fines and Costs:			
Municipal Court	175,000	215,705	40,705
Interest and Costs on Taxes	180,000	193,170	13,170
Anticipated Utility Operating Surplus	1,100,000	1,100,000	-
Rental of Municipal Property	65,000	78,000	13,000
Rent of Municipal Land	42,000	42,840	840
Payments in Lieu of Taxes	150,236	155,929	5,693
Hotel Room Tax	40,000	47,871	7,871
Rental Regulation Fee	140,000	150,045	10,045
Abandoned Property Registration	75,000	200,183	125,183
Total Section A	2,258,236	2,464,920	206,684
Section B: State Aid Without Offsetting Appropriations			
Energy Receipts Tax	1,866,036	1,866,036	
Consolidated Municipal Property Tax Relief Act	265,404	265,404	
Total Section B	2,131,440	2,131,440	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Anticipated		Realized	Excess or (Deficit)
	Budget	N.J.S. 40A:4-87		
Section C: Dedicated Uniform Construction Code Fees Offset with Appropriations (NJS40A:4-36 & NJAC 5:23-4.17) Uniform Construction Code Fees	200,000		452,233	252,233
Total Section C	200,000	-	452,233	252,233
Section F: Special Items of General Revenue Anticipated -Public and Private Revenues Offset with Appropriations Clean Communities Program Drunk Driving Enforcement Fund Urban Enterprise Zone: Projects Body Armor Fund SAFER Fire Grant Municipal Alliance Program Safe and Secure Communities Program Summer Food Program FEMA - Bayview Ave Pump Station Click it or Ticket NJ DOT - 2016 Transit Village NJ DOT - Bikepath Program Lighting NJ DOT - Portland Avenue Improvements	32,000 1,500,000 350,000 15,000 180,000 100,000	41,547 12,591	73,547 12,591 1,500,000 350,000 15,000 360,000 258,892 100,000 5,000 500,000 360,000 250,950	-
Total Section F	2,177,000	1,608,980	3,785,980	-

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**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 G-Special Items of General Revenue				
Anticipated with Prior Written Consent of Director of				
Local Government Services - Other Special Items	35,000		38,565	3,565
Uniform Fire Safety Act	539,339		617,560	78,221
FEMA Reimbursements - Sandy	574,339	-	656,125	81,786
Total Section G	7,341,015	1,608,980	9,490,698	540,703
Total Miscellaneous Revenues	35,000		147,501	112,501
Receipts from Delinquent Taxes				
Amount to be Raised by Taxes				
for Support of Municipal Budget	21,642,961		20,945,667	(697,294)
Local Tax for Municipal Purposes	29,382,470	1,608,980	30,947,360	(44,090)
Budget Totals	-		267,586	267,586
Non-Budget Revenues:				
Other Non-Budget Revenue	\$ 29,382,470	1,608,980	31,214,946	223,496

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**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	\$	34,158,500
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Less: Reserve for Tax Appeals Pending		-
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Net Revenue from Collections		34,158,500
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Allocated to:

School, County Taxes		13,535,725
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Balance for Support of Municipal Budget Appropriations		20,622,775
--	--	------------

Increased by:

Appropriation "Reserve for Uncollected Taxes"		322,892
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Amount for Support of Municipal Budget Appropriations

		20,945,667
--	--	------------

Receipts from Delinquent Taxes:

Delinquent Tax Collections		70,010
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Tax Title Lien Collections		77,491
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	\$	147,501
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**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Analysis of Non-Budget Revenue

Miscellaneous Revenue not Anticipated:

Tax Collector:

Tax Search Fees	\$	70
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Treasurer:

Board Up & Cleaning Fees	10,437	
Recreation Fees	1,090	
Police Contract Time	4,631	
Interest	20,885	
Auctioned Assets	4,145	
Insurance Reimbursements	3,958	
Smoke Detector Certification Fees	40,159	
Payment in lieu of Taxes	139,118	
Miscellaneous	41,241	
Senior Citizen and Veterans Admin Fee	1,852	
	267,516	
		\$ 267,586
		267,586

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
GENERAL GOVERNMENT:						
General and Administrative						
Salaries and Wages	\$ 230,000	225,500	224,664		836	
Other Expenses	39,500	24,000	13,500	2,202	8,298	
Mayor and City Council						
Salaries and Wages	100,500	96,500	95,826		674	
Other Expenses	15,500	10,500	9,528	531	441	
Municipal Clerk						
Salaries and Wages	100,000	101,000	100,378		622	
Other Expenses	54,000	42,000	37,416	105	4,479	
Technology Support & Equipment						
Other Expenses	66,500	64,500	45,246	18,421	833	
Elections						
Other Expenses	7,000	7,500	6,879		621	
Financial Administration						
Salaries and Wages	175,000	172,000	171,358		642	
Other Expenses	41,000	38,450	34,400	3,719	331	
Audit Services	44,000	36,500	36,500		-	
Assessment of Taxes						
Salaries and Wages	60,000	47,000	45,171		1,829	
Other Expenses	8,500	8,500	7,562	40	898	
Collection of Taxes						
Salaries and Wages	84,500	68,000	66,015		1,985	
Other Expenses	15,500	9,000	5,601	1,817	1,582	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Liquidation of Tax Title Liens and Foreclosed Property Other Expenses	45,000	45,000	44,528		472	
Legal Services and Costs						
Salaries and Wages	28,000	28,000	27,646		354	
Other Expenses	126,000	191,000	175,015	500	15,485	
Public Buildings and Grounds						
Other Expenses	126,800	99,800	93,430	387	5,983	
Planning and Zoning Board of Adjustment						
Salaries and Wages	32,500	33,000	32,775		225	
Other Expenses	18,000	7,000	5,780	55	1,165	
PUBLIC SAFETY:						
Fire						
Salaries and Wages	4,095,000	4,136,000	4,020,769		115,231	
Other Expenses	121,750	121,000	116,883	3,965	152	
Police						
Salaries and Wages	3,425,889	3,500,889	3,498,097		2,792	
Other Expenses	245,000	234,900	220,713	6,189	7,998	
Emergency Management Service						
Salaries and Wages	5,000	5,000	5,000		-	
Other Expenses	3,750	3,750	2,105	1,645	-	
Uniform Fire Safety Act (PL 1983, CH 383)						
Fire Prevention Program						
Salaries and Wages	100,000	100,000	99,662		338	
Other Expenses	8,000	8,100	7,608	399	93	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Appropriations		Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved		
Telecommunications Unit							
Salaries and Wages	435,000	417,500	414,788		2,712		
Other Expenses	8,750	9,750	3,500	6,000	250		
Municipal Court							
Salaries and Wages	215,000	226,700	226,438		262		
Other Expenses	24,135	24,135	19,641	634	3,860		
Public Defender							
Salaries and Wages	15,000	12,000	11,700		300		
PUBLIC WORKS							
Division of Roads							
Salaries and Wages	1,000,000	977,000	968,756		8,244		
Other Expenses	221,500	204,500	136,473	39,142	28,885		
Division of Public Property							
Salaries and Wages	195,000	126,000	125,809		191		
Other Expenses	28,000	24,500	22,732		1,768		
SANITATION:							
Solid Waste (CH 74, PL 1987)							
Garbage and Trash Removal							
Other Expenses - Contractual	600,000	553,300	449,598	101,925	1,777		
Contractual Trash Pickup	181,325	151,325	121,289	30,035	1		
Contractual Recycling Pickup							
Solid Waste Disposal Costs	600,000	601,700	494,284	107,393	23		
HEALTH AND WELFARE:							
Animal Control							
Other Expenses	22,100	24,300	19,800	2,637	1,863		
Senior Citizen Board							
Other Expenses	3,000	3,000	2,593	64	343		

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	Appropriations		Paid or Charged	Expended		Reserved	(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved		
Recreation and Education:							
Parks and Playgrounds							
Salaries and Wages	237,000	244,500	242,225		2,275		
Other Expenses	29,200	19,200	13,121	1,394	4,685		
Insurance							
General Liability	332,139	332,139	332,139		-		
Workers Compensation	800,000	720,000	719,131		869		
Employee Group Health	4,315,000	4,887,900	4,886,173	45	1,682		
EPL Settlements	125,000	30,000	28,776		1,224		
Employee Group Health Opt-Outs	100,000	95,000	94,604		396		
Crossing Guards							
Salaries and Wages	120,000	111,000	110,983		17		
Other Expenses	3,500	2,000	1,806		194		
UNIFORM CONSTRUCTION CODE:							
Construction Official							
Salaries and Wages	204,000	199,000	198,459		541		
Other Expenses	74,500	71,500	60,467	70	10,963		
Housing Official							
Salaries and Wages	199,000	197,000	196,505		495		
Other Expenses	8,700	7,700	7,022	209	469		
Unclassified:							
Fire Hydrant Service	190,000	166,000	165,821		179		
Electricity	500,000	516,000	514,361	1,285	354		
Fuel Oil	72,500	38,500	35,748	2,699	53		
Telephone	275,000	171,000	167,601	3,039	360		
Water	50,000	37,000	36,095	807	98		
Gasoline	130,000	104,000	83,709	15,502	4,789		
TOTAL OPERATIONS WITHIN "CAPS"	20,736,538	20,769,538	20,162,202	352,855	254,481	-	
Contingent	2,500	500	400		100		
TOTAL OPERATIONS INCLUDING CONTINGENT - WITHIN "CAPS"	20,739,038	20,770,038	20,162,602	352,855	254,581	-	
Detail:							
Salaries and Wages	11,056,369	11,023,589	10,883,024	-	140,565		
Other Expenses	9,682,649	9,746,449	9,279,578	352,855	114,016		

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Statutory Expenditures:						
Public Employees' Retirement System	388,908	394,908	394,677		231	
Social Security	420,000	423,000	422,770		230	
Police and Firemen's Retirement System of NJ	2,185,530	2,185,530	2,185,520		10	
Unemployment Comp Ins	40,000	-			-	
Defined Contribution Pension Plan	5,000	5,000	4,552	366	82	
Police and Firemen's Retirement System Pension Increase - Public Employees	15,000	15,000	15,000		-	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	3,054,438	3,023,438	3,022,519	366	553	-
Cash Deficit of Preceding Year	7,807	7,807	7,807		-	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	23,801,283	23,801,283	23,192,928	353,221	255,134	-
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Recycling Tax	30,000	30,000	30,000		-	
Employee Group Health						
Total Other Operations - Excluded from "CAPS"	30,000	30,000	30,000		-	

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Public and Private Revenues Offset by Appropriations						
Municipal Alliance	15,000	15,000	15,000			
Municipal Alliance - Local Match	4,811	4,811	4,811			
Clean Communities Grant	32,000	73,547	73,547			
UEZ Bulkhead Project	200,000	200,000	200,000			
UEZ Public Safety Police Yr16	1,200,000	1,200,000	1,200,000			
UEZ Bus Station Sec Guard	100,000	100,000	100,000			
SAFER Fire Grant	350,000	350,000	350,000			
Drunk Driving Enforcement Fund		12,591	12,591			
FEIMA - Bay Avenue Pump Station	100,000	100,000	100,000			
Safe and Secure Communities	180,000	360,000	360,000			
Click it or Ticket		5,000	5,000			
Summer Food Program		258,892	258,892			
NJ DOT - 2016 Transit Village		500,000	500,000			
NJ DOT - Bikeway Program Lighting		360,000	360,000			
NJ DOT - Portland Avenue Improvements		250,950	250,950			
Total Public and Private Programs Offset by Revenues	2,181,811	3,790,791	3,790,791	-	-	-
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	2,211,811	3,820,791	3,820,791	-	-	-
Detail:						
Salaries and Wages						
Other Expenses	2,211,811	3,820,791	3,820,791	-	-	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	20,000	20,000	20,000			
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	20,000	20,000	20,000	-	-	-

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

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,682,000	1,682,000	1,682,000	-	-	-
Payment of Bond Anticipation Notes	346,000	346,000	346,000	-	-	-
Interest on Bonds	406,748	406,748	406,748	-	-	-
Interest on Notes	7,800	7,800	7,729	-	-	71
Interest on Special Emergency Notes	13,494	13,494	13,456	-	-	38
Green Trust Loan Repayments Principal and Interest	19,308	19,308	19,308	-	-	-
Demolition Loan Repayments Principal and Interest	80,236	80,236	80,236	-	-	-
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	2,555,586	2,555,586	2,555,477	-	-	109
DEFERRED CHARGES						
Special Emergency Authorizations - 5 Years	393,686	393,686	393,686	-	-	-
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	393,686	393,686	393,686	-	-	-
Judgements	-	815,000	790,422	-	24,578	-
Transferred to Board of Education for Use of Local Schools	77,212	77,212	77,212	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	5,258,295	7,682,275	7,657,588	-	24,578	109
SUBTOTAL GENERAL APPROPRIATIONS	29,059,578	31,483,558	30,850,516	353,221	279,712	109
Reserve for Uncollected Taxes	322,892	322,892	322,892	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 29,382,470	31,806,450	31,173,408	353,221	279,712	109
Budget Appropriations by 40A:4-87 Emergency Appropriations						
		29,382,470			Cancelled Overexpenditures	109
		1,608,980				-
		815,000				109
		<u>31,806,450</u>				<u>109</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	<u>PAID OR CHARGED</u>
Federal and State Grants	\$ 3,790,791
Deferred Charges	401,493
Reserve for Uncollected Taxes	322,892
Disbursed	<u>29,815,490</u>
	34,330,666
Appropriation Refunds	<u>3,157,258</u>
	<u>\$ 31,173,408</u>

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EXHIBIT B - TRUST FUND

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

	2016	2015
ASSETS		
<u>Animal Control Fund</u>		
Cash - Treasurer	\$ 6,453	5,716
	6,453	5,716
<u>Other Funds</u>		
Cash - Treasurer	1,930,726	2,440,710
Due from Current Fund	1,500	-
Due from Payroll Trust	9,024	9,024
	1,941,250	2,449,734
	\$ 1,947,703	2,455,450

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

	2016	2015
LIABILITIES, RESERVES AND FUND BALANCE		
<u>Animal Control Fund</u>		
Reserve for Dog Expenditures	\$ 1,310	1,391
Due to State of New Jersey	-	-
Due to Current Account	5,143	4,325
	6,453	5,716
<u>Other Funds</u>		
Deposits for Redemption of Tax Sale Certificates	38,376	52,755
Premiums Received at Tax Sale	1,132,200	1,359,700
Reserve for Unemployment	40,314	30,767
Reserve for Bid Escrow	5,216	5,000
Reserve for Confiscated Funds	19,765	22,314
Reserve for Developer's Escrow	147,269	112,776
Reserve for Law Enforcement Trust	566	565
Reserve for Payroll Deductions	48,265	40,893
Reserve for Parking Offenses Adjudication Act	822	894
Reserve for Veterans Memorial Park Fund	23,957	23,943
Reserve for Fire Prevention Penalty	8,404	8,294
Reserve for Fire Prevention Dedicated Penalty	2,942	2,877
Reserve for Accumulated Absences	180,433	491,367
Reserve for Maintenance Escrow	141,253	146,221
Due to Unemployment Trust Fund -	9,024	9,024
Due to Current Fund -		
TTL Redemption	127	127
Fire Prevention Penalties	2,312	2,312
Veterans Memorial Park Fund	100	-
Payroll Clearing	20,806	20,806
Payroll Trust	119,099	119,099
	1,941,250	2,449,734
	\$ 1,947,703	2,455,450

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

EXHIBIT C - CAPITAL FUND

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

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 62,163	111,760
Deferred Charges to Future Taxation -		
Funded	11,334,985	13,075,669
Unfunded	525,068	871,068
Due from Current Fund	20,001	947,416
Due from Grant Fund	671,480	596,223
Due from State of New Jersey	178,280	182,280
Due from State of New Jersey - Demolition Loan	-	71,257
	<u>12,791,977</u>	<u>15,855,673</u>
 LIABILITIES, RESERVES AND FUND BALANCE		
Encumbrances Payable	228,836	754,085
General Serial Bonds	11,048,000	12,730,000
Loans Payable	286,985	345,669
Bond Anticipation Note Payable	346,000	692,000
Due to Utility Capital	422,115	422,115
Improvement Authorizations		
Funded	337,911	809,035
Unfunded	61	700
Capital Improvement Fund	81,700	61,700
Fund Balance	40,369	40,369
	<u>\$ 12,791,977</u>	<u>15,855,673</u>

There were bonds and notes authorized but not issued at December 31, 2016 and 2015 of \$179,068 and \$179,068.

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

	<u>2016</u>	<u>2015</u>
Beginning Balance	\$ 40,369	40,369
No activity		
Ending Balance	<u>\$ 40,369</u>	<u>40,369</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

EXHIBIT D - SEWER UTILITY FUND

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

	2016	2015
<u>ASSETS</u>		
Operating Fund:		
Cash - Treasurer	\$ 963,112	784,373
Due from Sewer Capital	64,625	63,579
	1,027,737	847,952
Receivables and Other Assets with Full Reserves:		
Consumer Accounts Receivable	538,965	639,863
Sewer Utility Liens	80,826	75,536
	619,791	715,399
Deferred Charges:		
Overexpenditure of Appropriation	-	2,956
	-	2,956
Total of Operating Fund	1,647,528	1,566,307
Capital Fund:		
Cash - Treasurer	36,383	179,113
Cash - In trust with NJEIT	-	93,343
Due from State - NJEIT	-	140,015
Due from General Capital Fund	422,115	422,115
Due from Current Fund	555	476,163
Fixed Capital	6,477,442	6,477,442
Fixed Capital - Authorized & Uncomp.	9,061,642	9,295,000
Total of Capital Fund	15,998,137	17,083,191
	\$ 17,645,665	18,649,498

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2016</u>	<u>2015</u>
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 42,937	49,315
Reserve for Encumbrances	10,814	3,965
Utility Overpayments	178,952	174,545
Due to the Current Fund	40,217	40,376
Accrued Interest on Bonds and Notes	45,903	51,728
Reserve for California Avenue Pump Station	17,000	17,000
Reserve for Woodland Avenue Pump Station	25,000	25,000
Reserve for Megan's Landing Sewer Capacity Study	4,000	4,000
	<u>364,823</u>	<u>365,929</u>
Reserve for Receivables	619,791	715,399
Fund Balance	662,914	484,979
Total of Operating Fund	<u>1,647,528</u>	<u>1,566,307</u>
Capital Fund:		
Serial Bonds Payable	4,625,982	5,192,947
Capital Improvement Fund	146,538	146,538
Encumbrances Payable	124,957	411,817
Due to Sewer Operating Fund Improvement Authorizations	64,625	63,579
Funded	646,973	1,201,947
Unfunded	444,559	455,467
Reserves for:		
Amortization	6,477,442	6,477,442
Amortization - Deferred	3,467,061	3,133,454
Fund Balance	-	-
Total of Capital Fund	<u>15,998,137</u>	<u>17,083,191</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 17,645,665</u>	<u>18,649,498</u>

There were Bonds and Notes Authorized but not issued at December 31, 2016 and 2015 of \$968,599 and \$968,599 respectively.

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

	2016	2015
<u>Revenue and Other Income Realized</u>		
Fund Balance Anticipated	\$ 69,638	-
Rents	4,685,904	4,798,454
Interest on Rents Receivable	132,178	135,449
Miscellaneous Revenue Anticipated	183,990	4,791
Army Corps of Engineers	339,467	299,012
City of Absecon	82,574	81,464
Other Credits to Income:		
Unexpended Balance of Appropriation		
Reserves	47,144	47,908
 Total Income	 5,540,895	 5,367,078
 <u>Expenditures</u>		
Operating	3,536,080	3,356,700
Debt Service	554,286	528,411
Deferred Charges and Statutory		
Expenditures	102,956	75,000
Surplus (General Budget)	1,100,000	1,300,000
 Total Expenditures	 5,293,322	 5,260,111
 Excess in Revenue	 247,573	 106,967
 Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute deferred Charges to Budget of		
Succeeding Year	-	2,956
 Excess in Operations	 247,573	 109,923
 Fund Balance January 1	 484,979	 375,056
 Decreased by:		
Utilization as Anticipated Revenue	69,638	-
 Balance December 31	 \$ 662,914	 484,979

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	<u>2016</u>	<u>2015</u>
Beginning Balance	-	-
Decreased by:		
Surplus budgeted in Operating Fund	<u>-</u>	<u>-</u>
Ending Balance	<u><u>-</u></u>	<u><u>-</u></u>

**SEWER OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
AS OF DECEMBER 31, 2016**

	<u>ANTIC. BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Surplus Anticipated	\$ 69,638	69,638	
Rents	4,750,000	4,685,904	(64,096)
Miscellaneous	125,000	316,168	191,168
Army Corps of Engineers	340,000	339,467	(533)
City of Absecon	65,000	82,574	17,574
	<u>\$ 5,349,638</u>	<u>5,493,751</u>	<u>144,113</u>

ANALYSIS OF REALIZED REVENUES

Rents

Consumer Accounts Receivable:

Current Collected	4,678,391
Overpayments Applied	-
Liens Collected	<u>7,513</u>

4,685,904

Less Received from Absecon

-

4,685,904

Miscellaneous

Other Miscellaneous	43,815
Plumbing Permits	140,175
Interest on Sewer Rentals	132,178

316,168

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

	APPROPRIATIONS				EXPENDED		UNEXPENDED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELED	OVER-EXPENDED	
OPERATING								
Salaries and Wages	\$ 375,000	375,000	365,417		9,583			
Other Expenses	1,125,750	1,125,748	1,093,662	10,814	21,272			
Atlantic County Sewerage Authority - Contractual	2,035,330	2,035,332	2,035,332		-			
	<u>3,536,080</u>	<u>3,536,080</u>	<u>3,494,411</u>	<u>10,814</u>	<u>30,855</u>			
DEBT SERVICE								
Payment of Bond Principal	473,622	473,622	458,622				15,000	
Interest on Bonds	136,980	136,980	95,664				41,316	
Total Debt Service	<u>610,602</u>	<u>610,602</u>	<u>554,286</u>	<u>-</u>	<u>-</u>		<u>56,316</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES								
Deferred Charges:								
Overexpenditure of Appropriation	2,956	2,956	2,956					
Contribution to:								
Public Employees' Retirement System	60,000	60,000	60,000					
Social Security System	40,000	40,000	27,918		12,082			
Surplus (General Budget)	1,100,000	1,100,000	1,100,000					
	<u>1,202,956</u>	<u>1,202,956</u>	<u>1,190,874</u>	<u>-</u>	<u>12,082</u>		<u>-</u>	
	<u>\$ 5,349,638</u>	<u>5,349,638</u>	<u>5,239,571</u>	<u>10,814</u>	<u>42,937</u>		<u>56,316</u>	

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

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

	<u>PAID OR CHARGED</u>
Interest on Bonds and Notes	95,664
Deferred Charges	2,956
Disbursed	5,140,951
	<u><u>5,239,571</u></u>

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EXHIBIT G - GENERAL FIXED ASSET GROUP OF ACCOUNTS

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

	<u>2016</u>	<u>2015</u>
General Fixed Assets:		
Land	\$ 6,229,600	6,229,600
Buildings	11,825,155	11,825,155
Equipment and Machinery	1,856,703	1,856,703
Vehicles	<u>3,819,784</u>	<u>2,851,990</u>
	<u>23,731,242</u>	<u>22,763,448</u>
 Investment in General Fixed Assets	 <u>\$ 23,731,242</u>	 <u>22,763,448</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL
STATEMENTS

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CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

B. Description of Funds

The accounting policies of the City of Pleasantville conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the City of Pleasantville accounts for its financial transactions through the following separate funds:

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

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

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

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

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

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
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C. Basis of Accounting

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

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

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

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; interest on utility capital indebtedness is on the accrual basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2016 and 2015:

	Balance 12/31/2014	Additions	Retirements	Balance 12/31/2015
Land	\$ 6,229,600	-	-	6,229,600
Building	11,825,155	-	-	11,825,155
Equipment and Machinery	1,724,345	135,537	(3,179)	1,856,703
Vehicles	2,851,990	-	-	2,851,990
	<u>\$ 22,631,090</u>	<u>135,537</u>	<u>(3,179)</u>	<u>22,763,448</u>

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

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

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

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

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

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

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

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

D. Required Financial Statements

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

E. Comparative Data

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

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

F. Recent Accounting Pronouncements Not Yet Effective

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". 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 June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the City's financial reporting.

In 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 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 is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the City's financial reporting, however will affect the disclosure of pension related items.

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

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

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 \$322,892 and \$375,605. 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 \$363,494 and \$1,635,311. In addition, the City operates a self liquidating sewer utility. Under New Jersey Statutes a separate budget for the utility must be adopted concurrently with the operating budget of the City. The utility budget must be a balanced cash

CITY OF PLEASANTVILLE
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basis budget with fund balance being used to balance the budget. The amount of fund balance budgeted to balance the 2016 and 2015 statutory budgets was \$69,638 and \$0.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. The following significant budget transfers were approved in the 2016 and 2015 calendar years:

<u>Budget Category</u>	<u>2016</u>	<u>2015</u>
<u>Current Fund:</u>		
General and Administrative		
Other Expenses	-	(25,000)
Legal Services		
Other Expenses	65,000	-
Public Buildings and Grounds		
Other Expenses	-	26,000
Fire		
Salaries and Wages	41,000	-
Police		
Salaries and Wages	75,000	(120,000)
Division of Roads		
Salaries and Wages	-	(25,000)
Other Expenses	-	90,000
Division of Public Property		
Salaries and Wages	(69,000)	-
Contractual Trash Pickup	(46,700)	
Contractual Recycling Pickup	(30,000)	
Solid Waste Disposal Costs	-	(57,500)
Insurance		
Workers Compensation	(80,000)	-
Employee Group Health	572,900	145,000
EPL Settlements	(95,000)	-
Fire Hydrant Service		30,000
Fuel Oil	(34,000)	-
Electricity	-	(45,000)
Telephone	(104,000)	85,000
Gasoline	-	(75,000)
Unemployment Compensation Insurance	(40,000)	-

<u>Budget Category</u>	<u>2016</u>	<u>2015</u>
<u>Utility Fund</u>		
Salaries and Wages	-	25,000
Other Expenses	-	(20,000)

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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 significant budget insertions were approved:

<u>Budget Category</u>	<u>2016</u>	<u>2015</u>
Clean Communitis Program	\$ 41,547	36,262
Safe and Secure Communities	180,000	-
Municipal and Urban Aid Program		240,950
NJ DOT Transit Village Grant	500,000	240,000
Summer Food Service Program	258,892	190,305
NJ DOT Bikepath Lighting	360,000	-
NJ DOT Trust Fund	250,950	-
UEZ 2nd Generation Abandoned Properties		45,000
NJDOT Safe Streets Improvements		500,000
FEMA Bayview Ave Pump Station Generator		100,000
Main Street Streetscape NJEDA Grant		461,476
Additional Post Sandy Planning Grant		110,000
Sandy Shared Services Capital Grant		30,000
FEMA - Post Sandy Planning Grant		280,000

The City may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The City approved a special emergency appropriation in 2014 for \$500,000. The emergency was for a revaluation in the City. The unfunded balance as of December 31, 2016 was \$300,000. The City also approved a special emergency appropriation in 2014 for \$1,500,000. The emergency was used to fund payments of accumulated absences. The unfunded balance as of December 31, 2016 was \$545,056. The City approved a special emergency appropriation in 2015 for \$560,000 to fund payments of accumulated absences. The unfunded balance as of December 31, 2016 was \$448,000. During 2016 the City approved an emergency appropriation in the amount of \$815,000 to fund a legal settlement. This emergency was refunded by ordinance in 2017.

Note 3: INVESTMENTS

As of December 31, 2016 and 2015, the municipality held no investments.

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

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

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

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as 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, \$1,372,690 and \$1,423,464 of the municipality's bank balance of \$12,491,667 and \$14,906,934 was exposed to custodial credit risk.

Note 5: LONG TERM DEBT

Long-term debt as of December 31, 2016 and 2015 consisted of the following:

	<u>Balance</u> <u>12/13/14</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>12/31/15</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Bonds payable:					
General	\$ 10,327,000	3,857,000	1,454,000	12,730,000	1,682,000
Utility	4,001,569	1,600,000	408,622	5,192,947	473,622
Total	<u>\$ 14,328,569</u>	<u>5,457,000</u>	<u>1,862,622</u>	<u>17,922,947</u>	<u>2,155,622</u>
Other liabilities:					
Loans Payable	\$ 366,163	4,000	24,494	345,669	58,683
Compensated Absences Payable	4,451,784	1,717,909	1,925,011	4,244,682	
Total long-term liabilities	<u>\$ 19,146,516</u>	<u>7,178,909</u>	<u>3,812,127</u>	<u>22,513,298</u>	<u>2,214,305</u>

CITY OF PLEASANTVILLE
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	Balance 12/13/15	Issued	Retired	Balance 12/31/16	Amounts Due Within One Year
Bonds payable:					
General	\$ 12,730,000		1,682,000	11,048,000	1,677,000
Utility	5,192,947		566,965	4,625,982	488,622
Total	<u>\$ 17,922,947</u>	<u>-</u>	<u>2,248,965</u>	<u>15,673,982</u>	<u>2,165,622</u>
Other liabilities:					
Loans Payable	\$ 345,669		58,684	286,985	33,540
Compensated Absences Payable	4,244,682	1,922,963	1,695,308	4,472,337	-
Total long-term liabilities	<u>\$ 22,513,298</u>	<u>1,922,963</u>	<u>4,002,957</u>	<u>20,433,304</u>	<u>2,199,162</u>

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

\$3,302,000 General Improvement Bond dated 11/15/02 payable in annual installments through 10/15/22. Interest is paid semiannually at rates varying from 2.00% to 5.25% per annum. These bonds were issued through the New Jersey Economic Development Authority and were underwritten by Commerce Capital Markets, Inc. The balance remaining as of December 31, 2016 was \$1,284,000.

\$4,572,000 General Improvement Bond dated 7/1/07 payable in annual installments through 7/1/17. Interest is paid semiannually at rates varying from 4.00% to 4.25% per annum. The balance remaining as of December 31, 2016 was \$642,000.

\$3,165,000 Refunding Bonds dated 2/10/11 payable in annual installments through 10/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2016 was \$1,465,000.

\$5,689,000 General Improvement Bond dated 11/1/11 payable in annual installments through 10/1/24. Interest is paid semiannually at rates varying from 1.25% to 3.50% per annum. The balance remaining as of December 31, 2016 was \$3,975,000.

\$3,857,000 General Improvement Bond dated 8/13/15 payable in annual installments through 8/1/29. Interest is paid semiannually at rates varying from 2.00% to 3.50% per annum. The balance remaining as of December 31, 2016 was \$3,682,000.

\$250,000 Green Acres Loan dated 4/14/04 payable in semiannual installments through 8/8/24. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$7,773 are applied first to interest and then to principal. The balance remaining as of December 31, 2016 was \$114,399.

CITY OF PLEASANTVILLE
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\$60,484 Green Acres Loan dated 4/7/06 payable in annual installments through 1/7/26. Interest is paid semiannually at a rate of 2.00% per annum. The semiannual payments of \$1,880 are applied first to interest and then to principal. The balance remaining as of December 31, 2016 was \$32,395.

\$84,700 Demolition Loan dated 10/23/06 payable in annual installments through 10/23/16. Interest is paid annually at a rate of 0.72% per annum. The balance remaining as of December 31, 2016 was \$0.

\$174,000 Demolition Loan dated 1/8/14 payable in annual installments through 1/8/24. Interest is paid annually at a rate of 0.72% per annum. The balance remaining as of December 31, 2016 was \$140,191.

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

\$1,840,000 Sewer Utility Bond dated 7/1/07 payable in annual installments through 7/1/17. Interest is paid semiannually at rates varying from 4.00% to 4.25% per annum. The balance remaining as of December 31, 2016 was \$210,000.

\$455,000 Refunding Bonds dated 2/10/11 payable in annual installments through 10/1/21. Interest is paid semiannually at rates varying from 2.00% to 4.00% per annum. The balance remaining as of December 31, 2016 was \$200,000.

\$2,590,000 General Improvement Bond dated 11/1/11 payable in annual installments through 10/1/31. Interest is paid semiannually at rates varying from 2.25% to 3.50% per annum. The balance remaining as of December 31, 2016 was \$2,065,000.

\$425,000 New Jersey Environmental Infrastructure Trust Bonds dated 5/31/12 payable in annual installments through 8/1/31. Interest is paid semiannually at rates varying from 2.00% to 5.00% per annum. The balance remaining as of December 31, 2016 was \$365,000.

\$464,561 New Jersey Environmental Infrastructure Trust Bonds dated 5/31/12 payable in semiannual installments through 8/1/31. The bonds carry an interest rate of 0.00% per annum. The balance remaining as of December 31, 2016 was \$260,982.

\$1,600,000 General Improvement Bond dated 8/13/15 payable in annual installments through 8/1/30. Interest is paid semiannually at rates varying from 2.00% to 3.50% per annum. The balance remaining as of December 31, 2016 was \$1,525,000.

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
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Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

<u>Year</u>	<u>General Fund</u>		<u>Utility Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	1,677,000	354,626	488,622	129,361
2018	1,199,000	296,642	338,622	114,549
2019	1,208,000	259,206	343,622	107,024
2020	1,233,000	222,599	318,622	99,386
2021	1,249,000	183,642	323,622	91,911
2022-2026	3,435,000	445,200	1,438,109	345,731
2027-2031	1,047,000	73,185	1,374,763	127,862
	<u>\$ 11,048,000</u>	<u>1,835,100</u>	<u>4,625,982</u>	<u>1,015,824</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 33,540	3,863
2018	33,994	3,410
2019	34,455	2,949
2020	34,924	2,480
2021	35,401	2,003
2022-2026	114,671	3,178
	<u>\$ 286,985</u>	<u>17,883</u>

As of December 31, 2016 the carrying value of the above bonds and notes approximates the fair value of the bonds.

<u>Summary of Municipal Debt</u>	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued:</u>			
General - Bonds and Notes	\$ 11,680,985	13,767,669	15,100,863
Sewer Utility - Bonds and Notes	4,625,982	5,192,947	4,001,569
Total Issued	<u>16,306,967</u>	<u>18,960,616</u>	<u>19,102,432</u>
<u>Authorized but not issued:</u>			
General - Bonds and Notes	179,068	179,068	178,368
Sewer Utility - Bonds and Notes	968,599	968,599	968,599
Total Authorized But Not Issued	<u>1,147,667</u>	<u>1,147,667</u>	<u>1,146,967</u>
Total Bonds & Notes Issued and Authorized But Not Issued	<u>\$ 17,454,634</u>	<u>20,108,283</u>	<u>20,249,399</u>

CITY OF PLEASANTVILLE
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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 1.443%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 15,075,000	15,075,000	-
Sewer Utility Debt	5,594,581	5,594,581	-
General Debt	11,860,053	-	11,860,053
	<u>\$ 32,529,634</u>	<u>20,669,581</u>	<u>11,860,053</u>

Net Debt \$11,860,053 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$821,775,564 = 1.443%.

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

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 28,762,145
Net Debt	11,860,053
Remaining Borrowing Power	<u>\$ 16,902,092</u>

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

Note 6: NOTES PAYABLE

	Balance 12/31/14	Issued	Retired	Balance 12/31/15
Bond Anticipation Notes payable:				
General	\$ 4,407,700	-	3,715,700	692,000
	<u>\$ 4,407,700</u>	<u>-</u>	<u>3,715,700</u>	<u>692,000</u>

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

CITY OF PLEASANTVILLE
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The note was issued on 12/7/16 and is due and payable on 12/5/17 with interest at 1.25%. As of December 31, 2016 the City has authorized but not issued bonds in the amount of \$179,068 and \$968,599 in the General Capital Fund and Utility Capital Fund respectively.

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2016 and 2015, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2017 and 2016 were as follows:

		<u>2017</u>		<u>2016</u>
Current Fund	\$	1,174,085		363,494

Note 8: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>	<u>Balance to Succeeding</u>
Current fund:			
Emergency Appropriation	\$ 815,000		815,000
Special Emergency Appropriation	1,293,056	393,686	899,370
	<u>\$ 2,108,056</u>	<u>393,686</u>	<u>1,714,370</u>

The appropriations in the 2017 Budget are not less than that required by statute. The emergency appropriation was refunded by ordinance in 2017.

Note 9: SCHOOL TAXES

Local District School Tax in the amounts of \$9,297,825 and \$9,130,185, have been raised for the 2016 and 2015 calendar years and are remitted or due to the school district. The school tax levy is determined by taking 50% of the prior year and 50% of the current year requirements, plus the actual amount needed for debt service.

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Note 10: TAXES COLLECTED IN ADVANCE

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

	Balance 12/31/16	Balance 12/31/15
Prepaid Taxes	\$ 441,089	257,265
Cash Liability for Taxes Collected in Advance	\$ 441,089	257,265

Note 11: PENSION FUNDS

Description of Plans

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

Public Employees' Retirement System

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

Police and Fireman's Retirement System

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

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 7.06% through June 30, 2016 and 7.20% thereafter of employee's annual compensation, as defined. Employers are required to contribute to

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an actuarially determined rate in PERS. The current PERS rate is 10.92% of covered payroll. The City's contributions to PERS for the years ended December 31, 2016, 2015, and 2014 were \$383,908, \$391,686 and \$362,142.

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 10.0% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate. The City's contributions to PFRS for the years ended December 31, 2016, 2015, and 2014 were \$2,185,520, \$2,145,750, and \$2,063,649.

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 $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

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

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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 City's pension liabilities. However, due to the fact that the City reports on the regulatory basis of accounting, no financial statement impact will be recognized.

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

Public Employees' Retirement System

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

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

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

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

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

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

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

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

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

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

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Discount Rate

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

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

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

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

Pension plan fiduciary net position.

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

Police and Firemen's Retirement System

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

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

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

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

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

Actuarial Assumptions

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

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

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

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

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

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

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Discount Rate

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

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

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

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

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

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

Pension plan fiduciary net position.

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

Note 13: POST-RETIREMENT BENEFITS

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

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

Governmental Workers Union – Individuals who retired between 1/1/96 and 12/31/03 with at least 25 years of service to the City receive hospitalization and major medical coverage for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/04 and 12/31/16 with at least 25 years of service to the City receive hospitalization, major medical, dental, prescription and optical for the employee and the employee's family in effect at the time of retirement.

International Association of Fire Fighters Local 2616 – Individuals who retired between 1/1/96 and 12/31/97 with at least 25 years of service to the City receive hospitalization and major medical coverage for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/98 and 12/31/03 with at least 25 years of service to the City receive hospitalization, major medical coverage and prescription for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/04 and 12/31/16 with at least 25 years of service to the City receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

International Association of Fire Fighters, Superior Officers Local 9428 – Individuals who retired between 1/1/96 and 12/31/97 with at least 25 years of service to the City receive hospitalization and major medical coverage for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/98 and 12/31/03 with at least 25 years of service to the City receive hospitalization, major medical coverage and prescription for the employee and spouse that was in effect at the time of retirement. Individuals who retired between 1/1/04 and 12/31/16 with at least 25 years of service to the City receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

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Policemen Benevolent Association Mainland Local 77 – Individuals who retired between 1/1/98 and 12/31/16 with at least 25 years of service in the Police and Fireman's Retirement System receive hospitalization, major medical, dental, prescription and optical for the employee and spouse in effect at the time of retirement.

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

The required actuarial calculations were not completed. The actuarial report will be available for the 2017 year.

Note 14: ACCRUED SICK AND VACATION BENEFITS

The City has permitted employees to accrue unused sick time, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the cost for the most current calendar year of such unpaid compensation would approximate \$4,472,337 in 2016 and \$4,244,682 in 2015. This amount is not reported either as an expenditure or liability due to the likelihood of all employees terminating in one fiscal year being improbable. It is the City's policy to negotiate the final amount of each payment of accrued sick and vacation pay on an individual basis. The final amount of the settlement cannot exceed 180 days even though more may be accrued. This limitation is effective for all non-union employees, members of Police Mainland Local #77, and AFSCME Local #3103. Professional Firefighters Local #2616 permits employees to accumulate sick time without limitation. The amount shown above represents the total number of days of unpaid compensation without taking the 180 day limitation into account. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absences liability. The City does not accrue the liability.

Note 15: ECONOMIC DEPENDENCY

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

Note 16: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The City maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2016 and 2015 the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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\$100,000 under JIF, which increases to \$5,000,000 under MEL.

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

<u>Calendar Year</u>	<u>City Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	-	33,141	-	23,594	40,314
2015	-	29,913	-	24,659	30,767
2014	110,000	33,578	-	130,358	25,513

Note 17: TAX ABATEMENT PROGRAM

The tax abatement program was established to encourage commercial and industrial development in the City of Pleasantville. It is a five-year program where real estate taxes on the approved buildings and residences are abated and payments are made in lieu. Agreements may be entered into for both improvements and construction projects. The value of the building improvements must exceed \$100,000 for commercial and the properties are tax-exempt until the project is complete. Once completed, the taxpayer pays no tax in the first year after completion. Beginning in the second year, the taxpayer is assessed taxes on 20% of the assessed value, with annual increases of 20% until the end of five years.

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

Note 18: DEFERRED COMPENSATION

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

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

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

Note 19: URBAN ENTERPRISE ZONE

In February 1995, the City of Pleasantville was designated as an Urban Enterprise Zone by the State of New Jersey. This is a twenty (20) year program that allows retail merchants, excluding automobile dealers and restaurants, to charge 3.5% sales tax to their customers. It also allows the merchant to purchase their supplies tax-free. The zone is limited to contiguous commercial and industrial zones. The City's UEZ designation has been extended through 2016.

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

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CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

Note 20: INTERFUND BALANCES

During the most current calendar year ended December 31, 2016, the following interfunds were included on the balance sheets of the various funds of the City of Pleasantville:

	Due From	Due To
Current Fund:		
Utility Operating	\$ 40,217	
Animal Control Fund	5,143	
Fire Prevention Penalty Fund	2,312	
Veterans Memorial Fund	100	
Payroll Trust	119,099	
Payroll Clearing	20,806	
Tax Title Lien Redemption	127	
City Escrow Trust		1,500
General Capital		20,001
Utility Capital		555
Grant Fund		173,094
Grant Fund:		
Current Fund	173,094	
General Capital Fund		671,480
Trust Fund:		
Current - Animal Control Fund		5,143
Current - Tax Title Lien		127
Current - City Escrow Trust	1,500	
Current - Fire Prev Penalty		2,312
Current - Veterans Memorial Park		100
Current - Payroll Clearing		20,806
Current - Payroll Trust		119,099
Payroll Trust - Unemployment Trust		9,024
Unemployment - Payroll Trust	9,024	
General Capital Fund:		
Grant Fund	671,480	
Current Fund	20,001	
Utility Capital		422,115
Sewer Operating:		
Current Fund		40,217
Sewer Capital	64,625	
Sewer Capital Fund:		
Current Fund	555	
Sewer Operating		64,625
General Capital	422,115	
	\$ 1,550,198	1,550,198

CITY OF PLEASANTVILLE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

Note 21: CONTINGENT LIABILITIES

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

Note 22: LEASE OF CITY PROPERTY

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

Note 23: SUBSEQUENT EVENTS

The City has evaluated subsequent events through April 21, 2017, the date which the financial statements were available to be issued and identified no events requiring disclosure.

SUPPLEMENTARY DATA

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the various funds and account group of the City, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated April 21, 2017, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying *schedule of findings and questioned costs* to be material weaknesses: 2016-001.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Responses to Findings

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

Purpose of this Report

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

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

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

April 21, 2017



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& ASSOCIATES, L.L.C.

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Independent Auditor's Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the City of Pleasantville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and NJ OMB Circular 15-08 that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2016. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and NJ OMB 15-08. Those standards, the Uniform Guidance and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

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

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

April 21, 2017

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Federal or State Grantor/Pass - Through Grantor/Program Title	CFDA Number	Federal FAIN Number	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2016	Receipts or Revenue Recognized	Budgetary Expenditures		(MEMO) Pass Through to Sub-Recipients	Adjustments	Unexpended Balance at 12/31/2016	(Memo Only) Cumulative Expenditures
							Pass Through	Source Direct				
FEDERAL												
2013 Community Development Block Grant	14.218	B-13-UC-34-0111	1/1/15-12/31/15	97,221	\$ -	-	-	-	-	10,187	10,187	87,034
FRA Grant - Pleasantville Rail Road Program	20.xxx	N/A	1/1/09-12/31/09	152,664	152,664	-	-	-	-	10,187	152,664	-
Total Department of Community Affairs				Subtotal 14,218	152,664	-	-	-	-	10,187	162,851	-
U.S. Department of Commerce	11.300	N/A	2/1/98-1/31/00	845,600	114,860	-	-	-	-	-	114,860	730,740
Economic Development Administration												
Housing and Urban Development	14.854	N/A	1/1/99-12/31/99	47,994	18,040	-	-	-	-	-	18,040	29,954
Pleasantville Housing Authority												
Drug Elimination												
Department of Education	10.559	SJ-011204	1/1/16-12/31/16	258,892	-	258,892	-	-	-	-	148,600	110,292
Summer Food Program	10.559	SJ-011204	1/1/15-12/31/15	190,305	100,157	-	110,292	-	-	-	98,717	91,588
Summer Food Program	10.559	SJ-011204	1/1/13-12/31/13	189,888	48,000	-	1,440	-	-	-	48,000	121,888
Summer Food Program	10.559	SJ-011204	1/1/12-12/31/12	169,457	70,402	-	-	-	-	-	70,402	99,055
Summer Food Program	10.559	SJ-011204	1/1/11-12/31/11	151,392	42,842	-	-	-	-	-	42,842	108,550
Summer Food Program	10.559	SU-011204	1/1/10-12/31/10	107,007	22,519	-	-	-	-	-	22,519	84,488
Summer Food Program	10.559	SU-011204	1/1/09-12/31/09	160,191	16,458	-	-	-	-	-	16,458	143,733
Summer Food Program	10.559	SU-011204	1/1/08-12/31/08	138,322	35,571	-	-	-	-	-	35,571	102,751
Summer Food Program	10.559	SU-011204	1/1/07-12/31/07	111,535	98,679	-	-	-	-	-	98,679	12,856
Total Department of Education				Subtotal 1,117,321	434,628	258,892	111,732	-	-	-	851,788	
U.S. Department of Justice	16.710	N/A	1/1/03-12/31/03	76,170	6,981	-	-	-	-	-	6,981	69,189
School Based Partnership COPS Grant	16.710	N/A	1/1/03-12/31/03	93,269	41,888	-	-	-	-	-	41,888	51,381
Local Law Enforcement Grant												
Body Armor Fund	16.607	N/A	1/1/14-12/31/14	5,980	5,980	-	-	-	-	-	-	5,980
Body Armor Fund	16.607	N/A	1/1/13-12/31/13	4,050	4,050	-	2,012	-	-	-	2,038	2,012
Body Armor Fund	16.607	N/A	1/1/12-12/31/12	9,813	4,828	-	-	-	-	-	4,828	4,985
Justice Assistance Grant	16.738	JAG-1-TF-14	1/1/15-12/31/15	16,607	14,586	-	7,992	-	-	-	6,866	
Justice Assistance Grant	16.738	N/A	1/1/12-12/31/12	22,327	968	-	585	-	-	-	383	14,999
Total U.S. Department of Justice				Subtotal 16,738	64,695	-	8,577	-	-	5	56,123	22,322
U.S. Department of Homeland Security	97.004	N/A	1/1/07 - 12/31/07	10,000	1,985	-	-	-	-	-	1,985	8,015
Police Canine & Equipment												
Total U.S. Department of Homeland Security												
Federal Emergency Management Assistance	97.083	EMW2014FH00822	1/1/16-12/31/17	350,000	-	350,000	-	-	-	-	121,997	228,003
Staffing for Adequate Fire & Emergency Response	97.036	40860RNP00	1/1/16/12/31/16	617,560	-	617,560	-	-	-	-	617,560	617,560
FEMA - Stafford Act	97.067	EMW2015SS00039	1/1/15/12/31/15	280,000	140,760	-	104,077	-	-	-	36,683	243,317
Post Sandy Planning Grant	97.067	EMW2015SS00039	1/1/15/12/31/15	110,000	85,121	-	85,121	-	-	-	24,879	85,121
Additional Post Sandy Planning Grant	97.067	EMW2015SS00039	1/1/15/12/31/15	200,000	78,650	100,000	84,275	-	-	-	94,375	105,625
Bayview Ave Pump Station Generator	97.067	EMW2015SS00039	1/1/15/12/31/15	90,000	4,023	-	-	-	1	-	4,024	85,976
Hazard Mitigation - Generator	97.067	N/A	1/1/09-12/31/09	188,460	334,483	1,067,560	1,119,036	-	-	1	283,008	188,410
Hazard Mitigation - Generator												
Total Federal Emergency Management Assistance				Subtotal 1,239,345	1,121,355	1,326,452	1,239,345	-	-	10,193	1,216,655	
Total Federal Assistance												

SEE ACCOMPANYING AUDITORS REPORT

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

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2016	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/2016	(Memo Only) Cumulative Expenditures
STATE									
State of New Jersey									
Department of Environmental Protection									
Stormwater Grant	N/A	1/1/06-12/31/06	12,029	2,083				2,083	9,946
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/15-12/31/15	22,789	22,789				22,789	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/14-12/31/14	23,352	23,352				23,352	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/13-12/31/13	23,041	23,041				23,041	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/12-12/31/12	9,703	9,703				9,703	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/11-12/31/11	24,446	24,446				24,446	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/08-12/31/08	19,010	19,010				19,010	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/06-12/31/06	9,015	9,015				9,015	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/05-12/31/05	2,086	2,086				2,086	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/03-12/31/03	380	380				380	-
Recycling Tonnage Grant	4900-752-042-4900-001	1/1/03-12/31/03	720	720				720	-
Clean Communities Act	4900-765-178920	1/1/16-12/31/16	73,547	-	73,547	73,097		34,248	73,097
Clean Communities Act	4900-765-178920	1/1/15-12/31/15	36,262	34,248				34,248	2,014
Clean Communities Act	4900-765-178920	1/1/13-12/31/13	31,802	31,802				31,802	-
Clean Communities Act	4900-765-178920	1/1/12-12/31/12	71,341	64,832	73,547	73,097		64,832	6,509
Total Department of Environmental Protection				267,507	73,547	73,097	-	267,957	-
Department of Community Affairs									
Liveable Communities Grant		1/1/04-12/31/04	80,000	3,945				3,945	76,055
Neighborhood Preservation	100-022-8020-086-022960	1/1/02-12/31/02	125,000	-				-	125,000
Sewerage Infrastructure Grant		1/1/04-12/31/04	4,792	-				-	4,792
State and Local COOP Inspection		1/1/02-12/31/02	3,500	-				-	3,500
Cyber District Grant		1/1/01-12/31/01	20,000	-				-	20,000
REDI Incentive Study and Implementation		1/1/01-12/31/01	47,550	9,736				9,736	37,814
Smart Growth Implementation		1/1/02-12/31/02	5,605	5,605				5,605	-
Smart Growth Implementation - Maine		1/1/01-12/31/01	120,000	49,381				49,381	70,619
Clean Vessel Program		1/1/07-12/31/07	33,185	32,544				32,544	641
Safe and Secure Communities		1/1/07-12/31/07	6,281	6,281				6,281	-
Sustainable Jersey	100-066-1020-107-090940	1/1/16-12/31/16	360,000	-	360,000	360,000		-	360,000
Total Department of Community Affairs		1/1/15-12/31/15	2,000	1,229	360,000	360,000	-	1,229	771
N.J. Economic Development Authority									
Economic Development Initiative		1/1/06-12/31/08	250,000	3,623				3,623	246,377
Economic Development Initiative		1/1/15-12/31/16	461,476	407,436		400,000		7,436	454,040
Total N.J. Economic Development Authority				411,059	-	400,000	-	11,059	-
Division of Motor Vehicles									
Drunk Driving Enforcement Fund	1110-101-030000-129040	1/1/11-12/31/11	11,472	5,207				5,207	6,265
Buckle Up South Jersey	1110-101-030000-129040	1/1/16-12/31/16	12,591	-	12,591	10,244		2,347	10,244
Over the Limit Under Arrest		1/1/07-12/31/07	2,310	2,310				2,310	-
Over the Limit Under Arrest		1/1/08-12/31/08	5,000	5,000				5,000	-
Over the Limit Under Arrest		1/1/09-12/31/09	4,775	4,775				4,775	-
Over the Limit Under Arrest		1/1/11-12/31/11	29,380	29,380				29,380	-
Over the Limit Under Arrest		1/1/12-12/31/12	11,263	11,263				11,263	-
Click it or Ticket		1/1/16-12-31-16	5,000	-	5,000	2,150		2,850	2,150
NJ Division of Highway Safety	1160-206-030252-60	1/1/12-12/31/12	16,940	16,940				16,940	-
NJ Division of Highway Safety	1160-206-030252-60	1/1/04-12/31/04	18,000	10,062				10,062	7,938

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

Federal or State Grantor/Pass - Through Grantor/Program Title	Pass-Through Grantor's #	Grant Period	Program or Award Amount	Unexpended Balance at 1/1/2016	Receipts or Revenue Recognized	Disbursements/ Expenditures	Adjustments	Unexpended Balance at 12/31/2016	(Memo Only) Cumulative Expenditures
Alcohol Education Rehabilitation	N/A	1/1/11-12/31/11	830	623	-	-	-	623	207
Alcohol Education Rehabilitation	N/A	1/1/12-12/31/12	324	324	-	-	-	324	-
Alcohol Education Rehabilitation	N/A	1/1/14-12/31/14	950	950	-	-	-	950	-
Alcohol Education Rehabilitation	N/A	1/1/15-12/31/15	2,363	2,363	-	450	-	1,913	450
Aggressive Enforcement-Aggressive Driver	N/A	1/1/10-12/31/10	28,500	10,950	-	-	-	10,950	17,550
Aggressive Enforcement-Aggressive Driver	N/A	1/1/09-12/31/09	55,572	5,000	-	-	-	5,000	52,522
Emergency Management State Police Grant	N/A	1/1/08-12/31/08	5,000	5,000	-	-	-	5,000	-
Emergency Management State Police Grant	N/A	1/1/09-12/31/09	5,000	5,000	-	-	-	5,000	-
Total Division of Motor Vehicles				113,197	17,591	12,844	-	117,944	-
New Jersey Department of Transportation									
Reconstruction of Linden Avenue-Phase II	6320-480-601385-61	1/1/03-12/31/03	153,000	18,523	-	-	-	18,523	134,477
West Jersey Avenue Streetscape	6320-480-601385-61	1/1/00-12/31/00	306,000	16,878	-	-	-	16,878	289,122
Construction of Bike Path	6320-480-601385-61	1/1/00-12/31/00	248,000	12,256	-	-	-	12,256	235,744
Portland Avenue Reconstruction	6320-480-601385-61	1/1/16-12/31/17	280,950	-	250,950	-	-	250,950	-
Bike Path Extension	6320-480-601385-61	1/1/11-12/31/11	360,000	92,953	-	-	-	92,953	287,047
Bike Path Lighting	6320-480-601385-61	1/1/16-12/31/17	360,000	-	360,000	-	-	360,000	-
Transit City Grant	6320-480-601385-61	1/1/13-12/31/13	250,000	10,110	-	10,110	-	-	250,000
Transit City Grant - Washington Avenue	6320-480-601385-61	1/1/13-12/31/13	250,000	240,000	-	40,555	-	199,445	40,555
Transit Village Grant - Ansley Avenue	6320-480-601385-61	1/1/15-12/31/16	500,000	-	500,000	-	-	500,000	-
Safe Streets Program - Rt 9 & Park Ave	6320-480-601385-61	1/1/15-12/31/16	500,000	-	500,000	-	-	500,000	-
2015 Municipal Aid - Decatur Avenue	6320-480-601385-61	1/1/15-12/31/16	240,950	240,950	-	555	-	499,445	555
Transportation Enhancement Fund	6320-480-601385-61	1/1/01-12/31/01	24,502	24,502	-	-	-	24,502	-
Pedestrian Safety	6320-480-078-6320	1/1/09-12/31/09	4,000	4,000	-	-	-	4,000	-
Reconstruction of Gendale Ave.	6320-480-601385-61	1/1/11-12/31/11	139,101	14,448	-	-	-	14,448	139,101
Safe Corridors	6320-480-601385-61	1/1/09-12/31/09	47,989	47,989	-	-	-	47,989	33,551
Safe Corridors	6320-480-601385-61	1/1/11-12/31/11	20,646	20,646	-	-	-	20,646	-
Safe Corridors	6320-480-601385-61	1/1/13-12/31/13	20,020	38	-	-	-	38	19,982
Reconstruction of Woodland Ave.	6320-480-601385-61	1/1/07-12/31/07	309,100	-	79	7,978	-	8,057	309,100
Municipal and Urban Aid - 2012	6320-480-601385-61	1/1/12-12/31/12	251,300	30,758	-	-	-	30,758	243,243
Commuter Path Safety Improvements	6320-480-601385-61	1/1/08-12/31/08	308,250	10,277	-	-	-	10,277	277,492
Highway Safety Grant	6320-480-601385-61	1/1/14-12/31/14	17,291	1,236,418	1,110,950	51,220	7,978	2,304,126	7,014
Department of Commerce and Economic Development									
Urban Enterprise Zone									
Projects	763-020-2830	1/1/06-12/31/13	45,884,679	2,006,677	-	238,330	(1,431,987)	336,360	44,116,332
Zone Marketing Phase V	763-020-2830	1/1/09-12/31/09	285,040	25,115	-	-	-	25,115	259,925
City Center Property Acq. Phase III (09.07)	763-020-2830	1/1/08-12/31/08	1,388,925	39,125	-	2,695	(39,125)	-	1,388,925
Lakes Bay Waterfront Redevelopment	763-020-2830	1/1/09-12/31/09	2,708,914	14,061	-	-	(11,366)	-	2,708,914
Public Safety Year 17	763-020-2830	1/1/10-12/31/10	123,155	97,277	-	-	(97,277)	-	123,155
Bulkhead Project	763-020-2830	1/1/16-12/31/16	1,200,000	-	1,200,000	-	-	-	1,200,000
Bus Station Security	763-020-2830	1/1/16-12/31/16	200,000	-	200,000	164,347	-	35,653	164,347
City Center Redevelopment Project Phase III	763-020-2830	1/1/15-12/31/15	100,000	-	100,000	100,000	-	-	100,000
City Center Redevelopment Project Phase III	763-020-2830	1/1/10-12/31/10	252,889	90,584	-	-	(90,584)	-	252,889
				2,272,859	1,500,000	1,705,372	(1,670,359)	397,128	-
Total State Assistance				4,409,761	3,062,088	2,602,533	(1,662,361)	3,206,935	-

Notes to Schedule of Expenditures of Federal and State Awards
December 31, 2016

Note 1: BASIS OF PRESENTATION

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

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>
Expenditure per Schedule of Federal and State Awards	\$ 1,239,345	2,602,533
Add local funding		18,746
Less cancelled prior year encumbrances	(10,193)	(7,978)
Less Funds reported on A-2	(617,560)	
Expenditure per Audit Schedule A-12	<u>\$ 611,592</u>	<u>2,613,301</u>

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

Section I -- Summary of Auditor's Results

Financial Statement

Type of auditor's report issued	<u>Adverse under GAAP, Modified under Regulatory Basis</u>			
Internal control over financial reporting:				
• Material weakness(es) identified?	<u> X </u>	yes	<u> </u>	no
• Significant deficiency(ies) identified?	<u> </u>	yes	<u> X </u>	none reported
Noncompliance material to financial statements noted?	<u> </u>	yes	<u> X </u>	no

Federal Awards

Internal Control over major programs:				
• Material weakness(es) identified?	<u> </u>	yes	<u> X </u>	no
• Significant deficiency(ies) identified?	<u> </u>	yes	<u> X </u>	none reported
Type of auditor's report issued on compliance major programs	<u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance	<u> </u>	yes	<u> X </u>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>97.036</u>	<u>FEMA - Stafford Act</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal Control over major programs:

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

Type of auditor's report issued on compliance major programs

_____ Unmodified _____

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 15-08

_____ yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
763-020-2830	Urban Enterprise Zone Projects
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dollar Threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

Part 2 -- Schedule of Financial Statement Findings

2016-001. Criteria

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

Condition

Significant adjusting entries were not posted to the general ledger during the 2016 calendar year which resulted in incomplete financial information provided to City officials throughout the year.

Cause

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

Effect

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

Recommendation

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

Management Response

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

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

NONE

STATUS OF PRIOR RECOMMENDATIONS

Finding 2015-001

Condition

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

Current Status

This recommendation was not cleared during 2016.

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	<u>Current Fund</u>	<u>State Grant Fund</u>
Balance December 31, 2015	\$ 7,091,558	3,927,288
Increased by Receipts:		
Tax Collector	34,569,911	
Clerk	58,099	
Revenue Accounts Receivable	3,535,706	
Miscellaneous Revenue	267,516	
Anticipated Utility Surplus - Sewer	1,100,000	
Appropriation Refunds	3,157,258	
Emergency Note	815,000	
UEZ Second Generation Loan Repayments		792,303
State of New Jersey:		
Senior Citizens & Veterans	92,625	
DCA Training Fees	25,027	
	<u>43,621,142</u>	<u>792,303</u>
	50,712,700	4,719,591
Decreased by Disbursements:		
2016 Appropriations	29,815,490	
2015 Appropriation Reserve	500,364	
County Taxes	4,205,946	
Local District School Tax	9,495,187	
State of NJ - DCA Training Fees	30,273	
Special Emergency Note Payable	393,686	
Due to Utility Capital Fund	475,608	
Due to General Capital Fund	773,019	
Due to the Current Fund		<u>1,726,620</u>
	<u>45,689,573</u>	<u>1,726,620</u>
Balance December 31, 2016	\$ <u><u>5,023,127</u></u>	<u><u>2,992,971</u></u>

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

Balance December 31, 2015		\$	-
Increased by Receipts:			
Prepaid Taxes - 2017	441,089		
Revenue Accounts Receivable	193,170		
Taxes Receivable	33,858,091		
Miscellaneous Revenue	70		
Tax Title and Other Liens	77,491		
			34,569,911
			34,569,911
Payments to Treasurer			34,569,911
Balance December 31, 2016		\$	-

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

Year	Balance Dec. 31, 2015	2016 Levy	Added Taxes	Overpayments Created	Collections by Cash		Overpayments Applied	Cancellations	Cut and Clean	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2016
					2015	2016						
2015	\$ 55,033		17,950			50,067	5,589				79,728	79,105
						19,943	4,899				(41,700)	3,923
	107,548	-	17,950	-	-	70,010	-	10,488	-	-	38,028	83,028
2016		35,144,633	317,998		257,265	33,901,235	957,418			294,519	(6,448)	45,746
	\$ 107,548	35,144,633	335,948	-	257,265	33,971,245	-	967,906	-	294,519	31,580	128,774
						Cash Collected	33,858,091					
						Senior Citizen & Veteran Allowances	<u>113,154</u>					
							<u>33,971,245</u>					

SEE ACCOMPANYING AUDITOR'S REPORT

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

Analysis of 2016 Property Tax Levy

Tax Yield		
General Property Tax	\$	35,144,633
Added Taxes (54:4-63.1,63.12 et.seq.)		<u>317,998</u>
		<u><u>35,462,631</u></u>
Tax Levy		
Local District School Tax (Abstract)		9,297,825
County Tax (Abstract)		4,199,788
Due County for Added and Omitted Taxes (54:4-63.1,63.12 et. seq.)		<u>38,112</u>
		13,535,725
Local Tax for Municipal Purposes		21,642,961
Add: Additional Tax Levied		<u>283,945</u>
Local Tax for Municipal Purposes Levied		<u><u>21,926,906</u></u>
	\$	<u><u>35,462,631</u></u>

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

Balance December 31, 2015		\$ 1,278,521
Increased by:		
Interest and Costs Accrued by Sale of December 21, 2016	11,791	
Other	27,867	
Transfers from Taxes Receivable	294,519	
		334,177
		1,612,698
Decreased by:		
Cancellation	10,987	
Transferred to Arrears	31,580	
Transferred to Foreclosed Property	169,953	
Collection	77,491	
		290,011
Balance December 31, 2016		1,322,687
 ANALYSIS OF BALANCE		
Tax Title Liens	1,230,364	
Boarding Up/Demolition Liens	64,503	
Cleaning Liens	27,820	
		\$ 1,322,687

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2015	Accrued In 2016	Collector	Treasurer	Clerk	Balance Dec. 31, 2016
Clerk:						
Licenses:						
Alcoholic Beverages		22,300			22,300	
Other		35,799			35,799	
Fees and Permits		223,078		223,078		
Construction Code		452,233		452,233		
Interest on Delinquent Taxes		193,170	193,170			
Municipal Court:						
Fines and Costs	11,349	214,147		215,705		9,791
Uniform Fire Safety		38,565		38,565		
Rental of Municipal Property		78,000		78,000		
Payments in Lieu of Taxes		155,929		155,929		
Hotel Room Tax		47,871		47,871		
Rental of Land		42,840		42,840		
Rental Regulation Fee		150,045		150,045		
Energy Receipts Tax		1,866,036		1,866,036		
Consolidated Municipal Property Tax Relief Act		265,404		265,404		
	<u>11,349</u>	<u>3,785,417</u>	<u>193,170</u>	<u>3,535,706</u>	<u>58,099</u>	<u>9,791</u>

SEE ACCOMPANYING AUDITOR'S REPORT

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2015

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
General and Administrative					
Other Expenses	\$ 22,318	22,318	6,720	15,598	
Mayor and City Council					
Salary & Wages		-		-	
Other Expenses	9,324	9,324	195	9,129	
City Clerk's Office					
Salary & Wages		-		-	
Other Expenses	11,519	11,519	7,119	4,400	
Financial Administration					
Salary & Wages		-		-	
Other Expenses	26,803	26,803	9,254	17,549	
Audit Services	1,350	1,350	750	600	
Collection of Taxes					
Other Expenses	12,021	12,021	5,928	6,093	
Assessment of Taxes					
Other Expenses	7,123	7,123	5,290	1,833	
Liquidation of Tax Title Liens					
Other Expenses	17,492	17,492	3,276	14,216	
Legal Services					
Salary & Wages		-		-	
Other Expenses	31,547	31,547	20,948	10,599	
Public Buildings and Grounds					
Other Expenses	26,631	126,631	117,127	9,504	
Planning and Zoning Board of Adjustment					
Salary & Wages		-		-	
Other Expenses	4,539	4,539	74	4,465	
Fire					
Salary & Wages	29,307	9,307	-	9,307	
Other Expenses	24,484	24,484	14,445	10,039	
Fire Prevention Program					
Salary & Wages		-		-	
Other Expenses	1,902	1,902	830	1,072	
Technology Support and Equipment					
Other Expenses	16,070	16,070	5,727	10,343	
Elections					
Other Expenses		-		-	
Telecommunications Unit					
Salary & Wages	10,536	5,536		5,536	
Other Expenses		-		-	
Animal Control					
Other Expenses	2,032	2,032	2,032	-	

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - 2015**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Senior Citizens Board					
Other Expenses		-		-	
Municipal Court					
Other Expenses	6,913	6,913	797	6,116	
Public Defender					
Salary & Wages	570	570	550	20	
Division of Roads					
Salary & Wages		-		-	
Other Expenses	66,817	66,817	60,393	6,424	
Division of Public Property					
Salary & Wages		-		-	
Other Expenses	23,863	23,863	2,072	21,791	
Police					
Salary & Wages	313,090	268,090		268,090	
Other Expenses	69,395	69,395	58,783	10,612	
Recreation					
Salary & Wages		-		-	
Other Expenses	5,433	5,433	1,565	3,868	
Construction Code Official					
Salary & Wages		-		-	
Other Expenses	3,318	3,318	2,299	1,019	
Housing Official					
Salary & Wages		-		-	
Other Expenses	1,657	1,657	589	1,068	
Emergency Management Service					
Other Expenses		-		-	
Sanitation					
Contractual Trash Pickup	48,671	48,671	48,075	596	
Contractual Recycling Pickup	20,755	20,755	15,110	5,645	
Solid Waste Disposal costs	44,020	44,020	43,872	148	
Unclassified:					
Fire Hydrant		-		-	
Street Lighting		-		-	
Electricity	27,530	27,530	22,726	4,804	
Telephone	33,507	33,507	21,068	12,439	
Fuel Oil	6,757	6,757	104	6,653	
Water	24,411	24,034	997	23,037	
Gasoline	7,203	7,580	7,580	-	
Contingent		-		-	
Insurance					
Employee Group Health	25,550	10,550	5,311	5,239	
EPL Settlements	20,918	10,918	8,235	2,683	
Social Security		-		-	
DCRP Contribtuion	5,560	560	523	37	
Police and Firemen's Retirement System		-		-	
Other Accounts - No Changes	143,036	143,036	-	143,036	
	\$ 1,153,972	1,153,972	500,364	653,608	-

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

Balance December 31, 2015		\$ 270,513
Increased By:		
Levy - Calendar Year 2016		<u>9,297,825</u>
		9,568,338
Decreased By:		
Payments	<u>9,495,187</u>	<u>9,495,187</u>
Balance December 31, 2016		\$ <u><u>73,151</u></u>

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

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Transferred</u> <u>from</u> <u>2016</u> <u>Revenues</u>	<u>Received</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
STATE GRANTS:					
NJ Transportation Trust Fund Authority Act of 1984					
Transit Village - Ansley Avenue	\$ -	500,000			500,000
Reconstruction of Milan Avenue	67,584				67,584
Municipal and Urban Aid - 2012	42,457				42,457
Local Aid/Pedestrian Safety	7,293				7,293
Bikeway Lighting	-	360,000			360,000
Transportation Enhancement Fund	24,502				24,502
Portland Avenue	-	250,950			250,950
E. West Jersey Avenue Transit Village	12,374				12,374
Safe Corridors	20,646				20,646
2013 Municipal Aid Program	55,022				55,022
2013 Municipal Aid Program	62,500				62,500
2014 Municipal Aid Program	-			239,890	239,890
Highway Safety Grant - 2014	17,291				17,291
2015 Transit Village	240,000				240,000
2015 Safe Streets	500,000				500,000
2015 Municipal Aid - Decature Ave	240,950				240,950
Highway Safety NJ Safe Corridors	20,020				20,020
JIF Safety Award	2,500				2,500
Municipal Alliance Program	24,314	15,000	12,520		26,794
Clean Communities Program	46,222	73,547	41,457		78,312
Click it or Ticket	-	5,000	2,150		2,850
Aggressive Enforcement - Aggressive Driver	23,987				23,987
Drunk Driving Enforcement Fund	7,712	12,591	12,591		7,712
Safe and Secure Neighborhoods Program	180,000	360,000	360,000		180,000
NJ Division of Highway Safety - Seat Belt Usage	8,400				8,400
NJ Division of Highway Safety - Buckle Up South Jersey	150				150
NJ Division of Highway Safety - Safety Belt Performance	2,000				2,000
NJ Department of Highway Safety	18,900				18,900
Green Acres - Brighton Recreation Complex Expansion	175,000				175,000
Smart Growth Community Planning & Implementation	45,605				45,605
COPS In Schools Grant	4,483				4,483
South Jersey Industries Recreation Grant	500				500
Department of Law & Public Safety-Click It or Ticket	4,978				4,978
Pedestrian Safety Grant	4,000				4,000
Highway Safety Grant	23,571				23,571
Highway Safety Grant - 2012	16,940				16,940
Donation - Pleasantville Dental Scoreboard	5,000				5,000
Commuter Path Systems Improvement	313,965				313,965
NJ Division of Engineering & Construction	83,457				83,457
Community Development Fund	130,041				130,041
Econ Dev Division Property Info System	16,500				16,500
NJ EDA - 2015 Main StreetScape	461,476		36,595		424,881
Pleasantville Urban Enterprise Zone					
Projects -					
Bus Station Security	-	100,000	100,000		-
Bulkhead Project	-	200,000	200,000		-
Public Safety Year 17	-	1,200,000	1,200,000		-
Total State	2,910,340	3,077,088	1,965,313	239,890	4,262,005

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

<u>Purpose</u>	<u>Balance Dec. 31, 2015</u>	<u>Transferred from 2016 Revenues</u>	<u>Received</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2016</u>
FEDERAL GRANTS					
Small Cities Community Development Block Grant (1995,1997,1998,1999) Housing Rehabilitation					
2009 CDBG	19,541				19,541
2011 CDBG	27,183				27,183
2013 CDBG - Super Storm Sandy - Capital	30,000				30,000
2013 CDBG	2,072				2,072
Federal Emergency Management Assistance -					
Hazard Mitigation Grant - Generator	90,000				90,000
Post Sandy Planning Grant	171,135		137,151		33,984
Additional Post Sandy Planning Grant	110,000				110,000
Bay Avenue Pump Station	100,000	100,000			200,000
US Department of Homeland Security					
SAFER Grant	-	350,000	228,006		121,994
US Department of Justice					
School Based Partnerships-Cops Grant	85,749				85,749
Local Law Enforcement Program	76,422				76,422
Body Armor Fund	1,684				1,684
COPS Hiring Grant - ARRA	76,796				76,796
Justice Assistance Grant	15,382				15,382
US Department of Agriculture					
Summer Food Program	382,718	258,892	122,185		519,425
Federal Transit Administration - FRA Grant	152,664				152,664
US Dept of Commerce-Economic Development Administration	71,703				71,703
	<u>1,413,049</u>	<u>708,892</u>	<u>487,342</u>	<u>-</u>	<u>1,634,599</u>
	<u>\$ 4,323,389</u>	<u>3,785,980</u>	<u>2,452,655</u>	<u>239,890</u>	<u>5,896,604</u>

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

Grant	Balance Dec. 31, 2015	Transferred from 2016 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Cancelled	Balance Dec. 31, 2016
STATE GRANTS:								
NJ Transportation Trust Fund Authority Act of 1984	\$							
Reconstruction of Linden Avenue-Phase II	18,523							18,523
West Jersey Avenue Streetscape	16,878							16,878
Construction of Bike Path	12,256							12,256
Bike Path Extension	92,953							92,953
Transportation Enhancement Fund	24,502							24,502
Municipal and Urban Aid - 2012	79				(7,978)			8,057
Portland Avenue	-	250,950	10,110					250,950
2013 Transit City Grant	10,110							-
Recycling Tonnage Grant	134,542							134,542
Clean Communities Act	96,634							96,634
Clean Communities Act - 2015	34,248							34,248
Clean Communities Act - 2016	-	73,547	73,097					450
NJ DOT - Commuter Path Systems Improvements	30,758							30,758
NJ DOT - 2014 Highway Safety Grant	10,277							10,277
NJ DOT - 2015 Transit Village Imp. Washington Avenue	240,000		24,482	16,073				199,445
NJ DOT - 2015 Safe Streets to Imp Rt 9 & Park Avenue Safety	500,000		555					499,445
NJ DOT - 2015 Municipal Aid Program - Decatur Ave Imp	240,950							240,950
NJ DOT - Bikepath Lighting	-	360,000						360,000
NJ DOT - Transit Village - Ansley Avenue	-	500,000						500,000
REDI - Incentive Study & Implementation	9,736							9,736
Drunk Driving Enforcement Fund	5,207		8,744	1,500				7,554
Safe and Secure Communities Program	-	360,000	360,000					-
Atlantic County Open Space Program - Financial Asst.	95,993							95,993
Municipal Drug Alliance	58,308		16,430					56,878
Municipal Drug Alliance - Local	5,603		2,316					8,098
Click It or Ticket	-	4,811	2,150					2,850
Aggressive Enforcement - Aggressive Driver	14,000							14,000
JF Safety Fund	2,500							2,500
Alcohol Education Rehabilitation	4,260		450					3,810
NJ State Police Emergency Management Assistance	10,000							10,000
NJ Division of Highway Safety	10,062							10,062
NJ Division of Highway Safety Grant	16,940							16,940
NJ Division of Highway Safety - Buckle Up South Jersey	2,310							2,310
NJ Division of Highway Safety - Over the Limit Under Arrest	50,418							50,418
Smart Growth Implementation	54,986							54,986
Liveable Communities Grant	3,945							3,945
NJ Economic Development Initiative	3,623							3,623
NJ Economic Development - 2015 Main StreetsScope	407,436			417,445	(17,445)			7,436
Smart Growth Marina Facility	32,544							32,544

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

	Balance Dec. 31, 2015	Transferred from		Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Cancelled	Balance Dec. 31, 2016
		2016 Budget Appropriations	2015 Budget Appropriations						
Grant	35,132								35,132
NJ Dept of Transportation-Safe Corridors	12,145								12,145
Donation - Recreation Boxing Program	25,000								25,000
Donation - Recreation Department	1,437								1,437
Donation - Pleasant Dental Scoreboard	16,142								16,142
Project Vision Club - Combat Youth Gang Activity	147,643								147,643
ACIA - Drainage Improvements	2,083								2,083
Stormwater Grant	4,000								4,000
Pedestrian Safety Grant	6,281								6,281
NJ Clean Vessel Grant	500								500
South Jersey Industries Recreation Grant	1,229								1,229
Sustainable Jersey Small Grants Program - 2015	49								49
2015 O.C.E.A.N. Inc. - After School Program									
Pleasantville Urban Enterprise Zone									
Revolving Loan Program (97-61)	574,690		238,330						336,360
Zone Marketing Phase V (09-192)	25,115							1,052,000	25,115
Direct Loan Program (97-61)	1,052,000							97,277	-
Lakes Bay Waterfront Redevelopment	97,277								-
Public Safety Year 17	-	1,200,000		1,200,000					-
Bulkhead Project	-	200,000		164,347					35,653
City Center Property Acquisition Phase IV (09-07)	39,125							39,125	-
City Center Property Acquisition Phase V	14,081			2,695				11,386	-
UEZ Second Generation - Acquisition of Land	194,019							194,019	-
City Center Redevelopment Project Phase II (07-180)	191,785							191,785	-
City Center Redevelopment Project Phase III	90,584							90,584	-
Bus Station Security	-	100,000		100,000					-
Total State	4,780,898	3,081,899	2,203,706	435,018	(25,423)	1,676,176	-	3,573,320	

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

Grant	Balance Dec. 31, 2015	Transferred from 2016 Budget Appropriations	Expended	Encumbered	Prior Year Encumbrances Cancelled	Overexpended	Cancelled	Balance Dec. 31, 2016
FEDERAL GRANTS:								
Small Cities Community Development Block Grant								
2013 CDBG	-				(8,547)			8,547
2013 CDBG - Superstorm Sandy	-			402	(402)			-
2011 CDBG	-			3	(3)			-
CDBG Park Ave	-				(1,640)			1,640
US Department of Agriculture								
Summer Food Program	334,471		1,440					334,471
Summer Food Program - 2015	100,157	258,892	110,292					98,717
Summer Food Program - 2016	-							148,600
US Department of Justice								
School Based Partnership COPS Grant	6,981							6,981
Local Law Enforcement Program	41,888							41,888
Body Armor Fund	14,858		3,242	4,750				6,866
Justice Assistance Grant - 2012	-				(5)			5
Justice Assistance Grant - 2015	968		585					383
US Department of Homeland Security								
Police Canine & Equipment	1,985							1,985
Federal Emergency Management Assistance								
Homeland Security	1,050							1,050
SAFER Grant	-	350,000	228,003					121,997
Additional Post Sandy Planning	110,000		41,778	43,343				24,879
Bayview Avenue Pump Station Generator	78,650		84,252	23				94,375
Post Sandy Planning Grant	140,760	100,000	104,077					36,683
Hazard Mitigation - Generator	4,023				(1)			4,024
Hazard Mitigation - Generator - Local Match	448							448
Housing and Urban Development								
Pleasantville Housing Authority Drug Elimination	18,040							18,040
Federal Transit Administration								
FRA grant - Pleasantville Railroad Rehabilitation	152,664							152,664
US Department of Commerce								
Economic Development	114,860							114,860
Total Federal	<u>1,121,803</u>	<u>708,892</u>	<u>573,669</u>	<u>48,521</u>	<u>(10,598)</u>	<u>-</u>	<u>-</u>	<u>1,219,103</u>
Total All Grants	<u>\$ 5,902,701</u>	<u>3,790,791</u>	<u>2,777,375</u>	<u>483,539</u>	<u>(36,021)</u>	<u>-</u>	<u>1,676,176</u>	<u>4,792,423</u>

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

<u>Grant</u>	Balance Dec. 31, 2015	Transferred to 2016	Received	Adjustments	Balance Dec. 31, 2016
		Appropriations			
Body Armor Fund	\$ 7,821		4,751		12,572
Recycling Tonnage Grant	-		23,015		23,015
Urban Enterprise Zone					
Second Generation Funds	3,742,579	1,500,000	792,303		3,034,882
	<u>\$ 3,750,400</u>	<u>1,500,000</u>	<u>820,069</u>	<u>-</u>	<u>3,070,469</u>

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**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2015	\$ 5,716	2,440,710
Increased By:		
Dog License Fees	608	
State License Fees	345	
Employee Withholdings		33,141
Tax Title Lien Redemption		3,800,253
Premiums Received		696,700
Confiscated Funds		4,355
Developers Deposits		133,004
Payroll Agency Trust		8,954,385
Payroll Clearing		8,505,179
Bid Deposit Escrow		216
Law Enforcement Trust Fund		1
Fire Prevention Penalty Fund		160
Fire Prevention Dedicated Penalty		65
Parking Offenses Adjudication Act		270
Veterans Memorial Park Fund		250
Maintenance Escrow		59,215
Accumulated Absence Trust		1,549
Due from Current	<u>97</u>	<u>46,020</u>
	<u>1,050</u>	<u>22,234,763</u>
	6,766	24,675,473
Decreased By:		
State of New Jersey	39	
Animal Control Fund Expenditures	274	
Unemployment Claims		23,594
Redemption of Tax Sale Certificates		3,814,632
Refund of Tax Sale Premiums		924,200
Confiscated Funds		6,904
Developers Escrow		98,511
Due to Current fund	-	46,020
Fire Prevention Penalty Fund		50
Payroll Agency Trust		8,953,893
Payroll Clearing		8,498,299
Veterans Memorial Park Fund		136
Accumulated Absence Trust		312,483
Maintenance Escrow		65,683
Parking Offenses Adjudication Act		342
	<u>313</u>	<u>22,744,747</u>
Balance December 31, 2016	\$ <u><u>6,453</u></u>	<u><u>1,930,726</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

Analysis of Other Cash

Bid Escrow Deposits	5,216
Tax Title Lien Redemption	1,170,703
Unemployment Trust	31,290
Developers Escrow	96,148
Zoning Board Escrow	51,121
Payroll Clearing Account	38,517
Payroll Agency Trust	158,677
Fire Prevention Penalty Fund	8,404
Fire Prevention Dedicated Penalty	5,254
Parking Offenses Adjudication Act	822
Law Enforcement Trust Fund	566
Veterans Memorial Park Fund	24,057
Maintenance Escrow	139,753
Accumulated Absence Trust	180,433
Confiscated Funds Account	19,765
	<hr/>
	1,930,726
	<hr/> <hr/>
\$	

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

Balance December 31, 2015	\$	1,391
Increased by:		
Dog License Fees Collected		608
		1,999
Decreased by:		
Expenditures		274
Statutory Excess		415
Balance December 31, 2016	\$	1,310

License Fees Collected	<u>Year</u>	<u>Amount</u>
	2015	618
	2014	692
		1,310

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

Balance December 31, 2015	\$	4,325
Increased by:		
Due to Current		403
Statutory Excess		415
		5,143
Decreased by:		
Due to Current		-
		-
Balance December 31, 2016	\$	5,143

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

Balance December 31, 2015	\$	-
Increased by:		
State License Fees	160	
Pilot Clinic Fee	32	
Animal Population Control Fee	153	
		345
		345
Decreased By:		
Payments		345
		345
Balance December 31, 2016	\$	-

**TRUST FUND
SCHEDULE OF DEPOSITS FOR TAX TITLE LIEN REDEMPTIONS**

Balance December 31, 2015	\$	52,755
Increased by:		
Deposits for Redemptions		<u>3,800,253</u>
		3,853,008
Decreased by:		
Refunds - Certificates Received		<u>3,814,632</u>
Balance December 31, 2016	\$	<u><u>38,376</u></u>

**TRUST FUND
SCHEDULE OF PREMIUMS RECEIVED AT TAX SALE**

Balance December 31, 2015	\$	1,359,700
Increased by:		
Premiums Received at Tax Sale		<u>696,700</u>
		2,056,400
Decreased by:		
Refunds upon Redemption		<u>924,200</u>
Balance December 31, 2016	\$	<u><u>1,132,200</u></u>

**TRUST FUND
SCHEDULE OF UNEMPLOYMENT COMPENSATION TRUST**

Balance December 31, 2015	\$	30,767
Increased By:		
City Contribution	-	
Employee Withholdings	<u>33,141</u>	<u>33,141</u>
		63,908
Decreased by:		
Payments to State of New Jersey		<u>23,594</u>
Balance December 31, 2016	\$	<u><u>40,314</u></u>

**TRUST FUND
SCHEDULE OF BID ESCROW TRUST**

Balance December 31, 2015	\$	5,000
Increased by:		
Bid Deposited Received		<u>216</u>
		5,216
Decreased by:		
Bid Deposits Refunded	<u> </u>	<u> </u>
		-
Balance December 31, 2016	\$	<u><u>5,216</u></u>

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

Balance December 31, 2015		\$	22,314
Increased by:			
City's Share of Forfeited Funds			<u>4,355</u>
			26,669
Decreased by:			
Miscellaneous			<u>6,904</u>
Balance December 31, 2016		\$	<u><u>19,765</u></u>

**TRUST FUND
SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW**

Balance December 31, 2015		\$	112,776
Increased by:			
Deposits from Developer's	<u>133,004</u>		<u>133,004</u>
			245,780
Decreased by:			
Payments to Professionals	98,511		
Refunds to Developers	<u>-</u>		<u>98,511</u>
Balance December 31, 2016		\$	<u><u>147,269</u></u>

TRUST FUND
SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST

Balance December 31, 2015		\$	565
Funds Received	<u>1</u>		
			<u>1</u>
Balance December 31, 2016		\$	<u><u>566</u></u>

**SCHEDULE OF CASH TREASURER
GENERAL CAPITAL FUND**

Balance December 31, 2015		\$	111,760
Increased by:			
Capital Improvement Fund	20,000		
Due from Current Fund	927,415		
			<u>947,415</u>
			1,059,175
Decreased by:			
Due to Current Fund			
Improvement Authorizations	997,012		
			<u>997,012</u>
Balance December 31, 2016		\$	<u><u>62,163</u></u>

GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance		Receipts		Note Issue	Disbursements		Transfers		Balance Dec. 31, 2016
	Dec. 31, 2015		Misc.			Improvement Authorizations	Misc.	From	To	
Fund Balance	\$ 40,369									40,369
Capital Improvement Fund	61,700		20,000							81,700
Due to Current Fund	(947,416)		927,415							(20,001)
Encumbrances Payable	754,085						754,085	228,836		228,836
Due from Grant Fund	(596,223)						75,257			(671,480)
Due from State of NJ	(182,280)							4,000		(178,280)
Due from State of NJ - Demolition Loan	(71,257)							71,257		-
Due to Utility Capital Fund	422,115									422,115
<u>Improvement Authorizations</u>										
#18-05 Installation of Cresson Ave. Water Lines	(110,000)						17,276			(110,000)
#9-06 Installation of Cresson Ave. Water Lines	(64,368)									(64,368)
#20-07 Various General Improvements	17,499									223
#26-08 Various General Improvements	-									-
#05-10 Various General Improvements	43,861						43,861			-
#07-10 Max Manning Park/ Walnut Rec. Complex	7,833						7,833			-
#17-11 Various General Improvements	64,667						57,430	4,254	9,963	12,946
#7-12 Demolition of Unsafe Buildings	(4,000)									(4,000)
#9-13 Various Capital Improvements	8,071							11,049	2,978	-
#5-14 Various Capital Improvements	510,634						330,484	211,733	341,284	309,701
#21-14 Replace Dispatch System	15,041									15,041
#10-15 Various Capital Acquisitions	141,429						540,128	1,800	399,860	(639)
	\$ 111,760		947,415				997,012	1,058,178	1,058,178	62,163

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

Balance December 31, 2015	\$ 61,700
Increased by:	
2016 Budget Appropriation	<u>20,000</u>
	81,700
Decreased by:	
Improvement Authorization	<u>-</u>
Balance December 31, 2016	<u><u>\$ 81,700</u></u>

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

Balance December 31, 2015		\$ 13,075,669
Increased by:		
Loan Issued	-	
Bonds Issued	-	
	-	-
Decreased by:		
2016 Budget Appropriation to Pay Bonds	1,682,000	
to Pay Loan	58,684	
	1,740,684	1,740,684
Balance December 31, 2016		\$ <u><u>11,334,985</u></u>

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

Ordinance #	Improvement Description	Balance	2016	Raised in 2016 Budget	Adjustment	Transfer to Deferred Charges to Future Taxation-Funded	Analysis of Balance - December 31, 2016		
		Dec. 31, 2015	Authorization				Balance Dec. 31, 2016	Financed by Bond Anticipation Notes	Expenditures
18-05	Installation of Water Lines - Cresson Avenue	\$ 110,000					110,000		
9-06	Installation of Water Lines - Cresson Avenue	64,368					64,368		
7-12	Demolition of Unsafe Buildings	4,000					4,000		
12-12	Tax Appeal Refunding	692,000	346,000				346,000	346,000	
10-15	Acquisition of Various Capital	700					700		61
		\$ 871,068	-	346,000	-	-	525,068	346,000	179,007
									61

**GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. #	Improvement Description	Ord. Date	Amount	December 31, 2015		Capital Improvement Fund	2016 Authorizations		Paid or Charged	Encumbered	Adjustment	Canceled	December 31, 2016	
				Funded	Unfunded		Deferred Charges to Future Taxation	Prior Year Encumbered					Funded	Unfunded
20-07	Various General Improvements	4/16/07	1,384,000 \$	17,499	-	-	-	17,276	-	-	-	-	223	-
26-08	Various General Improvements	10/20/08	2,645,400	-	-	-	-	-	-	-	-	-	-	-
05-10	Various General Improvements	3/15/10	1,225,300	43,861	-	-	-	43,861	-	-	-	-	-	-
07-10	Max Manning Park/Walnut Recreational Complex	5/3/10	225,000	7,833	-	-	-	7,833	-	-	-	-	-	-
17-11	Various General Improvements	10/5/11	2,169,950	64,667	-	-	(9,963)	57,430	4,254	-	-	-	12,946	-
9-13	Various Capital Improvements	10/21/13	1,000,000	8,071	-	-	(2,978)	-	11,049	-	-	-	-	-
5-14	Various Capital Improvements	4/21/14	2,400,000	510,634	-	-	(341,284)	330,484	211,733	-	-	-	309,701	-
21-14	Replacement of Dispatch System	10/20/14	125,000	15,041	-	-	-	-	-	-	-	-	15,041	-
10-15	Acquisition of Various Capital	5/18/15	1,040,000	141,429	700	-	(399,860)	540,128	1,800	-	-	-	-	61
				<u>\$ 809,035</u>	<u>700</u>	<u>-</u>	<u>(754,085)</u>	<u>997,012</u>	<u>228,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>337,911</u>	<u>61</u>
									Disbursed Due to Current Fund					
									997,012					
									<u>997,012</u>					

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016			
			Date	Amount								
General Improvement Bonds	11/15/02	3,302,000	10/15/17	190,000	5.25%							
			10/15/18	199,000	5.25%							
			10/15/19	208,000	4.63%							
			10/15/20	218,000	4.63%							
			10/15/21	229,000	4.75%							
			10/15/22	240,000	4.75% \$	1,466,000		182,000	1,284,000			
General Improvement Bonds	7/1/07	4,572,000	7/1/17	642,000	4.25%	1,282,000		640,000	642,000			
Refunding Bond Issue	1/27/11	3,165,000	10/1/17	290,000	3.00%							
			10/1/18	285,000	4.00%							
			10/1/19	285,000	4.00%							
			10/1/20	300,000	4.00%							
			10/1/21	305,000	4.00%	1,760,000		295,000	1,465,000			
General Improvement Bonds	11/1/11	5,689,000	10/1/17	370,000	2.25%							
			10/1/18	515,000	2.25%							
			10/1/19	515,000	2.25%							
			10/1/20	515,000	2.50%							
			10/1/21	515,000	2.63%							
			10/1/22	515,000	3.00%							
			10/1/23	515,000	3.50%							
			10/1/24	515,000	3.50%	4,365,000		390,000	3,975,000			
			General Improvement Bonds	8/13/15	3,857,000	8/1/17	185,000	2.00%				
						8/1/18	200,000	2.00%				
8/1/19	200,000	2.00%										
8/1/20	200,000	2.00%										
8/1/21	200,000	2.00%										
8/1/22	250,000	2.00%										
8/1/23	350,000	2.00%										
8/1/24	350,000	3.00%										
8/1/25	350,000	3.00%										
8/1/26	350,000	3.00%										
8/1/27	350,000	3.50%										
8/1/28	350,000	3.50%										
8/1/29	347,000	3.50%	3,857,000		175,000	3,682,000						
						\$ 12,730,000	-	1,682,000	11,048,000			

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GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
State of New Jersey Department of Community Affairs Multi Park Improvements	11/04/05	250,000	2/08/17	6,629	2.00%	127,460		13,061	114,399
			8/08/17	6,695					
			2/08/18	6,762					
			8/08/18	6,830					
			2/08/19	6,898					
			8/08/19	6,967					
			2/08/20	7,037					
			8/08/20	7,107					
			2/08/21	7,178					
			8/08/21	7,250					
			2/08/22	7,322					
			8/08/22	7,395					
			2/08/23	7,469					
			8/08/23	7,544					
			2/08/24	7,620					
			8/08/24	7,696					
Brighton Recreation Complex Acquisition (A)	4/7/06	60,484	1/7/17	1,557	2.00%	35,462		3,067	32,395
			7/7/17	1,572					
			1/7/18	1,588					
			7/7/18	1,604					
			1/7/19	1,620					
			7/7/19	1,636					
			1/7/20	1,652					
			7/7/20	1,669					
			1/7/21	1,686					
			7/7/21	1,702					
			1/7/22	1,719					
			7/7/22	1,737					
1/7/23	1,754								
7/7/23	1,772								
1/7/24	1,789								
7/7/24	1,807								
1/7/25	1,825								
7/7/25	1,844								
1/7/26	1,862								

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**GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
Demolition Loan	10/23/06	84,700				8,747		8,747	-
Demolition Loan	2014	170,000	1/8/17	17,087	4.00%	174,000		33,809	140,191
			1/8/18	17,210					
			1/8/19	17,334					
			1/8/20	17,459					
			1/8/21	17,585					
			1/8/22	17,711					
			1/8/23	17,839					
			1/8/24	17,966					
						<u>345,669</u>		<u>58,684</u>	<u>286,985</u>

**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
Tax Appeal Refunding	12-12	12/14/2012	12/7/2016	12/5/2017	1.25%	\$ 692,000		346,000	346,000
						\$ 692,000	-	346,000	346,000

SEE ACCOMPANYING AUDITOR'S REPORT

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Authorizations Cancelled	Bonds Issued	Balance Dec. 31, 2016
18-05	Installation of Cresson Ave. Water Lines	\$ 110,000				110,000
9-06	Installation of Water Lines-Cresson Avenue	64,368				64,368
7-12	Demolition of Unsafe Buildings	4,000				4,000
10-15	Acquisition of Various Capital	700				700
		<u>\$ 179,068</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,068</u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2015	784,373	179,113
Increased By Receipts:		
Collector	4,962,664	
Due from Current Fund	80,054	475,608
Due from Sewer Capital Fund	1,315	
Miscellaneous Revenue	383,282	2,361
	<u>5,427,315</u>	<u>477,969</u>
	<u>6,211,688</u>	<u>657,082</u>
Decreased by Disbursements:		
2016 Appropriations	5,140,951	
2015 Appropriations	6,136	
Accrued Interest on Bonds and Notes	101,489	
Due to Current Fund		
Due to Sewer Operating Improvement Authorizations		1,315 619,384
	<u>5,248,576</u>	<u>620,699</u>
Balance December 31, 2016	<u><u>963,112</u></u>	<u><u>36,383</u></u>

**SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Cash Receipts		Cash Disbursements			Transfers		Balance Dec. 31, 2016
	Other	Bonds	Improvement Authorizations	Other	From	To		
Capital Improvement Fund	146,538						146,538	
Due to Sewer Operating Fund	63,579	2,361		1,315			64,625	
Due from Current Fund	(476,163)	475,608					(555)	
Due from General Capital Fund	(422,115)						(422,115)	
Encumbrances Payable	411,817				411,817	124,957	124,957	
<u>Improvement Authorizations:</u>								
#13-93 Various Sewer Improvements	(380,000)						(380,000)	
#30-05 Various Sewer Improvements	235		235				-	
#25-08 Various Sewer Improvements	32,512		32,512		5	5	-	
#1-12 Various Sewer Improvements	(366,490)					222,450	(144,040)	
#5-14 Various Sewer Improvements	322,000		515			100,115	421,600	
#9-15 Various Sewer Improvements	847,200		586,122		124,952	89,247	225,373	
	<u>179,113</u>	<u>477,969</u>	<u>-</u>	<u>1,315</u>	<u>536,774</u>	<u>536,774</u>	<u>36,383</u>	

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SEE ACCOMPANYING AUDITOR'S REPORT

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

Balance December 31, 2015		-
Increased by Receipts:		
Consumer Accounts Receivable	4,678,391	
Sewer Utility Liens	7,513	
Sewer Overpayments	4,407	
Penalties on Delinquent Accounts	132,178	
Plumbing Permits	<u>140,175</u>	
		<u>4,962,664</u>
		4,962,664
Decreased by Disbursements:		
Payments to Treasurer		<u>4,962,664</u>
Balance December 31, 2016		<u><u>-</u></u>

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

Balance December 31, 2015		639,863
Increased by Receipts:		
Utility Rents Levied		<u>4,597,023</u>
		5,236,886
Decreased by Disbursements:		
Collection	4,678,391	
Transfer to Liens	10,123	
Cancellations	<u>9,407</u>	
		4,697,921
Balance December 31, 2016		<u><u>538,965</u></u>

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

Balance December 31, 2015		75,536
Increased by:		
Penalties and Costs	2,680	
Transfer from Consumer Accounts Receivable	<u>10,123</u>	
		<u>12,803</u>
		88,339
Decreased by:		
Collections	<u>7,513</u>	
		<u>7,513</u>
Balance December 31, 2016		<u><u>80,826</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND
SCHEDULE OF DEFERRED CHARGES**

	Balance Dec. 31, 2015	Added in 2016	2016 Budget	Balance Dec. 31, 2016
Overexpenditure of Appropriation	2,956	-	2,956	-
	<u>2,956</u>	<u>-</u>	<u>2,956</u>	<u>-</u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

Account	Balance Dec. 31, 2015	Additions		Balance Dec. 31, 2016
		By Budget Capital Outlay	By Ordinance	
Northfield Sewer Extension and Woodland Ave. Sewer Pumping Station	46,000			46,000
Ansley Blvd. Sewer Extension	33,922			33,922
Sewer Extensions	18,077			18,077
Sewer Connection Project	1,149,375			1,149,375
Sewer Extensions - Maplewood Park	76,495			76,495
Sewer System Improvements	206,850			206,850
Sewer Expansions and Reconstruction	2,467,632			2,467,632
Acquisition of Equipment	87,149			87,149
Reconstruction of Sewer Lines	152,927			152,927
Reconstruction of Black Horse Pike & Doughty Road Pumping Station	44,415			44,415
Various Sewer Improvements	873,600			873,600
Various Sewer Improvements-1987	1,036,000			1,036,000
Reconstruction of California Avenue Pumping Station	105,000			105,000
Sewer Improvements -Video Camera and the Replacement of Sewer Mains along Chestnut Avenue	180,000			180,000
	<u>6,477,442</u>	-	-	<u>6,477,442</u>

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Ordinance Number	Improvement Description	Date	Amount	Balance Dec. 31, 2015	Authorized	Adjustment	Balance Dec. 31, 2016
13-93	Various Sewer Improvements	5/17/93	2,700,000	2,700,000			2,700,000
30-05	Various Sewer Improvements	11/7/05	640,000	640,000			640,000
25-08	Various Sewer Improvements	10/20/08	1,250,000	1,250,000			1,250,000
41-09	Costs of Refunding	10/19/09	15,000	15,000			15,000
18-11	Various Sewer Improvements	10/5/11	1,340,000	1,340,000			1,340,000
1-12	Various Sewer Improvements	2/22/12	1,750,000	1,750,000		233,358	1,516,642
5-14	Various Sewer Improvements	4/21/14	500,000	500,000			500,000
9-15	Various Sewer Improvements	5/18/15	1,100,000	1,100,000			1,100,000
				<u>9,295,000</u>	-	<u>233,358</u>	<u>9,061,642</u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

Balance December 31, 2015		63,579
Increased by:		
Interest Earned	<u>2,361</u>	<u>2,361</u>
Decreased by:		
Payments	<u>1,315</u>	<u>1,315</u>
Balance December 31, 2016		<u><u>64,625</u></u>

**SEWER OPERATING FUND
SCHEDULE OF 2015 APPROPRIATION RESERVES**

	Balance Dec. 31, 2015	Balance After Transfers	Paid or Charged	Balance Lapsed	Over- Expended
Operating:					
Salaries and Wages	6,338	6,338		6,338	
Other Expenses	45,835	45,835	6,136	39,699	
Atlantic County Utilities Authority	50	50		50	
Contribution to:					
Social Security	1,057	1,057		1,057	
	53,280	53,280	6,136	47,144	-
	53,280	53,280	6,136	47,144	-

SEE ACCOMPANYING AUDITOR'S REPORT

**SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES AND ANALYSIS
OF BALANCE - DECEMBER 31, 2016**

Balance December 31, 2015		51,728
Increased by:		
Budget Appropriation for:		
Interest on Bonds & Notes		<u>95,664</u>
		147,392
Decreased by Disbursements:		
Interest Paid - Treasurer	<u>101,489</u>	
		<u>101,489</u>
Balance December 31, 2016		<u><u>45,903</u></u>

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2016

	Principal Outstanding December 31, 2016	Interest Rate	From	To	Period	Amount
Serial Bonds						
	210,000	various	7/1/16	12/31/16	6 mos.	4,463
	200,000	various	10/1/16	12/31/16	3 mos.	1,900
	2,065,000	various	10/1/16	12/31/16	3 mos.	16,031
	365,000	various	8/1/16	12/31/16	5 mos.	6,426
	1,525,000	various	8/1/16	12/31/16	5 mos.	17,083
				Total		<u><u>45,903</u></u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2015		2016 Authorizations		Paid or Charged	Prior Year Encumbrances	Canceled	Adjustment	Encumbered	Balance Dec. 31, 2016	
				Funded	Unfunded	Down Payment or Capital Improvement Fund	Debt Authorized						Funded	Unfunded
30-05	Various Sewer Improvements	1/17/05	640,000	235				235						
25-08	Various Sewer Improvements	10/20/08	1,250,000	32,512				32,512	(5)			5		
1-12	Various Sewer Improvements	2/22/12	1,750,000		455,467				(222,450)	(233,358)				444,559
5-14	Various Sewer Improvements	4/21/14	500,000	322,000				515	(100,115)				421,600	
9-15	Various Sewer Improvements	5/18/15	1,100,000	847,200				586,122	(89,247)			124,952	225,373	
				1,201,947	455,467			619,384	(411,817)	(233,358)		124,957	646,973	444,559

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

Balance December 31, 2015	146,538
No Activity in 2016	
Balance December 31, 2016	<u>146,538</u>

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

Balance December 31, 2015	6,477,442
No Activity in 2016	
Balance December 31, 2016	<u>6,477,442</u>

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

Ordinance Number	Improvement Description	Date of Ordinance	Balance Dec. 31, 2015	To Reserve for Amortization Fixed Capital	Capital Grant	Adjustment	Canceled	Paid From Operating Budget Bonds	Balance Dec. 31, 2016
13-93	Various Sewer Improvements	5/17/93	2,730,000			(820,000)		200,000	2,110,000
30-05	Various Sewer Improvements	11/7/05	-			407,912		38,681	446,593
25-08	Various Sewer Improvements	10/20/08	-			195,463		57,915	253,378
41-09	Costs of Refunding	10/19/2009	-			7,088		1,319	8,407
18-11	Various Sewer Improvements	10/5/11	171,174			38,363		62,085	271,622
1-12	Various Sewer Improvements	2/22/12	232,280			171,174	(140,015)	38,622	302,061
5-14	Various Sewer Improvements	4/21/14	-			-		23,438	23,438
9-15	Various Sewer Improvements	5/18/15	-			-		51,562	51,562
			3,133,454		-	-	(140,015)	473,622	3,467,061

SEE ACCOMPANYING AUDITOR'S REPORT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2016 Date	Interest Rate	Balance Dec. 31, 2015	Changes		Balance Dec. 31, 2016	
						Increased	Decreased		
Various Sewer Improvements	7/1/07	1,840,000	7/1/17	4.250%	\$ 410,000		200,000	210,000	
Refunding Bonds	1/27/11	455,000	10/1/17	3.000%					
			10/1/18	4.000%					
			10/1/19	4.000%					
			10/1/20	4.000%					
			10/1/21	4.000%	240,000		40,000	200,000	
Various Sewer Improvements	11/1/11	2,590,000	10/1/17	2.250%	125,000				
			10/1/18	2.250%	130,000				
			10/1/19	2.250%	135,000				
			10/1/20	2.500%	135,000				
			10/1/21	2.625%	140,000				
			10/1/22	3.000%	140,000				
			10/1/23	3.500%	140,000				
			10/1/24	3.500%	140,000				
			10/1/25	3.500%	140,000				
			10/1/26	3.500%	140,000				
			10/1/27	3.500%	140,000				
			10/1/28	3.500%					
			10/1/29	3.500%					
			10/1/30	3.500%					
			10/1/31	3.500%	2,185,000		120,000	2,065,000	

SEE ACCOMPANYING AUDITOR'S REPORT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2016	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
NJFIT Series 2012A	5/3/12	425,000	8/1/17	15,000	5.000%			
			8/1/18	20,000	5.000%			
			8/1/19	20,000	5.000%			
			8/1/20	20,000	5.000%			
			8/1/21	20,000	5.000%			
			8/1/22	20,000	5.000%			
			8/1/23	25,000	5.000%			
			8/1/24	25,000	5.000%			
			8/1/25	25,000	5.000%			
			8/1/26	25,000	5.000%			
			8/1/27	30,000	3.000%			
			8/1/28	30,000	3.000%			
			8/1/29	30,000	3.125%			
		8/1/30	30,000	3.200%				
		8/1/31	30,000	3.250%	380,000	15,000		365,000
NJFIT Series 2012ABC	5/3/12	371,218	2/1/17	7,874	0.000%			
			8/1/17	15,748	0.000%			
			2/1/18	7,874	0.000%			
			8/1/18	15,748	0.000%			
			2/1/19	7,874	0.000%			
		8/1/19	15,748	0.000%				
		2/1/20	7,874	0.000%				

SEE ACCOMPANYING AUDITOR'S REPORT

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2016	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			8/1/20	15,748	0.000%			
			2/1/21	7,874	0.000%			
			8/1/21	15,748	0.000%			
			2/1/22	7,874	0.000%			
			8/1/22	15,748	0.000%			
			2/1/23	7,874	0.000%			
			8/1/23	15,748	0.000%			
			2/1/24	7,874	0.000%			
			8/1/24	15,748	0.000%			
			2/1/25	7,874	0.000%			
			8/1/25	15,748	0.000%			
			2/1/26	7,874	0.000%			
			8/1/26	15,748	0.000%			
			2/1/27	7,874	0.000%			
			8/1/27	15,748	0.000%			
			2/1/28	1,140	0.000%			
								377,947
Various Sewer Improvements	8/13/2015	1,600,000	8/1/2017	75,000	2.000%			
			8/1/2018	125,000	2.000%			
			8/1/2019	125,000	2.000%			
			8/1/2020	100,000	2.000%			
			8/1/2021	100,000	2.000%			
			8/1/2022	100,000	2.000%			
			8/1/2023	100,000	2.000%			
			8/1/2024	100,000	3.000%			
			8/1/2025	100,000	3.000%			
			8/1/2026	100,000	3.000%			
			8/1/2027	100,000	3.500%			
			8/1/2028	100,000	3.500%			
			8/1/2029	150,000	3.500%			
			8/1/2030	150,000	3.500%			
								1,600,000
								75,000
								116,965
								260,982
								<u>\$ 5,192,947</u>
								<u>566,965</u>
								<u>4,625,982</u>

SEE ACCOMPANYING AUDITOR'S REPORT

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	Debt Authorized	Raised in Budget	Bonds Issued	Capital Grant	Balance Dec. 31, 2016
13-93	Various Sewer Improvements	380,000					380,000
1-12	Various Sewer Improvements	588,599					588,599
		<u>968,599</u>	-	-	-	-	<u>968,599</u>

SEE ACCOMPANYING AUDITOR'S REPORT

CITY OF PLEASANTVILLE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

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GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$40,000, except by contract or agreement".

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

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

Street sweeper, mold remediation, various road improvements, sewer system improvements, pump station generator and summer food program.

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

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

My examination of expenditures did not reveal individual payments, contracts or agreements in excess of \$40,000 "for the performance of any work or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 21, 2016 and was complete.

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

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

<u>Year</u>	<u>Number of Tax Title Liens</u>	<u>Liens Sewer & Other</u>
2016	208	69
2015	186	65
2014	153	42

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

Verification of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payment of 2016 and 2017 Taxes	10
Payment of Delinquent Taxes & Liens	8
Payment of 2016 and 2017 Sewer Utility Charges	11
Municipal Court	10

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

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Currently</u>		
	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2016	\$35,462,631	34,158,500	96.32%
2015	34,309,272	33,518,526	97.70%
2014	34,878,576	34,022,406	97.54%
2013	33,874,369	33,205,605	98.03%
2012	32,013,941	30,471,884	95.18%

Comparative Schedule of Tax Rate Information

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	3.995	3.827	3.523	3.322	3.030
Apportionment of Tax Rate:					
Municipal	2.460	2.372	2.099	1.968	1.828
County	.479	.435	.452	.450	.412
Local School	1.056	1.020	.972	.904	.790
Net Valuation Taxable	879,715,134	895,092,223	989,165,227	1,016,896,091	1,054,931,798

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$1,230,364	128,774	1,359,138	3.83%
2015	1,199,975	107,548	1,307,523	3.81%
2014	966,060	61,781	1,027,841	2.95%
2013	735,312	43,679	778,991	2.30%
2012	625,337	20,274	645,611	2.02%

Uniform Construction Code

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

Law Enforcement Trust Fund

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

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

Other Financial Statement Findings

Finding 2016-002

The City did not obtain the OPEB actuarial calculation as required by GASB 45.

Recommendation

No recommendation is necessary, the City has already contracted with an actuary to obtain the necessary report for the 2017 year.

STATUS OF PRIOR RECOMMENDATIONS

None

RECOMMENDATIONS

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

* - similar recommendation made in prior years.

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

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

Very truly yours,

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

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

April 21, 2017