

CITY OF GLOUCESTER CITY

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016



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CITY OF GLOUCESTER CITY
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

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

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

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

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the City of Gloucester City, in the County of Camden, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2016, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Other Matters

Other Information

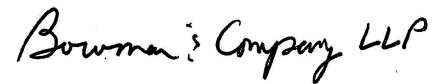
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is also not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2017 on our consideration of the City of Gloucester City, in the County of Camden, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Gloucester City's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the City of Gloucester City, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 19, 2017. That report indicated that the City of Gloucester City's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

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

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

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

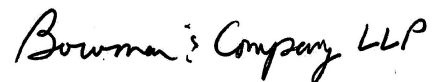
Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2017

CITY OF GLOUCESTER CITY

CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis

As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 3,502,163.56	\$ 3,361,366.99
Cash - Collector	SA-2	950.10	504.54
Change Funds	SA-3	1,925.00	1,925.00
		<u>3,505,038.66</u>	<u>3,363,796.53</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	455,184.67	297,654.82
Tax Title Liens Receivable	SA-6	58,083.22	102,014.49
Property Acquired for Taxes - Assessed Valuation	SA-7	2,187,700.00	1,672,900.00
Clean-up Charges Receivable	SA-8	56,860.38	24,460.94
Revenue Accounts Receivable	SA-10	83,789.12	130,528.59
Due Bank	SA-1	3,533.48	2,493.62
Due Library	A	27.28	27.28
Due Federal and State Grant Fund	SA-26		67,876.20
Due Animal Control Trust Fund	SB-4	0.96	0.31
Due General Capital Fund	SC-5	107.07	59.95
		<u>2,845,286.18</u>	<u>2,298,016.20</u>
Deferred Charges:			
Special Emergency - Master Plan and Revaluation	SA-11	150,000.00	220,000.00
		<u>6,500,324.84</u>	<u>5,881,812.73</u>
Federal and State Grant Fund:			
Due Current Fund	SA-26	90,881.99	
Federal and State Grants Receivable	SA-22	2,007,696.46	2,366,380.14
		<u>2,098,578.45</u>	<u>2,366,380.14</u>
		<u>\$ 8,598,903.29</u>	<u>\$ 8,248,192.87</u>

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2016 and 2015

LIABILITIES, RESERVES
AND FUND BALANCE

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-14	\$ 221,947.29	\$ 232,311.43
Reserve for Encumbrances	A-3 & SA-14	207,669.13	124,486.54
Reserve for Encumbrances - Master Plan	SA-1 & SA-17		33,956.91
Payroll Taxes Payable	SA-12	94,027.10	93,133.39
Prepaid Taxes	SA-15	151,415.40	140,890.94
Accounts Payable	SA-17	702.30	6,492.39
Due State of New Jersey			
Veterans' and Senior Citizens' Deductions	SA-4	81,805.85	85,581.19
DCA Training Fees	SA-18	947.00	2,809.00
Due County for Added and Omitted Taxes	SA-19	5,973.37	1,797.28
Due Trust Other Fund	SB-5	31,632.03	30,196.20
Due Community Development Trust Fund	SB-14	160,510.81	123,760.91
Due Federal and State Grant Fund	SA-26	90,881.99	
Due CCMUA	A	1,239.76	1,239.76
Reserve for Master Plan	SA-13	19,328.48	20,807.22
Other Reserves for:			
Deposits on Sale of Property	SA-9	20.00	20.00
Revaluation	SA-9	13,978.00	13,978.00
Contract Settlements	SA-9	41,651.22	19,551.22
		<u>1,123,729.73</u>	<u>931,012.38</u>
Reserve for Receivables and Other Assets	A	2,845,286.18	2,298,016.20
Fund Balance	A-1	<u>2,531,308.93</u>	<u>2,652,784.15</u>
		<u>6,500,324.84</u>	<u>5,881,812.73</u>
Federal and State Grant Fund:			
Due Current Fund	SA-26		67,876.20
Reserve for Encumbrances	SA-25	62,268.91	29,562.81
Reserve for Federal and State Grants:			
Unappropriated	SA-23	10,175.36	23,070.10
Appropriated	SA-24	2,026,134.18	2,245,871.03
		<u>2,098,578.45</u>	<u>2,366,380.14</u>
		<u>\$ 8,598,903.29</u>	<u>\$ 8,248,192.87</u>

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

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other</u>		
<u>Income Realized</u>		
Fund Balance Utilized	\$ 1,800,000.00	\$ 2,000,000.00
Miscellaneous Revenue Anticipated	7,113,648.96	6,366,819.00
Receipts from Delinquent Taxes and Tax Title Liens	309,027.65	416,189.67
Receipts from Current Taxes	20,684,996.99	18,833,575.19
Non Budget Revenues	400,730.66	345,233.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	175,181.56	183,598.14
Local School Taxes Payable Canceled		290,789.53
Accounts Payable Canceled	124.99	749.00
Overpayments Canceled		1,898.92
Reserves Liquidated:		
Due Federal and State Grant Fund	67,876.20	178,447.76
Due Animal Control Fund		5.94
Due General Capital Fund		14.85
	<hr/>	<hr/>
Total Income	30,551,587.01	28,617,321.57
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	7,115,197.00	7,399,563.00
Other Expenses	6,214,686.00	6,013,093.00
Deferred Charges and Statutory Expenditures Within "CAPS"	1,871,313.26	1,606,697.50
Operations - Excluded from "CAPS":		
Other Expenses	2,448,209.60	1,650,977.63
Capital Improvements - Excluded from "CAPS"	10,000.00	10,000.00
Municipal Debt Service - Excluded from "CAPS"	899,969.44	842,475.73
Deferred Charges - Excluded from "CAPS"	86,934.04	86,933.84
Transferred to Board of Education	25,004.00	25,004.00
County Taxes	4,929,509.89	4,331,041.61
County Share of Added and Omitted Taxes	5,973.37	1,797.28
Local District School Tax	5,255,064.00	4,397,646.00
Deductions Disallowed by Tax Collector (Net) - Prior Year	9,500.00	14,500.00
Refund of Prior Year Taxes	614.00	20,122.05

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Expenditures (Cont'd)</u>		
Reserves Created:		
Due Bank	\$ 1,039.86	\$ 1,082.87
Due Library		0.02
Due General Capital Fund	47.12	
Due Animal Control Fund	0.65	
	<hr/>	<hr/>
Total Expenditures	28,873,062.23	26,400,934.53
	<hr/>	<hr/>
Statutory Excess to Fund Balance	1,678,524.78	2,216,387.04
<u>Fund Balance</u>		
Balance Jan. 1	2,652,784.15	2,436,397.11
	<hr/>	<hr/>
	4,331,308.93	4,652,784.15
Utilized as Revenue	1,800,000.00	2,000,000.00
	<hr/>	<hr/>
Balance Dec. 31	\$ 2,531,308.93	\$ 2,652,784.15
	<hr/> <hr/>	<hr/> <hr/>

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

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

	Anticipated			Excess
	Budget	Special N.J.S.A 40A:4-87	Realized	(Deficit)
Fund Balance Anticipated	\$ 1,800,000.00	---	\$ 1,800,000.00	---
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	34,000.00		31,432.00	\$ (2,568.00)
Other	5,000.00		5,721.55	721.55
Fees and Permits	350,000.00		545,739.07	195,739.07
Fines and Costs - Municipal Court	300,000.00		335,965.24	35,965.24
Interest and Costs on Taxes	105,885.92		128,066.96	22,181.04
Interest on Investments and Deposits	2,500.00		5,281.49	2,781.49
State Aid without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	199,015.00		199,015.00	
Energy Receipts Tax	2,479,481.00		2,479,481.00	
Uniform Construction Code Fees	225,000.00		178,942.00	(46,058.00)
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services:				
Recycling Tonnage Grant	13,465.80		13,465.80	
Recycling Tonnage Grant - Abandoned Tires	2,500.00		2,500.00	
Drunk Driving Enforcement Fund	1,736.86		1,736.86	
Clean Communities Program		\$ 25,560.19	25,560.19	
Bulletproof Vest Partnership Grant	2,318.98		2,318.98	
Municipal Court Alcohol Education and Rehabilitation Fund		4,774.08	4,774.08	
Municipal Alliance on Alcohol and Drug Abuse	14,541.00		14,541.00	
Body Armor Replacement Fund	2,857.44		2,857.44	
Federal Emergency Management Agency:				
Assistance to Firefighters Grant		57,143.00	57,143.00	
Drive Sober or Get Pulled Over		5,000.00	5,000.00	
County of Camden - Recreation Facilities Enhancement	25,000.00		25,000.00	
County of Camden - Office of Emergency Management Grant	5,000.00		5,000.00	
Homeland Security Emergency Management Performance Grant		7,000.00	7,000.00	
COPS in Shops		1,800.00	1,800.00	
New Jersey Department of Transportation Municipal Aid Program:				
Fifth Street Reconstruction		215,118.00	215,118.00	
Gloucester Titanium Site Remediation Services Fund	1,500,000.00		1,500,000.00	
Other Items of Revenue:				
Uniform Fire Safety Act	20,398.00		47,422.36	27,024.36
Cable TV Franchise Fee	45,000.00		48,242.70	3,242.70
School District for Police Services	65,300.00		65,300.00	
Rental Revenue - Chatham Square Apartments	75,000.00		62,472.25	(12,527.75)
Rental Revenue - Lease of Former Coast Guard Station	152,000.00		152,000.00	
Hotel Occupancy Taxes	45,000.00		52,531.65	7,531.65
Payment in Lieu of Taxes	850,000.00		892,220.34	42,220.34
Total Miscellaneous Revenues	6,521,000.00	316,395.27	7,113,648.96	276,253.69
Receipts from Delinquent Taxes	295,000.00	-	309,027.65	14,027.65
Subtotal General Revenues	8,616,000.00	316,395.27	9,222,676.61	290,281.34
Amount to be Raised for Support of Municipal Budget:				
Local Tax for Municipal Purpose	10,846,151.30		10,775,239.90	(70,911.40)
Minimum Library Tax	195,848.70		195,848.70	
	11,042,000.00	-	10,971,088.60	(70,911.40)
Budget Totals	19,658,000.00	316,395.27	20,193,765.21	219,369.94
Non Budget Revenues			400,730.66	400,730.66
	\$ 19,658,000.00	\$ 316,395.27	\$ 20,594,495.87	\$ 620,100.60

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

Allocation of Current Tax Collections:

Revenue from Collections	\$ 20,684,996.99
Allocated to:	
School and County Taxes	<u>10,190,547.26</u>
Balance for Support of Municipal Budget Appropriations	10,494,449.73
Add: Appropriation "Reserve for Uncollected Taxes"	<u>476,638.87</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 10,971,088.60</u></u>

Receipts from Delinquent Taxes:

Delinquent Taxes	\$ 301,024.02	
Tax Title Liens	<u>8,003.63</u>	
		<u><u>\$ 309,027.65</u></u>

Fees and Permits - Other:

Clerk - Other	\$ 3,089.00	
Trailer Rental Fees	40,914.07	
Planning and Zoning Board Fees	695.00	
Housing Fees	143,170.00	
Tax Search Office	40.00	
Rental Registration Fees	335,325.00	
Registrar of Vital Statistics	<u>22,506.00</u>	
		<u><u>\$ 545,739.07</u></u>

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Non Budget Revenues:

Revenue Accounts Receivable:

Sale of Recycling Buckets	\$ 692.00
Sale of Scrap Metal	1,285.14
Marina Rentals and Fees	21,159.00
Rentals and Fees - Community Center	<u>8,850.00</u>

\$ 31,986.14

Treasurer:

Administrative Fee - Off Duty Employment of Police Officers	70,395.00
Coin Operated Laundry Commissions	674.93
Insurance Dividends	171,236.54
Lapsed Premiums on Tax Sale Certificates	1,100.00
Miscellaneous Refunds	121.43
N.J. Judiciary - Juvenile Restitution	383.00
N.J. Division of Motor Vehicles - Inspection Fines	545.50
Prior Year Refunds	5,266.12
Recycling Refunds	3,463.67
Safety Award - Joint Insurance Fund	2,500.00
Rental of Lay Down Year in Southport Area	6,250.00
Sale of Real Property	4,500.00
Settlement	11.22
Sale of Composters	90.00
State of N.J. - Admin Fee - Senior & Vet Deduction Reimbursement	2,265.42
Use of Athletic Fields	<u>800.00</u>

269,602.83

Tax Collector:

Clean-Up Charges	93,781.28
Legal Fee Reimbursements	2,710.41
Certificates of Redemption	2,050.00
Dishonored Check Fees	<u>600.00</u>

99,141.69

\$ 400,730.66

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

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
Administrative and Executive						
Salaries and Wages						
City Administrator's Office	\$ 45,020.00	\$ 45,020.00	\$ 40,820.19		\$ 199.81	\$ 4,000.00
Mayor and Common Council	9,500.00	9,500.00	8,874.96		625.04	
City Clerk's Office	153,054.00	153,054.00	151,462.91		1,591.09	
Other Expenses:						
City Administrator's Office	4,250.00	4,250.00	2,603.64		646.36	1,000.00
City Clerk's Office	99,125.00	99,125.00	82,945.07	\$ 4,444.00	1,735.93	10,000.00
Financial Administration						
Salaries and Wages	74,331.00	74,331.00	68,890.24		1,540.76	3,900.00
Other Expenses	19,600.00	19,600.00	17,562.46	1,036.50	1,001.04	
Audit Services						
Other Expenses	62,000.00	62,000.00	57,700.00			4,300.00
Collection of Taxes						
Salaries and Wages	83,506.00	83,506.00	71,292.13		2,213.87	10,000.00
Other Expenses	15,550.00	15,550.00	15,113.13	168.06	268.81	
Assessment of Taxes						
Salaries and Wages	39,372.00	40,722.00	40,710.20		11.80	
Other Expenses	7,500.00	7,700.00	5,599.21		2,100.79	
Legal Services and Costs						
Salaries and Wages	17,016.00	17,016.00	17,016.00			
Other Expenses	230,000.00	230,000.00	216,577.67	7,500.00	5,922.33	
Municipal Court						
Salaries and Wages	240,782.00	240,782.00	237,217.92		3,564.08	
Other Expenses	24,601.00	24,601.00	22,028.52	157.80	414.68	2,000.00
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	1.00	1.00			1.00	
Engineering Services and Costs						
Other Expenses	45,000.00	45,000.00	41,909.61		3,090.39	
Community Development						
Salaries and Wages	88,008.00	92,108.00	92,107.27		0.73	
Other Expenses	29,200.00	29,200.00	26,459.33	2,357.93	382.74	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning and Zoning Boards						
Salaries and Wages	7,803.00	7,804.00	7,803.16		0.84	
Other Expenses	2,100.00	2,100.00	1,878.41	104.40	117.19	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<u>GENERAL GOVERNMENT (CONT'D)</u>						
<u>INSURANCE</u>						
General Liability	\$ 322,641.00	\$ 322,641.00	\$ 315,194.03		\$ 2,446.97	\$ 5,000.00
Workers Compensation Insurance	310,148.00	310,148.00	310,147.48		0.52	
Group Insurance for Employees	2,768,241.00	2,768,241.00	2,716,639.41	\$ 192.90	1,408.69	50,000.00
Health Benefit Waiver	86,800.00	86,800.00	74,672.02		127.98	12,000.00
<u>PUBLIC SAFETY FUNCTIONS</u>						
Police						
Salaries and Wages	3,063,917.00	3,063,917.00	2,907,773.96		11,143.04	145,000.00
Other Expenses	229,580.00	229,580.00	219,816.86	7,489.31	2,273.83	
Crossing Guards						
Salaries and Wages	117,478.00	117,478.00	81,377.99	200.00	1,100.01	35,000.00
Other Expenses	500.00	500.00			300.00	
Office of Emergency Management						
Salaries and Wages	30,944.00	30,944.00	29,994.00		75.00	950.00
Other Expenses	8,000.00	8,000.00	7,286.24	638.76		
<u>Fire</u>						
Salaries and Wages	2,326,003.00	2,326,003.00	2,012,561.89		33,441.11	280,000.00
Other Expenses	146,150.00	146,150.00	103,521.00	17,105.03	5,523.97	20,000.00
Uniform Fire Safety Act (PL 1983, C383)						
Salaries and Wages	1.00	1,752.00	1,751.68		0.32	
Other Expenses	8,500.00	8,500.00	4,894.98	2,400.00	1,205.02	
<u>PUBLIC WORKS FUNCTIONS</u>						
Streets and Road Maintenance						
Salaries and Wages	511,991.00	511,991.00	472,595.38		24,395.62	15,000.00
Other Expenses	199,300.00	199,300.00	174,083.44	21,488.76	3,727.80	
Public Buildings and Grounds						
Salaries and Wages	386,443.00	386,443.00	349,391.60		2,051.40	35,000.00
Other Expenses	126,000.00	126,000.00	66,881.80	1,950.00	7,168.20	50,000.00
Solid Waste Collection						
Other Expenses	511,500.00	515,790.00	515,788.20		1.80	
Animal Control Services						
Other Expenses	65,000.00	65,000.00	60,117.00	4,872.00	11.00	
<u>PARKS & RECREATION FUNCTIONS</u>						
Recreation Services and Programs						
Other Expenses	10,000.00	10,000.00	9,094.39		905.61	

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Canceled
				Encumbered	Reserved	
UTILITY EXPENSES AND BULK PURCHASES						
Gasoline and Diesel Fuel	\$ 140,000.00	\$ 126,510.00	\$ 70,409.26	\$ 24,000.00	\$ 7,100.74	\$ 25,000.00
Street Lighting	270,000.00	270,000.00	211,428.13	22,346.12	36,225.75	
Electricity	195,000.00	195,000.00	174,022.22	9,266.59	11,711.19	
Telephone	115,000.00	115,000.00	109,059.17	2,635.00	3,305.83	
Fuel Oil	40,000.00	40,000.00	6,532.61		8,467.39	25,000.00
Sewerage Disposal	5,200.00	5,200.00	4,752.00		448.00	
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill Costs						
Other Expenses	325,000.00	334,000.00	264,865.65	63,000.00	6,134.35	
UNIFORM CONSTRUCTION CODE						
Construction Officials						
Salaries and Wages	100,362.00	100,362.00	95,178.24		2,183.76	3,000.00
Other Expenses	84,800.00	84,800.00	32,260.93	13,661.26	3,877.81	35,000.00
Other Code Enforcement						
Salaries and Wages	251,715.00	260,315.00	259,398.44		916.56	
OTHER COMMON OPERATING FUNCTIONS						
Salary Adjustment	50,000.00	34,198.00			9,198.00	25,000.00
Celebration of Public Events or Holidays						
Other Expenses	27,500.00	27,500.00	14,741.85	654.71	2,103.44	10,000.00
Total Operations - Within "CAPS"	14,131,033.00	14,131,033.00	12,902,803.88	207,669.13	214,409.99	806,150.00
Contingent	5,000.00	5,000.00	3,319.94		1,680.06	
Total Operations Including Contingent - Within "CAPS"	14,136,033.00	14,136,033.00	12,906,123.82	207,669.13	216,090.05	806,150.00
Detail:						
Salaries and Wages	7,684,047.00	7,684,047.00	7,020,890.18	-	94,306.82	568,850.00
Other Expenses	6,451,986.00	6,451,986.00	5,885,233.64	207,669.13	121,783.23	237,300.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures						
Contribution to:						
Social Security System (O.A.S.I.)	275,000.00	275,000.00	249,143.76		5,856.24	20,000.00
Public Employees Retirement System	303,641.25	303,641.25	303,641.25			
Unemployment Compensation	1.00	1.00			1.00	
Police and Firemen's Retirement System	1,312,671.01	1,312,671.01	1,312,671.01			
						(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged	Expended	Unexpended Balance Canceled
				Encumbered	Reserved
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"- CONT'D</u>					
Total Deferred Charges and Statutory Expenditures					
Municipal - Within "CAPS"	\$ 1,891,313.26	\$ 1,891,313.26	\$ 1,865,456.02	-	\$ 5,857.24
					\$ 20,000.00
Total General Appropriations for Municipal Purposes	16,027,346.26	16,027,346.26	14,771,579.84	207,669.13	221,947.29
Within "CAPS"					826,150.00
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Employee Group Health Insurance	45,759.00	45,759.00	45,759.00		
Maintenance of Free Public Library	515,000.00	515,000.00	515,000.00		
Total Other Operations Excluded from "CAPS"	560,759.00	560,759.00	560,759.00	-	-
Public and Private Programs Offset by Revenues:					
Clean Communities Program (40A:4-87 \$25,560.19)		25,560.19	25,560.19		
Recycling Tonnage Grant	13,465.80	13,465.80	13,465.80		
Recycling Tonnage Grant - Abandoned Tires	2,500.00	2,500.00	2,500.00		
Gloucester Titanium Site Remediation Services Fund	1,500,000.00	1,500,000.00	1,500,000.00		
Municipal Alliance on Alcohol and Drug Abuse	18,176.25	18,176.25	18,176.25		
County of Camden - Office of Emergency Management Grant	5,000.00	5,000.00	5,000.00		
Body Armor Replacement Fund	2,857.44	2,857.44	2,857.44		
Drunk Driving Enforcement Fund	1,736.86	1,736.86	1,736.86		
Bulletproof Vest Partnership Grant	2,318.98	2,318.98	2,318.98		
Municipal Court Alcohol Education and Rehabilitation Fund (40A:4-87 \$4,774.08)		4,774.08	4,774.08		
Federal Emergency Management Agency:					
Assistance to Firefighters Grant (40A:4-87 \$57,143.00)		57,143.00	57,143.00		
Homeland Security Emergency Management Performance Grant (40A:4-87 \$7,000.00)		7,000.00	7,000.00		
New Jersey Department of Transportation Municipal Aid Program:					
Fifth Street Reconstruction (40A:4-87 \$215,118.00)		215,118.00	215,118.00		
County of Camden - Recreation Facilities Enhancement	25,000.00	25,000.00	25,000.00		
COPS in Shops (40A:4-87 \$1,800.00)		1,800.00	1,800.00		
Drive Sober or Get Pulled Over (40A:4-87 \$5,000.00)		5,000.00	5,000.00		
Total Public and Private Programs Offset by Revenues	1,571,055.33	1,887,450.60	1,887,450.60	-	-
Total Operations - Excluded from "CAPS"	2,131,814.33	2,448,209.60	2,448,209.60	-	-

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged	Expended	Unexpended Balance Canceled
				Encumbered	Reserved
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00		
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	405,000.00	405,000.00	405,000.00		
Payment of Bond Anticipation Notes and Capital Notes	195,325.00	195,325.00	195,325.00		
Interest on Notes	91,900.00	91,900.00	91,607.60		\$ 292.40
Interest on Bonds	62,437.50	62,437.50	62,437.50		
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	145,600.00	145,600.00	145,599.34		0.66
Total Municipal Debt Service - Excluded from "CAPS"	900,262.50	900,262.50	899,969.44	-	293.06
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	70,000.00	70,000.00	70,000.00		
Deferred Charges to Future Taxation Unfunded	16,934.04	16,934.04	16,934.04		
Ord. 19-01 - Acquisition of Real Property on the Riverfront					
Total Deferred Charges - Excluded from "CAPS"	86,934.04	86,934.04	86,934.04	-	-
<u>GENERAL APPROPRIATIONS - EXCLUDED FROM "CAPS"</u>					
Transferred to Board of Education for Use of					
Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	25,004.00	25,004.00	25,004.00		
Total General Appropriations for Municipal Purposes					
Excluded from "CAPS"	3,154,014.87	3,470,410.14	3,470,117.08	-	293.06
Subtotal General Appropriations	19,181,361.13	19,497,756.40	18,241,696.92	\$ 207,669.13	\$ 221,947.29
Reserve for Uncollected Taxes	476,638.87	476,638.87	476,638.87		
	\$ 19,658,000.00	\$ 19,974,395.27	\$ 18,718,335.79	\$ 207,669.13	\$ 221,947.29
					\$ 826,443.06
Budget	\$ 19,658,000.00				
Appropriation by N.J.S.A. 40A:4-87	316,395.27				
	\$ 19,974,395.27				

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Paid or Charged

Reserve for Federal and State Grants - Appropriated	\$ 1,887,450.60
Payroll Deductions Payable	3,637,477.91
Reserve for Uncollected Taxes	476,638.87
Special Emergency Authorization - 5 Years (N.J.S.A. 40A:4-55)	70,000.00
Refunds	(50,048.32)
Disbursed - Current Fund	<u>12,696,816.73</u>
	<u><u>\$ 18,718,335.79</u></u>

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

CITY OF GLOUCESTER CITY
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash - Treasurer	SB-1	\$ 11,289.88	\$ 7,245.88
Accounts Receivable - Due Clerk	SB-1 & SB-3	8.40	3.40
Total Animal Control Trust Fund		11,298.28	7,249.28
Trust Other Fund:			
Cash - Treasurer	SB-1	559,940.43	528,786.49
Cash - Collector	SB-2	246,616.20	283,682.99
Regional Contribution Agreement Loans Receivable	SB-6	1,824,157.00	1,925,212.00
Off Duty Police Fees Receivable	SB-5	22,332.31	23,387.50
Due Current Fund	SB-5	31,632.03	30,196.20
Total Trust Other Funds		2,684,677.97	2,791,265.18
Community Development Fund:			
Cash - Treasurer	SB-1	1,101,427.99	1,111,423.14
Mortgages and Loans Receivable	SB-13	3,248,962.94	3,313,007.33
Due Current Fund	SB-14	160,510.81	123,760.91
Total Community Development Fund		4,510,901.74	4,548,191.38
		\$ 7,206,877.99	\$ 7,346,705.84

(Continued)

CITY OF GLOUCESTER CITY
TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund:			
Accounts Payable	SB-1 & 3	\$ 7,161.65	\$ 1,161.65
Due Current Fund	SB-4	0.96	0.31
Reserve for Animal Control Trust Fund Expenditures	SB-3	4,135.67	6,087.32
Total Animal Control Trust Fund		11,298.28	7,249.28
Trust Other Fund:			
Accounts Payable	SB-7	10,933.11	13,292.94
Due New Jersey Unemployment Compensation Fund	SB-1 & SB-11	6,948.00	980.00
Miscellaneous Trust Reserves:			
Reserve for Parking Offenses Adjudication Act Funds	SB-11	324.24	280.00
Disposal of Forfeited Property	SB-11	43,077.25	72,715.09
Reserve for Public Defender	SB-11	16,489.83	20,587.63
Community Playground	SB-11	3,196.60	3,196.60
Uniform Fire Safety Act Penalties	SB-11	1,269.55	2,269.55
Unemployment Compensation Insurance	SB-11	56,213.58	66,803.68
Reserve for Landlord Security Deposits	SB-11	11,744.91	14,673.96
Reserve for Off Duty Police Fees	SB-8	33,197.23	27,487.23
Reserve for Escrow Deposits	SB-10	91,389.40	105,837.28
Reserve for Tax Title Lien Premiums and Redemptions	SB-12	245,185.86	282,559.65
Reserve for Regional Contribution Agreements	SB-9	339,345.23	254,163.39
Reserve for Regional Contribution Agreement Loans Receivable	SB-6	1,824,157.00	1,925,212.00
Unallocated Deposits	B	1,000.00	1,000.00
Interest Due East Greenwich Township	B	206.18	206.18
Total Trust Other Funds		2,684,677.97	2,791,265.18
Community Development Fund:			
Accounts Payable	SB-17	698,852.00	692,488.22
Reserve for Mortgages and Loans Receivable	SB-13	3,248,962.94	3,313,007.33
Reserve for UDAG Projects and Revolving Loan Fund	SB-16	411,189.99	418,934.92
Reserve for CDBG Revolving Loan Fund	SB-15	151,896.81	123,760.91
Total Community Development Fund		4,510,901.74	4,548,191.38
		<u>\$ 7,206,877.99</u>	<u>\$ 7,346,705.84</u>

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

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash - Treasurer	SC-1	\$ 1,575,861.37	\$ 1,662,053.06
Due State of New Jersey - Green Acres	SC-2	43,464.51	43,464.51
Deferred Charges to Future Taxation:			
Funded	SC-3	3,118,067.63	3,648,619.20
Unfunded	SC-4	12,141,662.29	10,917,711.80
		<u>\$ 16,879,055.80</u>	<u>\$ 16,271,848.57</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Serial Bonds Payable	SC-11	\$ 2,210,000.00	\$ 2,615,000.00
Bond Anticipation Notes Payable	SC-10	8,513,105.00	8,128,550.00
Green Trust Loans Payable	SC-9	908,067.63	1,033,619.20
Improvement Authorizations:			
Funded	SC-7	216,459.29	857,442.64
Unfunded	SC-7	4,517,416.65	3,483,960.71
Reserve for Encumbrances	SC-8	442,985.95	95,338.86
Due Current Fund	SC-5	107.07	59.95
Capital Improvement Fund	SC-6	27,585.82	48,105.82
Reserve to Pay Green Trust Loans	SC-2	7,083.39	7,083.39
Fund Balance	C-1	36,245.00	2,688.00
		<u>\$ 16,879,055.80</u>	<u>\$ 16,271,848.57</u>

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

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Capital Fund Balance - Regulatory Basis
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 2,688.00
Increased by Receipts:	
Premium on Bond Anticipation Notes	<u>33,557.00</u>
Balance Dec. 31, 2016	<u><u>\$ 36,245.00</u></u>

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Cash - Treasurer	SD-1	\$ 836,450.53	\$ 1,003,273.26
Change Fund - Collector	D	75.00	75.00
Due Water and Sewer Capital Fund	SD-5	84.87	47.99
		<u>836,610.40</u>	<u>1,003,396.25</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	<u>222,458.86</u>	<u>210,686.05</u>
Total Operating Fund		<u>1,059,069.26</u>	<u>1,214,082.30</u>
Capital Fund:			
Cash - Treasurer	SD-1	998,283.05	1,067,701.53
Due State of New Jersey - NJEIT	SD-12	958,051.00	473,107.00
Fixed Capital	SD-6	19,404,252.15	19,404,252.15
Fixed Capital Authorized and Uncompleted	SD-7	<u>21,069,354.00</u>	<u>17,227,514.00</u>
Total Capital Fund		<u>42,429,940.20</u>	<u>38,172,574.68</u>
		<u>\$ 43,489,009.46</u>	<u>\$ 39,386,656.98</u>

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3 & SD-8	\$ 86,936.19	\$ 81,921.46
Encumbrances Payable	D-3 & SD-8	74,094.00	83,288.42
Accounts Payable	D-1		5,263.00
Reserve for Contract Settlements	SD-11	53,748.32	24,948.32
Water and Sewer Rent Overpayments	SD-9	22,067.32	12,313.12
Accrued Interest on Bonds, Loans and Notes	SD-10	115,973.75	118,772.96
		<hr/>	<hr/>
		352,819.58	326,507.28
Reserves for Receivables	D	222,458.86	210,686.05
Fund Balance	D-1	483,790.82	676,888.97
		<hr/>	<hr/>
Total Operating Fund		1,059,069.26	1,214,082.30
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds Payable	SD-20	1,750,000.00	2,085,000.00
New Jersey Environmental Infrastructure Loan	SD-19	9,728,944.87	9,467,457.11
Bond Anticipation Notes	SD-18	990,323.00	973,175.00
Improvement Authorizations:			
Funded	SD-13	423,861.64	616,985.00
Unfunded	SD-13	5,340,109.46	1,878,319.85
Capital Improvement Fund	SD-14	31,469.60	25,061.60
Reserve for Encumbrances	SD-15	383,275.35	420,692.96
Reserve to Pay Debt	D	425,786.72	425,786.72
Due Water and Sewer Operating Fund	SD-5	84.87	47.99
Reserve for Amortization	SD-16	21,313,319.28	20,240,875.04
Deferred Reserve for Amortization	SD-17	2,033,207.00	2,029,615.00
Fund Balance	D	9,558.41	9,558.41
		<hr/>	<hr/>
Total Capital Fund		42,429,940.20	38,172,574.68
		<hr/>	<hr/>
		\$ 43,489,009.46	\$ 39,386,656.98
		<hr/>	<hr/>

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2016 and 2015

<u>Income Realized</u>	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	\$ 450,000.00	\$ 200,000.00
Rents	3,780,772.96	3,948,167.04
Miscellaneous	349,983.06	433,598.63
Reserve for MTBE Settlement		61,074.89
Unexpended Balance of Appropriation Reserves	91,612.39	123,347.79
Accounts Payable Canceled	5,263.00	980.00
Total Income	4,677,631.41	4,767,168.35
<u>Expenditures</u>		
Operating	2,904,000.00	2,614,741.00
Debt Service	1,320,929.56	1,391,541.49
Capital Improvements	10,000.00	10,000.00
Statutory Expenditures	185,800.00	184,599.00
Total Expenditures	4,420,729.56	4,200,881.49
Excess in Revenue	256,901.85	566,286.86
<u>Fund Balance</u>		
Balance Jan. 1	676,888.97	310,602.11
	933,790.82	876,888.97
Decreased by:		
Realized as Revenue	450,000.00	200,000.00
Balance Dec. 31	\$ 483,790.82	\$ 676,888.97

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	\$ 450,000.00	\$ 450,000.00	
Rents	3,831,000.00	3,780,772.96	\$ (50,227.04)
Miscellaneous	325,000.00	349,983.06	24,983.06
	<u>\$ 4,606,000.00</u>	<u>\$ 4,580,756.02</u>	<u>\$ (25,243.98)</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected	\$ 3,768,459.84
Overpayments Applied	<u>12,313.12</u>
	<u>\$ 3,780,772.96</u>

Miscellaneous Revenue Anticipated:

Collector:

Penalties and Delinquent Fees	\$ 157,666.12	
Materials, Parts and Labor	5,309.32	
Turn On / Off Fees	3,677.09	
Final Readings	11,647.86	
Connection and Disconnect Fees	9,000.00	
Meter Fees and Replacements	12,929.59	
Missed Appointment Fees	337.76	
Tag Fees	4,819.33	
Account Review	1,609.21	
NSF Fees	<u>500.00</u>	
		\$ 207,496.28

Treasurer:

Interest on Investments	551.16	
Refunds	10,757.63	
Sale of Brine	5,370.00	
Sale of Scrap Metal	550.75	
Tower Lease	<u>124,278.56</u>	
		141,508.10

Interest Due From Water and Sewer Utility Capital Fund	<u>978.68</u>
	<u>\$ 349,983.06</u>

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

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
 Statement of Expenditures - Regulatory Basis
 For the Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance	
	Budget	Modification	Paid or Charged	Encumbered	Reserved	Canceled
Operating:						
Salaries and Wages	\$ 1,364,000.00	\$ 1,305,000.00	\$ 1,202,554.95	\$	\$ 37,445.05	\$ 65,000.00
Other Expenses	1,622,000.00	1,681,000.00	1,541,697.12	\$ 74,094.00	48,208.88	17,000.00
Total Operating	2,986,000.00	2,986,000.00	2,744,252.07	74,094.00	85,653.93	82,000.00
Debt Service:						
Payment of Bonds	335,000.00	335,000.00	335,000.00			
Payment of Bond Anticipation Notes	51,100.00	51,100.00	51,100.00			
Interest on Bonds	47,400.00	47,400.00	47,400.00			
Interest on Notes	8,700.00	10,472.79	7,181.49			3,291.30
NJDEP Environmental Trust/Water Supply Loans	962,000.00	960,227.21	880,248.07			79,979.14
Total Debt Service	1,404,200.00	1,404,200.00	1,320,929.56	-	-	83,270.44
Capital Improvements:						
Capital Improvement Fund	10,000.00	10,000.00	10,000.00			
Total Capital Improvements	10,000.00	10,000.00	10,000.00	-	-	-
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	101,213.75	101,213.75	101,213.75			
Social Security System (O.A.S.I.)	104,586.25	104,586.25	83,303.99		1,282.26	20,000.00
Total Statutory Expenditures	205,800.00	205,800.00	184,517.74	-	1,282.26	20,000.00
	\$ 4,606,000.00	\$ 4,606,000.00	\$ 4,259,699.37	\$ 74,094.00	\$ 86,936.19	\$ 185,270.44
Accrued Interest Adjustment on Bonds, Loans and Notes			\$ 182,414.11			
Disbursed			4,077,561.10			
Refunds			(275.84)			
			\$ 4,259,699.37			

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

CITY OF GLOUCESTER CITY
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2016</u>
General Fixed Assets:				
Land & Land Improvements	\$ 12,098,841.78	\$ 1,636,968.46	\$ 31,500.00	\$ 13,704,310.24
Building	6,089,643.58	39,678.50		6,129,322.08
Equipment	<u>5,612,835.96</u>	<u>385,368.12</u>	<u>126,599.02</u>	<u>5,871,605.06</u>
Total General Fixed Assets	<u>\$ 23,801,321.32</u>	<u>\$ 2,062,015.08</u>	<u>\$ 158,099.02</u>	<u>\$ 25,705,237.38</u>
 Total Investment in General Fixed Assets	 <u>\$ 23,801,321.32</u>	 <u>\$ 2,062,015.08</u>	 <u>\$ 158,099.02</u>	 <u>\$ 25,705,237.38</u>

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

CITY OF GLOUCESTER CITY
Notes to Financial Statements
For the Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Gloucester City (hereafter referred to as the "City") was incorporated by an act of the New Jersey Legislature on February 25, 1868, from the remaining portions of Union City, which was then dissolved. The City, which is located in Camden County, has a total area of approximately three square miles, and is centrally located directly across the Delaware River from Philadelphia and the Port of Philadelphia. The City borders Brooklawn, Bellmawr, Camden, Haddon Township and Mount Ephraim in addition to bordering Gloucester County. According to the 2010 census, the population is 11,456.

The City has a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960, popularly known as the Faulkner Act. The Mayor is separately elected. Executive and administrative responsibility rests with the Mayor, who is assisted by the City Administrator.

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

Gloucester City Library
50 North Railroad
Gloucester City, New Jersey 08030

Gloucester City Economic Development Corporation
P.O. Box 602
Gloucester City, New Jersey 08030

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - In accordance with the *Requirements*, the City accounts for its financial transactions through the use of separate funds which are described as follows:

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

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

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

Water and Sewer Utility Operating and Capital Funds - The water and sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned water and sewer operations.

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

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

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

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

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

School Taxes - The City is responsible for levying, collecting, and remitting school taxes for the Gloucester City School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

Library Taxes - The municipality is responsible for levying, collecting, and remitting library taxes to the Gloucester City Library. Effective 2011, the amount of library tax is a separate local levy tax and is remitted to the library through the municipal budget.

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

Note 2: CASH AND CASH EQUIVALENTS (CONT'D)

Custodial Credit Risk Related to Deposits (Cont'd) – As of December 31, 2016, the City's bank balances of \$9,023,537.46 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 8,894,660.63
Uninsured and Uncollateralized	<u>128,876.83</u>
Total	<u>\$ 9,023,537.46</u>

Note 3: PROPERTY TAXES

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

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 4.071</u>	<u>\$ 3.666</u>	<u>\$ 5.246</u>	<u>\$ 5.175</u>	<u>\$ 5.144</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.080	\$ 1.966	\$ 2.803	\$ 2.777	\$ 2.720
Municipal Library	0.037	0.031	0.052	0.050	0.057
County Open Space	0.023	0.808	1.229	1.193	1.233
County	0.923	0.021	0.032	0.032	0.036
Local School	1.008	0.840	1.130	1.123	1.098

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 521,431,400.00
2015*	523,386,600.00
2014	353,944,613.00
2013	353,883,358.00
2012	355,450,646.00

*Revaluation

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 21,257,002.96	\$ 20,684,996.99	97.31%
2015	19,195,300.69	18,833,575.19	98.12%
2014	18,578,268.22	18,156,863.97	97.73%
2013	18,327,596.64	17,918,351.88	97.77%
2012	18,292,395.65	17,857,847.74	97.62%

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 58,083.22	\$ 455,184.67	\$ 513,267.89	2.41%
2015	102,014.49	297,654.82	399,669.31	2.08%
2014	9,448.14	408,477.37	417,925.51	2.25%
2013	3,063.88	387,679.07	390,742.95	2.13%
2012	71,207.71	347,065.62	418,273.33	2.29%

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

<u>Year</u>	<u>Number</u>
2016	1
2015	9
2014	1
2013	2
2012	8

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 2,187,700.00
2015	1,672,900.00
2014	1,542,300.00
2013	1,533,700.00
2012	1,705,600.00

Note 5: WATER AND SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2016	\$ 210,686.05	\$ 3,843,156.56	\$ 4,053,842.61	\$ 3,780,772.96
2015	314,883.52	3,917,592.56	4,232,476.08	3,948,167.04
2014	184,731.51	3,685,582.24	3,870,313.75	3,555,430.23
2013	178,208.59	3,404,486.98	3,582,695.57	3,397,964.06
2012	237,190.55	3,520,258.42	3,757,448.97	3,523,282.32

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 2,531,308.93	\$ 1,800,000.00	71.11%
2015	2,652,784.15	1,800,000.00	67.85%
2014	2,436,397.11	2,000,000.00	82.09%
2013	3,094,585.16	2,000,000.00	64.63%
2012	2,917,551.42	2,012,500.00	68.98%

Water & Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 483,790.82	\$ 350,000.00	72.35%
2015	676,888.97	450,000.00	66.48%
2014	310,602.11	200,000.00	64.39%
2013	525,730.45	300,000.00	57.06%
2012	646,689.12	415,000.00	64.17%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 108.03	\$ 283,024.83
Federal and State Grant	90,881.99	
Trust - Animal Control		0.96
Trust - Other	31,632.03	
Trust - Community Development	160,510.81	
General Capital		107.07
Water & Sewer Utility - Operating	84.87	
Water & Sewer Utility - Capital		84.87
	<u>\$ 283,217.73</u>	<u>\$ 283,217.73</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2017, the City expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the City's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

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

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

Pension Deferral – Public Law 2009, c.19 (S-21) was enacted on March 17, 2009 and allowed the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying the full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the PERS and PFRS obligations for payments due in the State fiscal year ending June 30, 2009. The City applied for and received approval from the Local Finance Board to defer a portion of the 2009 liability due for both PERS and PFRS. The payments originally due on April 1, 2009, were permitted to be deferred. Repayments began April of 2012 and over a 15 year period. The amount will fluctuate based on pension system investment earnings on the deferred amount.

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

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

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The City's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The City's contractually required contribution rate for the year ended December 31, 2016 was 13.14% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the City's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$423,517.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the City's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$387,010.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$231,026.86.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

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

The City's contractually required contribution rate for the year ended December 31, 2016 was 26.66% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the City's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$1,105,216.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the City's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$1,115,978.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$418,237.16.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2016 was 2.01% of the City's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2016 is \$83,319.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2015 was \$104,394.00, which was paid on April 1, 2016.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - At December 31, 2016, the City's proportionate share of the PERS net pension liability was \$14,119,271.00. 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 July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the City's proportion was 0.0476726485%, which was an increase of 0.0026574475% from its proportion measured as of June 30, 2015.

At December 31, 2016, the City's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$1,529,860.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the City's contribution to PERS was \$387,010.00, and was paid on April 1, 2016.

Police and Firemen's Retirement System - At December 31, 2016, the City's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

City's Proportionate Share of Net Pension Liability	\$ 25,894,029.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	<u>2,174,456.00</u>
	<u>\$ 28,068,485.00</u>

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 July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the City's proportion was 0.1355526769%, which was a decrease of 0.0017391778% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the City, was 0.1355526769%, which was a decrease of 0.0017391778% from its proportion, on-behalf of the City, measured as of June 30, 2015.

At December 31, 2016, the City's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$3,260,847.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the City's contribution to PFRS was \$1,115,978.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the City, calculated by the plan as of the June 30, 2016 measurement date is \$277,729.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2016, the City had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 262,576.00	\$ -	\$ 262,576.00	\$ -	\$ 169,739.00	\$ 169,739.00
Changes of Assumptions	2,924,759.00	3,586,536.00	6,511,295.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	538,381.00	1,814,342.00	2,352,723.00	-	-	-
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	776,665.00	1,411,919.00	2,188,584.00	47,550.00	200,061.00	247,611.00
City Contributions Subsequent to the Measurement Date	211,759.00	552,608.00	764,367.00	-	-	-
	<u>\$ 4,714,140.00</u>	<u>\$ 7,365,405.00</u>	<u>\$ 12,079,545.00</u>	<u>\$ 47,550.00</u>	<u>\$ 369,800.00</u>	<u>\$ 417,350.00</u>

\$211,759.00 and \$552,608.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the City's year end of December 31, 2016.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 1,020,675.00	\$ 1,616,666.00	\$ 2,637,341.00
2018	1,020,675.00	1,616,666.00	2,637,341.00
2019	1,153,655.00	2,051,672.00	3,205,327.00
2020	945,955.00	1,141,532.00	2,087,487.00
2021	313,871.00	16,461.00	330,332.00
	<u>\$ 4,454,831.00</u>	<u>\$ 6,442,997.00</u>	<u>\$ 10,897,828.00</u>

Actuarial Assumptions

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 July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.08%	3.08%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the 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).

For PFRS, 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 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. Postretirement mortality rates for female service retirements and beneficiaries were based 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.

For PERS and PFRS, 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 PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 U.S. 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 ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, 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 rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 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 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of City's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the City's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a 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% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 17,301,519.00</u>	<u>\$ 14,119,271.00</u>	<u>\$ 11,492,050.00</u>

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the City's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the City and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
City's Proportionate Share of the Net Pension Liability	\$ 33,388,452.00	\$ 25,894,029.00	\$ 19,782,778.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	<u>2,803,801.57</u>	<u>2,174,456.00</u>	<u>1,661,262.54</u>
	<u>\$ 36,192,253.57</u>	<u>\$ 28,068,485.00</u>	<u>\$ 21,444,040.54</u>

Pension Plan Fiduciary Net Position

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

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.0476726485%	0.0450152010%	0.0453950203%	0.0420294074%
City's Proportionate Share of the Net Pension Liability	\$ 14,119,271.00	\$ 10,105,011.00	\$ 8,499,189.00	\$ 8,032,655.00
City's Covered Payroll (Plan Measurement Period)	\$ 3,255,632.00	\$ 3,135,224.00	\$ 3,166,288.00	\$ 2,793,580.00
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	433.69%	322.31%	268.43%	287.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the City's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)

	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 423,517.00	\$ 387,010.00	\$ 374,230.00	\$ 316,683.00
City's Contribution in Relation to the Contractually Required Contribution	(423,517.00)	(387,010.00)	(374,230.00)	(316,683.00)
City's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll (Calendar Year)	\$ 3,224,216.00	\$ 3,243,986.00	\$ 3,131,526.00	\$ 3,071,813.00
City's Contributions as a Percentage of its Covered Payroll	13.14%	11.93%	11.95%	10.31%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the City's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)***

	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.1355526769%	0.1372918547%	0.1237413458%	0.1200273727%
City's Proportionate Share of the Net Pension Liability	\$ 25,894,029.00	\$ 22,868,037.00	\$ 15,565,514.00	\$ 15,956,556.00
State's Proportionate Share of the Net Pension Liability associated with the City	2,174,456.00	2,005,450.00	1,676,144.00	1,487,345.00
Total	<u>\$ 28,068,485.00</u>	<u>\$ 24,873,487.00</u>	<u>\$ 17,241,658.00</u>	<u>\$ 17,443,901.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 4,299,392.00	\$ 4,386,744.00	\$ 3,908,352.00	\$ 3,690,696.00
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	602.27%	521.30%	398.26%	432.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the City's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 1,105,216.00	\$ 1,115,978.00	\$ 950,419.00	\$ 875,693.00
City's Contribution in Relation to the Contractually Required Contribution	(1,105,216.00)	(1,115,978.00)	(950,419.00)	(875,693.00)
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 4,146,258.00	\$ 4,294,647.00	\$ 4,353,066.00	\$ 3,915,664.00
City's Contributions as a Percentage of its Covered Payroll	26.66%	25.99%	21.83%	22.36%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The City provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The City's plan provides an agent multiple-employer post-employment healthcare plan which covers the following retiree population: eligible retirees who retire from active employment with the City who have at least twenty-five (25) years of service with the City. Coverage is provided for the retirees and their spouse up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. Currently, fifty-seven (57) retirees meet these eligibility requirements. The plan is administered by the City; therefore, premium payments are made directly to the insurance carriers.

Funding Policy - The contribution requirement of the City is established by policy of the Council and reflected in the various union contracts. The Council may amend its policy, subject to contract inclusion, as deemed necessary.

Retirees - The City presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The City's contributions to the plan for the years ended December 31, 2016, 2015, and 2014 were \$214,200.60, \$187,907.60 and \$169,233.50, respectively.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Funding Policy (Cont'd)**

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the City is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$2,921,608.00 at an unfunded discount rate of 4.5%. As stated on the previous page, the City has funded the cost of existing retirees in the amount of \$214,200.60, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Annual OPEB Cost - For year ended December 31, 2016, the City's annual OPEB cost (expense) of \$2,722,008.00 for the plan was equal to the ARC plus certain adjustments because the City's actual contributions in prior years differed from the ARC. The City's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2016, 2015, and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Normal Cost	\$ 724,203.00	\$ 724,203.00	\$ 724,203.00
Unfunded Actuarial Liability	2,197,405.00	2,197,405.00	2,197,405.00
Annual Required Contribution (ARC)	\$ 2,921,608.00	\$ 2,921,608.00	\$ 2,921,608.00
Interest on the Net OPEB Obligation	548,200.00	432,200.00	313,500.00
Adjustment to the ARC	(747,800.00)	(589,700.00)	(427,700.00)
Annual OPEB Cost	2,722,008.00	2,764,108.00	2,807,408.00
Pay as You Go Cost (Existing Retirees)	(214,200.60)	(187,907.60)	(169,233.50)
Increase in the Net OPEB Obligation	2,507,807.40	2,576,200.40	2,638,174.50
Net OPEB Obligation, January 1	12,180,552.00	9,604,351.60	6,966,177.10
Net OPEB Obligation, December 31	\$ 14,688,359.40	\$ 12,180,552.00	\$ 9,604,351.60
Percentage of ARC Contributed	7.33%	6.43%	5.79%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funded Status and Funding Progress - The funded status of the plan as of the two past actuarial valuation dates is as follows:

	<u>2014</u>	<u>2011</u>
Actuarial Accrued Liability (AAL)	\$ 35,793,283.00	\$ 26,091,124.00
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 35,793,283.00</u>	<u>\$ 26,091,124.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 9,295,988.94	\$ 8,404,542.92
UAAL as a Percentage of Covered Payroll	385.0%	310.4%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the December 31, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* RP 2000 Combined Healthy Male Mortality Rates set forward three years.
- *Turnover.* NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility.
- *Assumed Retirement Age.* At first eligibility after completing 25 years of service.
- *Full Attribution Period.* Service to assumed retirement age.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 4.5% compounded annually for GASB 45 purposes.
- *Rates of Retirement, Rates of Withdrawal, and Rates of Disability.* The same table used to value the Public Employees' Retirement System of New Jersey - Local liability.
- *Medical Trend.* 8% in 2014, reducing by .5% per annum, leveling at 5% per annum in 2020.
- *Medical Cost Aging Factor.* NJSHBP Medical Morbidity Rates

Note 10: COMPENSATED ABSENCES

The City permits employees to carry over vacations days from year to year. Additionally, union contracts and personnel policy allows employees to accrue unused sick days. Compensated Absence packages differ according to the various union contracts.

The City does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$1,553,157.55.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: LENGTH OF SERVICE AWARDS PROGRAM

The City's Length of Service Awards Program (LOSAP) was created by a City Ordinance adopted on July 23, 2009 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of Gloucester City approved the adoption of the LOSAP at the general election held on November 3, 2009, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2010. The LOSAP provides tax deferred income benefits to active volunteer firefighters.

There have been no eligible participants since the inception of the program, including calendar year 2016.

Note 13: LEASE OBLIGATIONS

At December 31, 2016, the City had lease agreements in effect for the following:

Capital:

Phone System
Five (5) Vehicles

Operating:

Two (2) Photocopiers
Mail Machine

Note 13: LEASE OBLIGATIONS (CONT'D)

Capital leases - The following is an analysis of the City's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2016</u>	<u>2015</u>
Vehicles	\$ 118,777.98	
Phone System	36,064.84	\$ 51,521.20

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 66,675.10	\$ 8,170.25	\$ 74,845.35
2018	70,706.27	4,139.08	74,845.35
2019	5,078.08	74.04	5,152.12
Total	<u>\$ 142,459.45</u>	<u>\$ 12,383.37</u>	<u>\$ 154,842.82</u>

Operating Leases - Future minimum lease payments under operating lease agreements are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 5,561.76
2018	5,561.76

Rental payments under operating leases for the year 2016 were \$5,561.76.

Note 14: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2011 - On August 31, 2011, the City issued \$4,140,000.00 of general improvement bonds, with interest rates ranging from 2.00% to 2.75%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is March 1, 2021.

Note 14: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 415,000.00	\$ 54,337.50	\$ 469,337.50
2018	425,000.00	45,000.00	470,000.00
2019	440,000.00	35,437.50	475,437.50
2020	455,000.00	24,437.50	479,437.50
2021	475,000.00	13,062.50	488,062.50
	<u>\$ 2,210,000.00</u>	<u>\$ 172,275.00</u>	<u>\$ 2,382,275.00</u>

General Debt - New Jersey Green Acres Loans

On April 19, 2002, the City entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$250,000.00, at an interest rate of 2.0%. The proceeds were used to fund improvements to Johnson Boulevard recreation complex. Semiannual debt payments are due January 24th and July 24th through 2022.

On January 19, 2005, the City entered into a second loan agreement with the New Jersey Department of Environmental Protection to provide \$1,250,000.00, at an interest rate of 2.0%. The proceeds were used to fund the Riverfront Park Project. Semiannual debt payments are due April 24th and October 24th through 2022.

On December 19, 2007, the City entered into a third loan agreement with the New Jersey Department of Environmental Protection to provide \$450,000.00, at an interest rate of 2.0%. The proceeds were used to fund the completion of the Riverfront Park Project. Semiannual debt payments are due March 21st and September 21st through 2024.

In addition, on September 10, 2012, the City entered into a fourth loan agreement with the New Jersey Department of Environmental Protection to provide \$170,000.00, at an interest rate of 2.0%. The proceeds were used to fund the construction of a walkway at Freedom Pier. Semiannual debt payments are due June 13th and December 13th through 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 128,075.13	\$ 17,524.18	\$ 145,599.31
2018	130,649.45	14,949.87	145,599.32
2019	133,275.51	12,323.83	145,599.34
2020	135,954.35	9,644.97	145,599.32
2021	138,687.03	6,912.30	145,599.33
2022-2026	190,286.29	11,494.63	201,780.92
2027-2031	51,139.87	2,854.67	53,994.54
	<u>\$ 908,067.63</u>	<u>\$ 75,704.45</u>	<u>\$ 983,772.08</u>

Note 14: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Bonds**

General Improvement Bonds, Series 2011 - On August 31, 2011, the City issued \$2,935,000.00 of water and sewer utility bonds, with interest rates ranging from 2.00% to 2.75%. The bonds were issued for the purpose of funding various water and sewer utility improvements. The final maturity of the bonds is March 1, 2021.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 350,000.00	\$ 42,875.00	\$ 392,875.00
2018	350,000.00	35,000.00	385,000.00
2019	350,000.00	27,125.00	377,125.00
2020	350,000.00	18,375.00	368,375.00
2021	350,000.00	9,625.00	359,625.00
	<u>\$ 1,750,000.00</u>	<u>\$ 133,000.00</u>	<u>\$ 1,883,000.00</u>

Water and Sewer Utility Debt - New Jersey Environmental Infrastructure Loans

On November 7, 1997, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,285,000.00 at interest rates ranging from 3.0% to 5.0%. The proceeds were used to fund improvements to the wastewater treatment plant. Semiannual debt payments are due February 1st and August 1st through 2017.

On October 13, 2001, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$678,128.00, at no interest, from the fund loan, and \$645,000.00 at interest rates ranging from 4.0% to 5.5% from the trust loan. The proceeds were used to fund the upgrading of various water and sewer mains. Semiannual debt payments are due February 1st and August 1st through 2021.

On October 15, 2002, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$274,572.00, at no interest, from the fund loan, and \$275,000.00 at interest rates ranging from 3.00% to 5.25% from the trust loan. The proceeds were used to fund the upgrading of various water and sewer mains. Semiannual debt payments are due February 1st and August 1st through 2022.

On November 6, 2008, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$4,562,738.00, at no interest, from the fund loan, and \$4,765,000.00 at interest rates ranging from 5.0% to 5.5% from the trust loan. The proceeds were used to fund the replacement of the City's water treatment plant. Semiannual debt payments are due February 1st and August 1st through 2028.

On May 21, 2014, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$901,614.00, at no interest, from the fund loan, and \$295,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of water mains and automatic water meter reading system. Semiannual debt payments are due February 1st and August 1st through 2033.

Note 14: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt - New Jersey Environmental Infrastructure Loans (Cont'd)**

In addition, on May 21, 2014, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$1,005,218.00 with principal forgiveness of \$670,415.00 leaving a remaining balance of \$335,073.00, at no interest, from the fund loan, and \$330,000.00 at interest rates ranging from 3.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of sanitary sewer main systems. On May 23, 2016, \$32,724.00 of the fund loan was de-obligated based on the revised "Basis for Determination of Allowable Project Costs." Semiannual debt payments are due February 1st and August 1st through 2032.

On May 26, 2016, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$338,377.00, at no interest, from the fund loan, and \$110,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of water mains. Semiannual debt payments are due February 1st and August 1st through 2035.

In addition, on May 26, 2016, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$452,626.00, at no interest, from the fund loan, and \$145,000.00 at interest rates ranging from 2.0% to 5.0% from the trust loan. The proceeds were used to fund the removal and replacement of sanitary sewer main systems. Semiannual debt payments are due February 1st and August 1st through 2035.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 803,284.15	\$ 234,531.28	\$ 1,037,815.43
2018	725,338.77	214,031.28	939,370.05
2019	732,338.31	197,531.28	929,869.59
2020	750,312.93	179,931.28	930,244.21
2021	765,096.23	160,746.28	925,842.51
2022-2026	3,528,625.19	523,256.40	4,051,881.59
2027-2031	2,005,025.81	103,956.40	2,108,982.21
2032-2035	418,923.48	10,181.26	429,104.74
	<u>\$ 9,728,944.87</u>	<u>\$ 1,624,165.46</u>	<u>\$ 11,353,110.33</u>

Note 14: CAPITAL DEBT (CONT'D)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 11,631,172.63	\$ 11,777,169.20	\$ 12,325,521.89
Water & Sewer Utility:			
Bonds, Loans and Notes	12,469,267.87	12,525,632.11	13,455,689.55
Total Issued	<u>24,100,440.50</u>	<u>24,302,801.31</u>	<u>25,781,211.44</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	3,628,557.29	2,789,161.80	2,806,095.64
Water & Sewer Utility:			
Bonds and Notes	4,657,812.00	1,835,644.00	1,835,644.00
Total Authorized but not Issued	<u>8,286,369.29</u>	<u>4,624,805.80</u>	<u>4,641,739.64</u>
Total Issued and Authorized but not Issued	<u>32,386,809.79</u>	<u>28,927,607.11</u>	<u>30,422,951.08</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Debt	7,083.39	7,083.39	7,083.39
Other	43,464.51	43,464.51	163,527.31
Water & Sewer Utility:			
Self-Liquidating	17,127,079.87	14,361,276.11	15,291,333.55
Total Deductions	<u>17,177,627.77</u>	<u>14,411,824.01</u>	<u>15,461,944.25</u>
Net Debt	<u>\$ 15,209,182.02</u>	<u>\$ 14,515,783.10</u>	<u>\$ 14,961,006.83</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.797%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 6,425,000.00	\$ 6,425,000.00	
Self-Liquidating	17,127,079.87	17,127,079.87	
General	15,259,729.92	50,547.90	\$ 15,209,182.02
	<u>\$ 38,811,809.79</u>	<u>\$ 23,602,627.77</u>	<u>\$ 15,209,182.02</u>

Net debt \$15,209,182.02 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$543,864.677.00, equals 2.797%.

Note 14: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)****Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	19,035,263.70
Less: Net Debt		<u>15,209,182.02</u>
Remaining Borrowing Power	\$	<u>3,826,081.68</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$	4,580,756.02
Deductions:			
Operating and Maintenance Costs	\$	3,089,800.00	
Debt Service		<u>1,320,929.56</u>	
Total Deductions			<u>4,410,729.56</u>
Excess in Revenue	\$		<u>170,026.46</u>

Note 15: 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 statement of assets, liabilities, reserves and fund balance of the following fund(s):

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 150,000.00	\$ 70,000.00

The appropriations in the 2017 Budget as adopted are not less than that required by the statutes.

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 insurance coverage for property, liability, vehicle, surety bonds, etc.

New Jersey Unemployment Compensation Insurance - The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State.

The following is a summary of City contributions, reimbursements to the State for benefits paid and the ending balance of the City's trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 20,657.25	\$ 66.17	\$ 31,313.52	\$ 56,213.58
2015	21,323.07	32.70	16,291.33	66,803.68
2014	21,602.00	34.82	26,455.75	61,739.24

It is estimated that unreimbursed payments on behalf of the City at December 31, 2016 are \$6,948.00.

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

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

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

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

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

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

Note 16: RISK MANAGEMENT (CONT'D)

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

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Camden County Municipal Joint Insurance Fund
PERMA, Inc.
Park 80 West – Plaza One
Saddle Brook, New Jersey 07662

Note 17: REDEVELOPMENT

The Mayor and Common Council of the City of Gloucester City, acting as the Gloucester City Redevelopment Entity, entered into an agreement with Southport Renewal, LLC ("the Redeveloper") for the purposes of the City facilitating the environmental remediation and redevelopment of the redevelopment area in accordance with the established redevelopment plan. The City is obligated to engage a Licensed Site Remediation Professional, obtain title to the Gloucester Titanium Property and pursue acquisition of additional properties with respect to the redevelopment area, including exercising its power of eminent domain. On June 25, 2015, the City passed an Ordinance and executed an agreement for the purchase of the Gloucester Titanium Property. The Redeveloper maintains a checking account for which the City will not have any control other than all disbursements from this account shall be approved by the City. Therefore, these funds are not included in the City's financial statements. However, during the year the City did receive \$1,500,000.00 as a result of a settlement with the principal owner of the property and has remitted \$1,274,838.21 to the Redeveloper as a result of their submission of environmental remediation claims.

Note 18: CONTINGENCIES

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

Litigation - The City is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the City, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: CONCENTRATIONS

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

Note 19: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Introduction</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements	06/15/17	<u>\$ 511,100.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 3,361,366.99
Increased by Receipts:		
Collector	\$ 21,110,803.40	
Due State of NJ - Senior Cit. & Vet. Deductions	113,271.23	
Revenue Accounts Receivable	5,133,752.79	
Miscellaneous Revenue Not Anticipated	269,602.83	
2016 Appropriations Refunded	50,048.32	
Petty Cash	1,000.00	
Change Funds	100.00	
Due Trust Other Fund	280,167.60	
Due Community Development Trust Fund	48,225.00	
Due General Capital Fund	59.95	
Due Animal Control Trust Fund	0.31	
Due State of NJ - DCA Fees	6,209.00	
Deposits for Net Payroll	5,403,473.71	
Federal and State Grants Receivable	2,229,604.29	
		<u>34,646,318.43</u>
		38,007,685.42
Decreased by Disbursements:		
2016 Appropriations	12,696,816.73	
2015 Appropriation Reserves	159,267.93	
Accounts Payable	6,327.40	
Payroll Deductions Payable	3,636,584.20	
Net Payroll	5,403,473.71	
Petty Cash	1,000.00	
Change Funds	100.00	
Due State of NJ - DCA Fees	8,071.00	
County Taxes Payable	4,929,509.89	
Due County Added & Omitted Taxes	1,797.28	
Tax Overpayments	5,287.78	
Due Bank	1,039.86	
Due Community Development Trust Fund	11,475.10	
Due Trust Other Fund	278,297.76	
Local School District Tax	5,255,064.00	
Reserve for Master Plan	1,478.74	
Reserve for Master Plan Encumbrances	33,543.09	
Refund of Prior Year Taxes	614.00	
Refund of Prior Year Revenues	1,292.04	
Reserves for Grants - Appropriated	2,051,847.04	
Reserve for Grant - Encumbrances	22,634.31	
		<u>34,505,521.86</u>
Balance Dec. 31, 2016		<u><u>\$ 3,502,163.56</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 504.54
Increased by Receipts:		
Taxes Receivable	\$ 20,719,333.50	
Tax Title Liens	8,003.63	
Prepaid Taxes	151,415.40	
Tax Overpayments	5,287.78	
Interest and Costs on Taxes	128,066.96	
Miscellaneous Revenue Not Anticipated	<u>99,141.69</u>	
		<u>21,111,248.96</u>
		21,111,753.50
Decreased by Disbursements:		
Payments to Treasurer		<u>21,110,803.40</u>
Balance Dec. 31, 2016		<u><u>\$ 950.10</u></u>

All funds are deposited directly to the Treasurer's bank account.

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Change Funds
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 1,925.00
Increased by:	
Disbursements	<u>100.00</u>
	2,025.00
Decreased by:	
Receipts	<u>100.00</u>
Balance Dec. 31, 2016	<u><u>\$ 1,925.00</u></u>

Analysis of Balance Dec. 31, 2016

	<u>Amount</u>
Tax Office	\$ 1,325.00
Municipal Court	400.00
Municipal Clerk	<u>200.00</u>
	<u><u>\$ 1,925.00</u></u>

Exhibit SA-4

CURRENT FUND
Statement of Due State of New Jersey Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 85,581.19
Increased by:	
Receipts	<u>113,271.23</u>
	198,852.42
Decreased by:	
Accrued in 2016:	
Senior Citizens' Deductions per Billings	\$ 51,250.00
Veterans' Deductions per Billings	<u>78,000.00</u>
	129,250.00
Deductions Allowed by Collector - 2016 Taxes	2,000.00
Deduct:	
Deductions Disallowed by Collector - 2016 Taxes	<u>(5,453.43)</u>
	\$ 125,796.57
Add:	
Deductions Allowed by Collector - 2015 Taxes	750.00
Deduct:	
Deductions Disallowed by Collector - Prior Years Taxes	<u>(9,500.00)</u>
	<u>117,046.57</u>
Balance Dec. 31, 2016	<u><u>\$ 81,805.85</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2016

<u>Year</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Levy</u>	<u>Added Taxes</u>	<u>C o l l e c t i o n s</u>		<u>Due from State of New Jersey</u>	<u>Canceled</u>	<u>Transferred to Tax Title Liens</u>	<u>Property Acquired for Taxes</u>	<u>Balance Dec. 31, 2016</u>
				<u>2015</u>	<u>2016</u>					
2013	\$ 1,061.57				\$ 1,061.57					
2014	751.93				500.00		\$ 251.93			
2015	295,841.32		\$ 9,500.00		299,462.45	\$ 750.00	2,270.99	\$ 2,357.88		\$ 500.00
	297,654.82		9,500.00		301,024.02	750.00	2,522.92	2,357.88		500.00
2016		\$ 21,257,002.96		\$ 140,890.94	20,418,309.48	125,796.57	101,957.36	2,898.55	\$ 12,465.39	454,684.67
	\$ 297,654.82	\$ 21,257,002.96	\$ 9,500.00	\$ 140,890.94	\$ 20,719,333.50	\$ 126,546.57	\$ 104,480.28	\$ 5,256.43	\$ 12,465.39	\$ 455,184.67

Analysis of 2016 Property Tax Levy

Tax Yield	
General Property Tax	\$ 21,231,297.25
Added Taxes (54:4-63.1 et. seq.)	<u>25,705.71</u>
	<u>\$ 21,257,002.96</u>

Tax Levy	
Local School Tax	\$ 5,255,064.00
County Taxes:	
County Tax	\$ 4,929,509.89
Due County for Added and Omitted Taxes	<u>5,973.37</u>
Total County Taxes	4,935,483.26
Local Tax for Municipal Purposes	11,042,000.00
Add: Additional Tax Levied	<u>24,455.70</u>
Local Tax for Municipal Purposes Levied	<u>11,066,455.70</u>
	<u>\$ 21,257,002.96</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 102,014.49
Increased by:		
Transfer from Taxes Receivable	\$ 5,256.43	
Transfer from Consumer Accounts Receivable	50,610.79	
Interest and Costs	<u>205.57</u>	
		<u>56,072.79</u>
		158,087.28
Decreased by:		
Transfer to Property Acquired for Taxes	92,000.43	
Receipts	<u>8,003.63</u>	
		<u>100,004.06</u>
Balance Dec. 31, 2016		<u><u>\$ 58,083.22</u></u>

Exhibit SA-7

CURRENT FUND
Statement of Property Acquired for Taxes - Assessed Valuation
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 1,672,900.00
Increased by:		
Transfer from Tax Title Liens	\$ 92,000.43	
Transfer from Taxes	12,465.39	
Adjustment to Assessed Valuation	<u>473,734.18</u>	
		<u>578,200.00</u>
		2,251,100.00
Decreased by:		
Property Sold	4,500.00	
Loss on Sale of Property	<u>58,900.00</u>	
		<u>63,400.00</u>
Balance Dec. 31, 2016		<u><u>\$ 2,187,700.00</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Charges Receivable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 24,460.94
Increased by:	
Charges Assessed	<u>126,180.72</u>
	150,641.66
Decreased by:	
Received - Miscellaneous Revenue Not Anticipated	<u>93,781.28</u>
Balance Dec. 31, 2016	<u>\$ 56,860.38</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Other Reserves
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 33,549.22
Increased by:	
Charges to Appropriation Reserves	<u>22,100.00</u>
Balance Dec. 31, 2016	<u><u>\$ 55,649.22</u></u>

Analysis of Balance as of Dec. 31, 2016

Reserve for Deposits on Sale of Property	\$ 20.00
Reserve for Revaluation	13,978.00
Reserve for Contract Settlements	<u>41,651.22</u>
	<u><u>\$ 55,649.22</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND

Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Accrued In 2016	Collected By		Balance Dec. 31, 2016
			Treasurer	Collector	
<u>Miscellaneous Revenue Anticipated:</u>					
Licenses:					
Alcoholic Beverages		\$ 31,597.00	\$ 31,432.00		\$ 165.00
Other	\$ 30.00	5,703.55	5,721.55		12.00
Fees and Permits	79,075.25	519,440.82	545,739.07		52,777.00
Fines and Costs					
Municipal Court	24,935.94	329,805.30	335,965.24		18,776.00
Interest on Costs and Taxes		128,066.96		\$ 128,066.96	
Interest on Investments	7.15	5,314.21	5,281.49		39.87
Consolidated Municipal Property Tax Relief		199,015.00	199,015.00		
Energy Receipts Tax		2,479,481.00	2,479,481.00		
Uniform Construction Code Official	20,245.00	167,210.00	178,942.00		8,513.00
Uniform Fire Safety Act		47,422.36	47,422.36		
Cable TV Franchise Fee		48,242.70	48,242.70		
School District for Police Svs		65,300.00	65,300.00		
Rentals and Fees - Chatham Square Apartments		59,793.25	62,472.25		3,206.25
Rental Revenue - Lease of Former Coast Guard Station	5,885.25	152,000.00	152,000.00		
Hotel Occupancy		52,531.65	52,531.65		
Payments in Lieu of Taxes on Real Property		892,220.34	892,220.34		
<u>Miscellaneous Revenue Not Anticipated:</u>					
Sale of Recycling Buckets		692.00	692.00		
Sale of Scrap Metal		1,285.14	1,285.14		
Marina Rentals and Fees		21,159.00	21,159.00		
Rentals and Fees - Community Center	350.00	8,800.00	8,850.00		300.00
	\$ 130,528.59	\$ 5,215,080.28	\$ 5,133,752.79	\$ 128,066.96	\$ 83,789.12

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Special Emergency - N.J.S.A. 40A:4-55
For the Year Ended December 31, 2016

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	1/5 of <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Raised in</u> <u>2016</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
06/27/13	Revaluation	\$ 300,000.00	\$ 60,000.00	\$ 180,000.00	\$ 60,000.00	\$ 120,000.00
07/24/14	Master Plan	50,000.00	10,000.00	40,000.00	10,000.00	30,000.00
				<u>\$ 220,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 150,000.00</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 93,133.39
Increased by:	
Payroll Deductions Charged to Budget	<u>3,637,477.91</u>
	3,730,611.30
Decreased by:	
Disbursements	<u>3,636,584.20</u>
Balance Dec. 31, 2016	<u><u>\$ 94,027.10</u></u>

Exhibit SA-13

CURRENT FUND
Statement of Reserve for Master Plan
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 20,807.22
Decreased by:	
Disbursed	<u>1,478.74</u>
Balance Dec. 31, 2016	<u><u>\$ 19,328.48</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of 2015 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015				
	<u>Reserve for</u>	<u>Appropriation</u>	<u>Balance After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Encumbrances</u>	<u>Reserves</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries & Wages					
City Administrator's Office		\$ 8.14	\$ 8.14		\$ 8.14
Mayor and Common Council		725.04	725.04		725.04
City Clerk's Office		1,585.46	1,585.46	\$ 1,400.00	185.46
Other Expenses					
City Administrator's Office		27.39	27.39		27.39
City Clerk's Office	\$ 3,745.00	2,076.11	5,821.11	3,845.40	1,975.71
Financial Administration					
Salaries & Wages		1,395.98	1,395.98	750.00	645.98
Other Expenses		1,041.31	1,041.31	21.95	1,019.36
Collection of Taxes					
Salaries & Wages		1,684.10	1,684.10	1,100.00	584.10
Other Expenses	320.06	613.46	933.52	385.88	547.64
Assessment of Taxes					
Salaries and Wages		69.62	569.62	450.00	119.62
Other Expenses:	542.10	21.90	564.00	540.67	23.33
Legal Services and Costs					
Other Expenses	11,100.00	15,450.83	26,550.83	23,674.29	2,876.54
Municipal Court					
Salaries & Wages		4,416.01	4,416.01	3,200.00	1,216.01
Other Expenses	175.00	1,216.17	1,391.17	175.00	1,216.17
Public Defender (P.L. 1997, C.256)					
Salaries & Wages		1.00	1.00		1.00
Engineering Services and Costs					
Other Expenses		5,299.03	5,299.03	5,119.80	179.23
Community Development					
Salaries & Wages		39.99	39.99		39.99
Other Expenses		1,544.64	1,544.64	1,544.64	
Municipal Land Use Law (N.J.S.40:55D-1)					
Combined Zoning and Planning Boards					
Salaries & Wages		286.13	286.13		286.13
Other Expenses		55.24	55.24		55.24
INSURANCE					
General Liability		346.67	346.67		346.67
Workers Compensation Insurance					
Group Insurance for Employees	1,478.80	3,119.42	4,598.22	761.40	3,836.82
Health Benefit Waiver		106.00	106.00		106.00
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		28,538.39	28,538.39	2,200.00	26,338.39
Other Expenses	8,363.13	5,417.88	13,781.01	6,143.91	7,637.10
Crossing Guards					
Salaries and Wages		220.26	220.26		220.26
Other Expenses		210.41	210.41		210.41
Office of Emergency Management					
Other Expenses	1,050.00	801.42	1,851.42		1,851.42
Fire					
Salaries & Wages		5,343.84	5,343.84	1,000.00	4,343.84
Other Expenses	10,318.41	11,078.55	21,396.96	4,248.39	17,148.57
Uniform Fire Safety Act (PL 1983, CH 383)					
Salaries and Wages		142.86	142.86		142.86
Other Expenses		1,143.13	1,143.13		1,143.13

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of 2015 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015				
	<u>Reserve for</u>	<u>Appropriation</u>	<u>Balance After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Encumbrances</u>	<u>Reserves</u>	<u>Transfers</u>	<u>Charged</u>	<u>Lapsed</u>
PUBLIC WORKS FUNCTIONS					
Streets and Roads					
Salaries and Wages		\$ 1,094.09	\$ 1,894.09	\$ 1,800.00	\$ 94.09
Other Expenses	\$ 23,514.96	1,456.97	24,971.93	13,042.25	11,929.68
Buildings and Grounds					
Salaries & Wages		8,246.13	8,246.13	8,200.00	46.13
Other Expenses	2,455.98	15,329.58	17,785.56	1,947.92	15,837.64
Solid Waste Collection					
Other Expenses		0.02	0.02		0.02
HEALTH & HUMAN SERVICES					
Animal Control					
Other Expenses	772.05	981.19	1,753.24	772.05	981.19
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Other Expenses		715.82	715.82		715.82
UTILITY EXPENSES AND BULK PURCHASES					
Gasoline	18,000.00	9,033.87	27,033.87	6,973.01	20,060.86
Street Lighting		35,008.36	35,008.36	35,008.36	
Electricity		11,504.03	11,504.03	9,159.22	2,344.81
Telephone		15,120.63	15,120.63	4,405.32	10,715.31
Fuel Oil	5,000.00	5,295.01	10,295.01	4,010.12	6,284.89
Sewerage Disposal		272.00	272.00		272.00
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Costs					
Other Expenses	31,612.00	5,339.05	36,951.05	29,404.89	7,546.16
UNIFORM CONSTRUCTION CODE					
Construction Officials					
Salaries and Wages		68.38	1,068.38	1,000.00	68.38
Other Expenses	4,939.05	4,458.40	9,397.45	5,933.38	3,464.07
Other Code Enforcement					
Salaries and Wages		3,234.17	3,234.17	1,000.00	2,234.17
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	300.00	4,567.89	4,867.89	1,598.56	3,269.33
Salary Adjustment		8,800.00	6,500.00		6,500.00
Contingent	800.00	3,729.98	4,529.98	800.00	3,729.98
STATUTORY EXPENDITURES					
Social Security System (O.A.S.I.)		4,028.48	4,028.48		4,028.48
Unemployment Compensation		1.00	1.00		1.00
Grand Total	\$ 124,486.54	\$ 232,311.43	\$ 356,797.97	\$ 181,616.41	\$ 175,181.56

Accounts Payable	\$ 248.48
Reserved for Contract Settlements	22,100.00
Disbursed	159,267.93
	<u>\$ 181,616.41</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2016

Balance Dec. 31, 2015 (2016 Taxes)	\$ 140,890.94
Increased by:	
Collections	<u>151,415.40</u>
	292,306.34
Decreased by:	
Application to 2016 Taxes	<u>140,890.94</u>
Balance Dec. 31, 2016 (2017 Taxes)	<u><u>\$ 151,415.40</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2016

Collections	\$ 5,287.78
Decreased by:	
Refunds	<u><u>\$ 5,287.78</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 6,492.39
Increased by:		
Transfer from Reserve for Encumbrances - Master Plan	\$ 413.82	
Transfer from Appropriation Reserves	<u>248.48</u>	
		<u>662.30</u>
		7,154.69
Decreased by:		
Payments	6,327.40	
Canceled to Fund Balance	<u>124.99</u>	
		<u>6,452.39</u>
Balance Dec. 31, 2016		<u><u>\$ 702.30</u></u>

Exhibit SA-18

CURRENT FUND
Statement of Due State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 2,809.00
Increased by:		
Receipts		<u>6,209.00</u>
		9,018.00
Decreased by:		
Disbursements		<u>8,071.00</u>
Balance Dec. 31, 2016		<u><u>\$ 947.00</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	
2015 Added Taxes (R.S. 54:4-63.1 et seq.)	\$ 1,797.28
Increased by:	
County Share of Levy:	
2016 Added Taxes (R.S. 54:4-63.1 et seq.)	<u>5,973.37</u>
	7,770.65
Decreased by:	
Payments	<u>1,797.28</u>
Balance Dec. 31, 2016	<u><u>\$ 5,973.37</u></u>

Exhibit SA-20

CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2016

2016 Levy	\$ 5,255,064.00
Decreased by:	
Payments	<u><u>\$ 5,255,064.00</u></u>

Exhibit SA-21

CURRENT FUND
Statement of Due County Taxes Payable
For the Year Ended December 31, 2016

2016 Levy	\$ 4,929,509.89
Decreased by:	
Payments	<u><u>\$ 4,929,509.89</u></u>

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued</u>	<u>Received in</u> <u>Current Fund</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Federal Grants:				
Brownfield Redevelopment Cleanup Project	\$ 4,879.25			\$ 4,879.25
Drive Sober or Get Pulled Over	5,000.00	\$ 5,000.00	\$ 10,000.00	
Bulletproof Vest Partnership Grant	1,419.22	2,318.98	2,200.00	1,538.20
Homeland Security Emergency Management Performance Grant		7,000.00		7,000.00
Federal Emergency Management Agency:				
Assistance to Firefighters Grant		57,143.00		57,143.00
SAFER Grant Program	76,743.00		76,743.00	
SAFER Retention Grant Program	578,105.00		265,523.00	312,582.00
New Jersey Department of Transportation Enhancement Program:				
Broadway Streetscape	43,606.88			43,606.88
New Jersey Department of Environmental Protection:				
Licensed Operator Internship Program	23,272.51			23,272.51
Small Cities 2015 - Public Facilities	400,000.00		321,535.87	78,464.13
Total Federal Grants	1,133,025.86	71,461.98	676,001.87	528,485.97
State Grants:				
Body Armor Replacement Fund		2,665.36	2,665.36	
Clean Communities Program		25,560.19	25,560.19	
COPS in Shops		1,800.00		1,800.00
Drunk Driving Enforcement Fund		2,500.00	2,500.00	
Economic Development Site Fund	825,130.42			825,130.42
Hazardous Discharge Site Remediation Grants:				
BP/ARCO Site	40,169.98			40,169.98
Former Amspec Chemical Site	17,646.00			17,646.00
Railroad & VA Property Site	114,923.00			114,923.00
Gloucester Point Site	370.06			370.06
New Jersey Department of Transportation Municipal Aid Program:				
Centers of Place - Broadway Decorative Street Lighting	38,759.49			38,759.49
Cumberland Street	20,469.30			20,469.30
Monmouth Street - Phase II	124,096.76			124,096.76
Chestnut Avenue and Walnut Avenue	24,303.77			24,303.77
Fifth Street Reconstruction		215,118.00		215,118.00
Municipal Alliance on Alcohol and Drug Abuse	27,485.50	14,541.00	10,602.79	31,423.71
Municipal Court Alcohol Education and Rehabilitation Fund		4,774.08	4,774.08	
Recycling Tonnage Grant - Abandoned Tires		2,500.00	2,500.00	
Total State Grants	1,233,354.28	269,458.63	48,602.42	1,454,210.49
Local Grants:				
Gloucester Titanium Site Remediation Services Fund		1,500,000.00	1,500,000.00	
County of Camden - Recreation Facilities Enhancement		25,000.00		25,000.00
County of Camden - Office of Emergency Management Grant		5,000.00	5,000.00	
Total Local Grants	-	1,530,000.00	1,505,000.00	25,000.00
Total All Grants	\$ 2,366,380.14	\$ 1,870,920.61	\$ 2,229,604.29	\$ 2,007,696.46

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Federal, State and Local Grants - Unappropriated
For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance Dec. 31, 2015</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2016 Budget</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:				
Drive Sober or Get Pulled Over		\$ 5,000.00	\$ 5,000.00	
Bulletproof Vest Partnership Grant		2,318.98	2,318.98	
Homeland Security Emergency Management Performance Grant		7,000.00	7,000.00	
Federal Emergency Management Agency: Assistance to Firefighters Grant		57,143.00	57,143.00	
Total Federal Grants	-	71,461.98	71,461.98	-
State Grants:				
Body Armor Replacement Fund	\$ 2,857.44	2,665.36	2,857.44	\$ 2,665.36
Clean Communities Program		25,560.19	25,560.19	
COPS in Shops		1,800.00	1,800.00	
Drunk Driving Enforcement Fund	1,736.86	2,500.00	1,736.86	2,500.00
Municipal Alliance on Alcohol and Drug Abuse		14,541.00	14,541.00	
Municipal Court Alcohol Education and Rehabilitation Fund		4,774.08	4,774.08	
New Jersey Department of Transportation Municipal Aid Program: Fifth Street Reconstruction		215,118.00	215,118.00	
Recycling Tonnage Grant - Abandoned Tires		2,500.00	2,500.00	
Recycling Tonnage Grant	13,475.80		13,465.80	10.00
Total State Grants	18,070.10	269,458.63	282,353.37	5,175.36
Local Grants:				
Gloucester Titanium Site Remediation Services Fund		1,500,000.00	1,500,000.00	
County of Camden - Recreation Facilities Enhancement		25,000.00	25,000.00	
County of Camden - Office of Emergency Management Grant	5,000.00	5,000.00	5,000.00	5,000.00
Total Local Grants	5,000.00	1,530,000.00	1,530,000.00	5,000.00
Total All Grants	\$ 23,070.10	\$ 1,870,920.61	\$ 1,883,815.35	\$ 10,175.36

CITY OF GLOUCESTER CITY
FEDERAL , STATE AND LOCAL GRANT FUND
 Statement of Reserve for Federal, State and Local Grants - Appropriated
 For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance Dec. 31, 2015</u>	<u>Encumbrances Canceled</u>	<u>Transferred from 2016 Budget Appropriation</u>	<u>Disbursed by Current Fund</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:						
Brownfield Redevelopment Cleanup Project	\$ 19,713.22					\$ 19,713.22
Drive Sober or Get Pulled Over	2,700.00		\$ 5,000.00	7,700.00		
Bulletproof Vest Partnership Grant			2,318.98	2,318.98		
Emergency Management Assistance Grant	5,015.00			5,015.00		
Federal Emergency Management Agency:						
SAFER Grant Program	67,792.12			67,792.12		
SAFER Retention Grant Program	554,305.77			258,956.11		295,349.66
Assistance to Firefighters Grant			57,143.00		\$ 52,905.71	4,237.29
Homeland Security Emergency Management Performance Grant			7,000.00		1,200.00	5,800.00
New Jersey Department of Environmental Protection:						
Licensed Operator Internship Program	24,681.44					24,681.44
New Jersey Department of Transportation Enhancement Program:						
Broadway Streetscape	27,465.08					27,465.08
Small Cities 2012 - Public Facilities	2,414.95					2,414.95
Small Cities 2015 - Public Facilities	367,000.25			359,677.95	7,137.20	185.10
Total Federal Grants	1,071,087.83	-	71,461.98	701,460.16	61,242.91	379,846.74
State Grants:						
Body Armor Replacement Fund 2015	2,946.19			2,946.19		
Body Armor Replacement Fund 2016			2,857.44	2,857.44		
Clean Communities Program 2010	1,041.61					1,041.61
Clean Communities Program 2015	8,937.29	\$ 200.00		9,137.29		
Clean Communities Program 2016			25,560.19	11,011.75		14,548.44
COPS in Shops			1,800.00			1,800.00
Drunk Driving Enforcement Fund 2008	17.67				17.67	
Drunk Driving Enforcement Fund 2010	6,321.34			850.00	8.33	5,463.01
Drunk Driving Enforcement Fund 2011	2,105.31					2,105.31
Drunk Driving Enforcement Fund 2014	7,335.04					7,335.04
Drunk Driving Enforcement Fund 2015	2,281.43					2,281.43
Drunk Driving Enforcement Fund 2016			1,736.86			1,736.86
Economic Development Site Fund	475,860.68	2,500.00				478,360.68
Hazardous Discharge Site Remediation Grants:						
Sewer Treatment Plan	7,920.32	2,000.00				9,920.32
Empire Vending INC Site	29,593.20					29,593.20
Railroad & VA Property Site	122,798.00					122,798.00
Former Amspec Chemical Site	36,714.75					36,714.75
Gloucester Point Site	370.06					370.06
BP/ARCO Site	38,564.23					38,564.23

(Continued)

CITY OF GLOUCESTER CITY
FEDERAL , STATE AND LOCAL GRANT FUND
 Statement of Reserve for Federal, State and Local Grants - Appropriated
 For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Transferred</u> <u>from 2016</u> <u>Budget</u> <u>Appropriation</u>	<u>Disbursed</u> <u>by</u> <u>Current Fund</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>State Grants (Cont'd):</u>						
Municipal Alliance on Alcohol and Drug Abuse	\$ 45,253.44	\$ 1,228.50	\$ 18,176.25	\$ 16,446.00		\$ 48,212.19
Municipal Court Alcohol Education and Rehabilitation Fund	3,377.47		4,774.08	2,300.00		5,851.55
New Jersey Department of Transportation Municipal Aid Program:						
Centers of Place - Broadway Decorative Street Lighting	24,787.22					24,787.22
Broadway Lighting Phase II	17,612.63					17,612.63
Monmouth Street Phase II	131,492.76					131,492.76
Cumberland Street	43,027.30					43,027.30
Chestnut Avenue and Walnut Avenue	21,920.25					21,920.25
Fifth Street Reconstruction			215,118.00			215,118.00
Recycling Tonnage Grant	82,279.54		13,465.80			95,745.34
Recycling Tonnage Grant - Abandoned Tires			2,500.00			2,500.00
Urban Enterprise Zone - Administration	23,163.47					23,163.47
Total State Grants	1,135,721.20	5,928.50	285,988.62	45,548.67	26.00	1,382,063.65
<u>Local Grants:</u>						
Delaware River Port Authority - Resheathing Freedom Pier Grant						39,062.00
Gloucester Titanium Site Remediation Services Fund	39,062.00		1,500,000.00	1,274,838.21		225,161.79
County of Camden - Office of Emergency Management Grant			5,000.00	5,000.00		
County of Camden - Recreation Facilities Enhancement:						
Cherry Street Playground			25,000.00	25,000.00		
Total Local Grants	39,062.00	-	1,530,000.00	1,304,838.21	-	264,223.79
Total Grants:	\$ 2,245,871.03	\$ 5,928.50	\$ 1,887,450.60	\$ 2,051,847.04	\$ 61,268.91	\$ 2,026,134.18

Budget Appropriation
 Chapter 159

\$ 1,571,055.33
316,395.27
 \$ 1,887,450.60

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$	29,562.81
Increased by:			
Current Year Encumbrances			<u>61,268.91</u>
			90,831.72
Decreased by:			
Disbursements by Current Fund	\$	22,634.31	
Canceled		<u>5,928.50</u>	
			<u>28,562.81</u>
Balance Dec. 31, 2016		\$	<u><u>62,268.91</u></u>

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015 (Due To)		\$ 67,876.20
Increased by:		
Disbursements:		
Prior Year Encumbrances Disbursed by Current Fund	\$ 22,634.31	
Grants Appropriated Disbursed by Current Fund	<u>2,051,847.04</u>	
		<u>2,074,481.35</u>
		2,142,357.55
Decreased by:		
Receipts:		
Grants Receivable Received in the Current Fund	2,229,604.29	
Matching Funds for Grants	<u>3,635.25</u>	
		<u>2,233,239.54</u>
Balance Dec. 31, 2016 (Due From)		<u><u>\$ 90,881.99</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

CITY OF GLOUCESTER CITY
TRUST FUND
Statement of Trust Cash
Per N.J.S. 40A: 5-5 - Treasurer
For the Year Ended December 31, 2016

	Animal Control	Trust Other	Community Development
Balance Dec. 31, 2015			
Increased by Receipts:			
Animal Control Licenses Issued	\$ 7,245.88	\$ 528,786.49	\$ 1,111,423.14
Due Clerk	5,808.00		
Due Current Fund - Interest	7.00		
Due Current Fund - Other	9.99	\$ 54.13	
Reserve for UDAG			\$ 61,236.50
Reserve for Regional Contribution Agreement		101,055.00	
Reserve for Escrow Deposits		19,223.39	
Reserve for Miscellaneous Trust Reserves		28,015.18	
	<u>5,824.99</u>	<u>148,347.70</u>	<u>61,236.50</u>
	13,070.87	677,134.19	1,172,659.64
Decreased by Disbursements:			
Animal Control Expenses	610.00		
Due Current Fund	9.34	85.33	17,038.00
Accounts Payable	1,161.65	2,359.83	54,193.65
Reserve for UDAG			
Reserve for Regional Contribution Agreement		15,873.16	
Reserve for Escrow Deposits		33,671.27	
Reserve for Miscellaneous Trust Reserves		64,224.17	
Due New Jersey Unemployment Compensation Insurance Fund		980.00	
	<u>1,780.99</u>	<u>117,193.76</u>	<u>71,231.65</u>
Balance Dec. 31, 2016	<u>\$ 11,289.88</u>	<u>\$ 559,940.43</u>	<u>\$ 1,101,427.99</u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Trust Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$	283,682.99
Increased by Receipts:			
Interest - Due Current Fund	\$	430.23	
Redemption of Tax Certificates		946,853.37	
Premiums Received for Tax Sale		<u>515,200.00</u>	
			<u>1,462,483.60</u>
			1,746,166.59
Decreased by Disbursements:			
Due Current Fund		123.23	
Redemption of Tax Certificates		1,071,627.16	
Premiums Received for Tax Sale		<u>427,800.00</u>	
			<u>1,499,550.39</u>
Balance Dec. 31, 2016		\$	<u><u>246,616.20</u></u>

CITY OF GLOUCESTER CITY
ANIMAL CONTROL TRUST FUND
Statement of Reserve for Animal Control Trust Fund Expenditures
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 6,087.32
Increased by:		
Receipts	\$ 5,808.00	
Due from City Clerk	12.00	
		<u>5,820.00</u>
		11,907.32
Decreased by:		
Disbursed	610.00	
Accounts Payable	7,161.65	
		<u>7,771.65</u>
Balance Dec. 31, 2016		<u><u>\$ 4,135.67</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 5,924.00
2014	<u>5,852.00</u>
	<u><u>\$ 11,776.00</u></u>

CITY OF GLOUCESTER CITY
ANIMAL CONTROL TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 0.31
Increased by:	
Interest Earned	<u>9.99</u>
	10.30
Decreased by:	
Disbursed	<u>9.34</u>
Balance Dec. 31, 2016	<u><u>\$ 0.96</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015			\$	30,196.20
Increased by:				
Disbursed to Current Fund - Treasurer Cash		\$	85.33	
Disbursed to Current Fund - Collector Cash			123.23	
Trust Receipts Collected by Current Fund Treasurer				
Off Duty Police Fees	\$	265,080.00		
Off Duty Police Fees Receivable		1,055.19		
Miscellaneous Trust Reserves		13,874.20		
			280,009.39	
				280,217.95
				310,414.2
Decreased by:				
Interest Earned - Treasurer Cash			54.13	
Interest Earned - Collector Cash			430.23	
Disbursed by Current Fund on Behalf of Trust Other Fund				
Off Duty Police		259,370.00		
Miscellaneous Trust Reserves		18,927.76		
			278,297.76	
				278,782.12
Balance Dec. 31, 2016			\$	31,632.03
<u>Analysis of Balance Dec. 31, 2016</u>				
Tax Sale Premium			\$	(356.47)
Redemption				(73.87)
Off Duty Police				10,864.92
POAA				324.24
Public Defender				16,489.83
Community Playground				3,196.60
Uniform Fire Code				1,269.55
Escrow				(82.77)
			\$	31,632.03

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Regional Contribution Agreement Loans Receivable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 1,925,212.00
Decreased by:	
Receipts for Payment of Loans	<u>101,055.00</u>
Balance Dec. 31, 2016	<u><u>\$ 1,824,157.00</u></u>

Analysis of Balance Dec. 31, 2016

Evesham Township Contributions	\$ 849,946.41
Washington Township Contributions	492,005.96
East Greenwich Contributions	<u>482,204.63</u>
	<u><u>\$ 1,824,157.00</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Accounts Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 13,292.94
Decreased by:	
Disbursements	<u>2,359.83</u>
Balance Dec. 31, 2016	<u><u>\$ 10,933.11</u></u>

Exhibit SB-8

TRUST OTHER FUND
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 27,487.23
Increased by:	
Off Duty Police Fees Received By Current Fund	<u>265,080.00</u>
	292,567.23
Decreased by:	
Off Duty Police Fees Disbursed by Current Fund	<u>259,370.00</u>
Balance Dec. 31, 2016	<u><u>\$ 33,197.23</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Regional Contribution Agreements
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 254,163.39
Increased by:	
Receipts:	
Loans Receivable Collected	<u>101,055.00</u>
	355,218.39
Decreased by:	
Disbursements:	
Administrative and Other Expenses	<u>15,873.16</u>
Balance Dec. 31, 2016	<u><u>\$ 339,345.23</u></u>

Exhibit SB-10

TRUST OTHER FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 105,837.28
Increased by:	
Receipts	\$ 19,196.20
Interest Earned	<u>27.19</u>
	<u>19,223.39</u>
	125,060.67
Decreased by:	
Disbursements	<u>33,671.27</u>
Balance Dec. 31, 2016	<u><u>\$ 91,389.40</u></u>

Analysis of Balance Dec. 31, 2016

Escrow Deposits	\$ 91,385.73
Remediation Escrow	<u>3.67</u>
	<u><u>\$ 91,389.40</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Receipts	Disbursements	Due To New Jersey Unemployment Compensation Fund	Due From Current Fund	Due To Current Fund	Balance Dec. 31, 2016
Reserve for Parking Offenses Adjudication Act Funds	\$ 280.00				\$ 1,366.00	\$ 1,321.76	\$ 324.24
Disposal of Forfeited Property	72,715.09	\$ 7,284.66	\$ 36,922.50				43,077.25
Reserve for Public Defender	20,587.63				12,508.20	16,606.00	16,489.83
Community Playground	3,196.60						3,196.60
Uniform Fire Safety Act Penalties	2,269.55					1,000.00	1,269.55
Unemployment Compensation Insurance	66,803.68	20,723.42	24,365.52	\$ 6,948.00			56,213.58
Landlord Security Deposits	14,673.96	7.10	2,936.15				11,744.91
	\$ 180,526.51	\$ 28,015.18	\$ 64,224.17	\$ 6,948.00	\$ 13,874.20	\$ 18,927.76	\$ 132,315.96

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Tax Title Lien Premiums and Redemptions
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Collector		Balance Dec. 31, 2016
		Receipts	Disbursements	
Premiums Received at Tax Sale	\$ 149,000.00	\$ 515,200.00	\$ 427,800.00	\$ 236,400.00
Tax Certificates	133,559.65	946,853.37	1,071,627.16	8,785.86
	<u>\$ 282,559.65</u>	<u>\$ 1,462,053.37</u>	<u>\$ 1,499,427.16</u>	<u>\$ 245,185.86</u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Loans and Mortgages Receivable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 3,313,007.33
Increased by:		
Reserve for Small Cities Rehabilitation - Loans Issued		<u>19,692.00</u>
		3,332,699.33
Decreased by:		
Reserve for UDAG Revolving Loan Fund - Receipts	\$ 35,511.39	
Reserve for Small Cities Rehabilitation - Receipts	<u>48,225.00</u>	
		<u>83,736.39</u>
Balance Dec. 31, 2016		<u><u>\$ 3,248,962.94</u></u>
<u>Analysis of Balance Dec. 31, 2016</u>		
Loans Receivable - Urban Development Action Grant		\$ 1,806,153.29
Mortgages Receivable - Small Cities Rehabilitation Grant		<u>1,442,809.65</u>
		<u><u>\$ 3,248,962.94</u></u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 123,760.91
Increased by:	
Small Cities Mortgage Payoffs Collected by Current Fund	<u>48,225.00</u>
	171,985.91
Decreased by:	
Small Cities Revolving Loan Fund Expenses Disbursed by Current Fund	<u>11,475.10</u>
Balance Dec. 31, 2016	<u><u>\$ 160,510.81</u></u>

Exhibit SB-15

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for CDBG Revolving Loan Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 123,760.91
Increased by:	
Small Cities Mortgage Payoffs Collected by Current Fund	<u>48,225.00</u>
	171,985.91
Decreased by:	
Accounts Payable	\$ 8,614.00
Disbursed by Current Fund on Behalf of Small Cities	<u>11,475.10</u>
	<u>20,089.10</u>
Balance Dec. 31, 2016	<u><u>\$ 151,896.81</u></u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for Projects and Revolving Loan Fund - U.D.A.G.
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 418,934.92
Increased by:		
Receipts		
Loans Receivable - Collected	\$ 35,511.39	
Interest and Late Fees	24,859.42	
Interest Earned on Investments	<u>865.69</u>	
	\$ 61,236.50	
Cancellation of Prior Year Accounts Payable	<u>5,912.22</u>	
		<u>67,148.72</u>
		486,083.64
Decreased by:		
Disbursements	54,193.65	
Accounts Payable	<u>20,700.00</u>	
		<u>74,893.65</u>
Balance Dec. 31, 2016		<u><u>\$ 411,189.99</u></u>

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Accounts Payable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 692,488.22
Increased by:		
Accounts Payable Created:		
Reserve for CDBG Revolving Loan Fund	\$ 8,614.00	
Reserve for UDAG Revolving Loan Fund	<u>20,700.00</u>	
		<u>29,314.00</u>
		721,802.22
Decreased by:		
Disbursements	17,038.00	
Canceled to Reserve for UDAG Revolving Loan Fund	<u>5,912.22</u>	
		<u>22,950.22</u>
Balance Dec. 31, 2016		<u><u>\$ 698,852.00</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A:5-5 - Treasurer
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 1,662,053.06
Increased by Receipts:		
Due Current Fund	\$ 1,111.41	
Budget Appropriations	26,934.04	
Bond Anticipation Notes	579,880.00	
Premiums Received at Sale - Fund Balance	<u>33,557.00</u>	
		<u>641,482.45</u>
		2,303,535.51
Decreased by Disbursements:		
Due Current Fund	1,064.29	
Improvement Authorizations	654,239.75	
Reserve for Encumbrances	<u>72,370.10</u>	
		<u>727,674.14</u>
Balance Dec. 31, 2016		<u><u>\$ 1,575,861.37</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2016

	Ordinance Number	Balance (Deficit) Dec. 31, 2015	Receipts		Disbursements			Transfers		Balance (Deficit) Dec. 31, 2016
			Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From		To	
Fund Balance		\$ 2,688.00		\$ 33,557.00					\$ 36,245.00	
Capital Improvement Fund		48,105.82		10,000.00			\$ 30,520.00		27,585.82	
Accounts Receivable - Green Acres		(43,464.51)							(43,464.51)	
Due Current Fund		59.95		1,111.41		\$ 1,064.29			107.07	
Reserve to Pay Green Loan		7,083.39							7,083.39	
Reserve for Encumbrances		95,338.86				72,370.10	20,087.82	\$ 440,105.01	442,985.95	
Improvement Authorizations:										
Various Improvements:	15-95	96,563.82			\$ 78,329.69		18,234.13		(4,504.99)	
Various Improvements	14-96	(4,504.99)							6,337.85	
Various Improvements	14-00	6,337.85							(16,934.03)	
Riverfront Park Project	19-01	(33,868.07)		16,934.04					27,137.81	
Acquisition of Apartments	05-08	57,649.67			30,511.86				5,259.36	
Reconstruction of Various Streets	24-08	15,739.36			10,480.00				24,522.76	
Walkway Along Freedom Pier	09-10	6,219.48					18,303.28		379.42	
Various Improvements	06-11	85,897.98			8,847.48		76,671.08		6,000.00	
Improvements to City Clerk's Office	19-11	6,000.00							37,227.77	
Southport Redevelopment Project	03-12	37,227.77							176,211.08	
Various Improvements	10-12	179,100.72			2,889.64				121,723.00	
Various Improvements	12-13	125,850.40			4,127.40				24,883.04	
Repair and Replacement of Public Facilities Roofs	20-13	24,883.04							4,308.96	
Landscaping Improvements	21-13	14,930.11			10,621.15				32,364.40	
Various Improvements	14-14	253,494.06			221,129.66				60,728.82	
Various Improvements	13-15	596,823.00			190,297.72		347,581.00	1,784.54	83,897.35	
Various Improvements	19-15	83,897.35							439,104.97	
Various Improvements	17-16		\$ 579,880.00		97,005.15		74,289.88	30,520.00	76,671.08	
Acquisition and Installation of HVAC Systems	25-16									
Demolition of Existing City Structures	26-16									
		\$ 1,662,053.06	\$ 579,880.00	\$ 61,602.45	\$ 654,239.75	\$ 73,434.39	\$ 567,383.91	\$ 567,383.91	\$ 1,575,861.37	

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 3,648,619.20
Decreased By:		
Budget Appropriations:		
Payment of Serial Bonds	\$ 405,000.00	
Payment of Loans Payable	<u>125,551.57</u>	
		<u>530,551.57</u>
Balance Dec. 31, 2016		<u><u>\$ 3,118,067.63</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2016

Improvement Description	Ordinance Number	Balance Dec. 31, 2015	2016 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2016	Analysis of Balance Dec. 31, 2016		
						Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorizations
Various Improvements	14-96	\$ 4,504.99			\$ 4,504.99	\$ 4,504.99		
Various Improvements	14-00	405.74			405.74			\$ 405.74
Riverfront Park Project	19-01	33,868.07	\$ 16,934.04		16,934.03		16,934.03	
Acquisition of Apartments	05-08	4,050,000.00	60,000.00		3,990,000.00	\$ 3,990,000.00		
Various Improvements	06-11	383.00			383.00			383.00
Southport Redevelopment Project	03-12	4,970,000.00	30,000.00		4,940,000.00	2,190,000.00		2,750,000.00
Various Improvements	10-12	615,000.00	69,000.00		546,000.00	546,000.00		
Various Improvements	12-13	516,325.00	36,325.00		480,000.00	480,000.00		
Various Improvements	14-14	602,300.00			602,300.00	602,300.00		
Various Improvements	19-15	124,925.00			124,925.00	124,925.00		
Various Improvements	17-16		\$ 579,880.00		579,880.00	579,880.00		856,329.53
Demolition of Existing City Structures	26-16		856,329.53		856,329.53			
		\$ 10,917,711.80	\$ 1,436,209.53	\$ 212,259.04	\$ 12,141,662.29	\$ 8,513,105.00	\$ 21,439.02	\$ 3,607,118.27
<hr/>								
Improvement Authorizations Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
						05-08	\$ 27,137.81	
						03-12	37,227.77	
						10-12	176,211.08	
						12-13	121,150.00	
						14-14	32,364.40	
						19-15	80,422.35	
						17-16	435,784.97	
							<hr/>	910,298.38
								<hr/>
								\$ 3,607,118.27
								<hr/>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Due Current Fund
For Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 59.95
Increased by:	
Interest Earned on Deposits	<u>1,111.41</u>
	1,171.36
Decreased by:	
Disbursements	<u>1,064.29</u>
Balance Dec. 31, 2016	<u><u>\$ 107.07</u></u>

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 48,105.82
Increased by:	
Budget Appropriation	<u>10,000.00</u>
	58,105.82
Decreased by:	
Appropriations to Improvement Authorizations	<u>30,520.00</u>
Balance Dec. 31, 2016	<u><u>\$ 27,585.82</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2016

Improvement Description	Number	Date	Amount	Balance Dec. 31, 2015		Encumbrances Canceled	Paid or Charged	Authorization Reappropriated	Balance Dec. 31, 2016	
				Funded	Unfunded				Funded	Unfunded
Various Improvements	15-95	6/1/95	\$ 902,500.00	\$ 96,563.82			\$ 96,563.82		\$ 6,337.85	\$ 405.74
Various Improvements:	14-00	7/6/00	486,000.00	6,337.85	\$ 405.74					27,137.81
Acquisition of Apartments	05-08	3/20/08	4,350,000.00		57,649.67					
Reconstruction of Various Streets	24-08	12/18/08	75,000.00	15,739.36						
Walkway Along Freedom Pier	09-10	4/30/10	600,000.00	6,219.48						
Various Improvements	06-11	6/16/11	1,638,666.00	85,897.98	383.00					383.00
Improvements to City Clerk's Office	19-11	12/5/11	6,000.00	6,000.00						
Southport Redevelopment Project	03-12	2/16/12	5,000,000.00		2,787,227.77					2,787,227.77
Various Improvements	10-12	6/28/12	716,000.00		179,100.72					176,211.08
Various Improvements	12-13	7/25/13	543,500.00	573.00	125,277.40				573.00	121,150.00
Repair and Replacement of Public Facilities Roofs	20-13	9/26/13	80,750.00	24,883.04					24,883.04	
Landscaping Improvements	21-13	9/26/13	79,555.00	14,930.11					4,308.96	
Various Improvements	14-14	7/24/14	634,000.00		253,494.06					32,364.40
Various Improvements	13-15	5/28/15	820,000.00	596,823.00					60,728.82	
Various Improvements	19-15	6/25/15	131,500.00	3,475.00					3,475.00	80,422.35
Various Improvements	17-16	7/21/16	610,400.00		80,422.35				3,320.00	435,784.97
Acquisition and Installation of HVAC Systems	25-16	10/27/16	76,671.08							
Demolition of Existing City Structures	26-16	11/22/16	856,329.53						76,671.08	856,329.53
				\$ 857,442.64	\$ 3,483,960.71	\$ 20,087.82	\$ 1,094,344.76	-	\$ 216,459.29	\$ 4,517,416.65
Disbursed Encumbrances							\$ 654,239.75			
							440,105.01			
							\$ 1,094,344.76			
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund										
							\$ 1,436,209.53			
							30,520.00			
							\$ 1,466,729.53			

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2016

<hr/>		
Balance Dec. 31, 2015		\$ 95,338.86
Increased by:		
Charged to Improvement Authorizations		<u>440,105.01</u>
		535,443.87
Decreased by:		
Disbursed	\$ 72,370.10	
Canceled	<u>20,087.82</u>	
		<u>92,457.92</u>
Balance Dec. 31, 2016		<u><u>\$ 442,985.95</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Green Trust Loans Payable
For the Year Ended December 31, 2016

	Johnson <u>Blvd</u>	Point <u>Riverfront</u>	<u>Riverfront</u>	<u>Freedom Pier</u>	<u>Total</u>
Balance Dec. 31, 2015	\$ 94,313.70	\$ 528,423.93	\$ 263,640.66	\$ 147,240.91	\$ 1,033,619.20
Decreased by:					
Loan Payments	13,727.81	76,914.10	27,016.29	7,893.37	125,551.57
Balance Dec. 31, 2016	\$ 80,585.89	\$ 451,509.83	\$ 236,624.37	\$ 139,347.54	\$ 908,067.63

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes Payable
For the Year Ended December 31, 2016

Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
Acquisition of Apartments	2008-05	4/29/2008 4/29/2008	4/13/2015 4/11/2016	1.38% 2.00%	\$ 4,050,000.00	\$ 3,990,000.00	\$ 4,050,000.00	\$ 3,990,000.00
Southport Redevelopment Project	2012-03	3/20/2012 3/20/2012	3/12/2015 3/10/2016	1.01% 1.05%	2,220,000.00	2,190,000.00	2,220,000.00	2,190,000.00
Various Improvements	2012-10	10/4/2012 10/4/2012	9/28/2015 9/26/2016	0.74% 2.00%	615,000.00	546,000.00	615,000.00	546,000.00
Various Improvements	2013-12	10/2/2013 10/2/2013	9/28/2015 9/26/2016	0.74% 2.00%	516,325.00	480,000.00	516,325.00	480,000.00
Various Improvements	2014-14	9/30/2014 9/30/2014	9/28/2015 9/26/2016	0.74% 2.00%	602,300.00	602,300.00	602,300.00	602,300.00
Various Improvements	2015-19	9/28/2015 9/30/2014	9/28/2015 9/26/2016	0.74% 2.00%	124,925.00	124,925.00	124,925.00	124,925.00
Various Improvements	2016-17	9/26/2016	9/26/2016	2.00%	579,880.00	579,880.00		579,880.00
					<u>\$ 8,128,550.00</u>	<u>\$ 8,513,105.00</u>	<u>\$ 8,128,550.00</u>	<u>\$ 8,513,105.00</u>
Renewals					\$ 7,933,225.00	\$ 7,933,225.00		
Issued for Cash					579,880.00		195,325.00	
Paid by Budget Appropriation					<u>\$ 8,513,105.00</u>	<u>\$ 8,128,550.00</u>		

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds Outstanding</u>			<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Dec. 31, 2016</u>	<u>Amount</u>				
General Obligation Bonds	8-31-11	\$ 4,140,000.00	3-1-17	\$	415,000.00	2.25%			
			3-1-18		425,000.00	2.25%			
			3-1-19		440,000.00	2.50%			
			3-1-20		455,000.00	2.50%			
			3-1-21		475,000.00	2.75%			
							\$ 2,615,000.00	\$ 405,000.00	\$ 2,210,000.00

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2016

	Ordinance Number	Balance Dec. 31, 2015	2016 Authorization	Budget Appropriation	Notes Issued	Balance Dec. 31, 2016
<u>General Improvements:</u>						
Various Improvements	14-96	\$ 4,504.99			\$	4,504.99
Various Improvements	14-00	405.74				405.74
Acquisition of Real Property	19-01	33,868.07		\$ 16,934.04		16,934.03
Various Improvements	06-11	383.00				383.00
Southport Redevelopment Project	12-03	2,750,000.00				2,750,000.00
Various Improvements	17-16		\$ 579,880.00		\$ 579,880.00	
Demolition of Existing City Structures	26-16		856,329.53			856,329.53
		\$ 2,789,161.80	\$ 1,436,209.53	\$ 16,934.04	\$ 579,880.00	\$ 3,628,557.29

SUPPLEMENTAL EXHIBITS
WATER & SEWER UTILITY FUND

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY FUND
Statement of Water and Sewer Utility Cash
Per N.J.S. 40A:5-5 - Water Treasurer
For the Year Ended December 31, 2016

	Operating	Capital
Balance Dec. 31, 2015	\$ 1,003,273.26	\$ 1,067,701.53
Increased by Receipts:		
Transfer from Collector	\$ 4,000,502.43	
Miscellaneous Revenues	141,508.10	
Bond Anticipation Note Proceeds		\$ 68,248.00
Refund of Appropriations	275.84	
Due State of New Jersey - NJEIT		462,888.00
Capital Improvement Fund		10,000.00
Due Water and Sewer Utility Capital Fund	941.80	
Due Water and Sewer Utility Operating Fund		978.68
	<u>4,143,228.17</u>	<u>542,114.68</u>
	5,146,501.43	1,609,816.21
Decreased by Disbursements:		
2016 Budget Appropriations	4,077,561.10	
2015 Appropriation Reserves	44,797.49	
Refund of Overpayments	2,478.99	
Improvement Authorizations		416,917.51
Reserve for Encumbrances		193,673.85
Accrued Interest on Bonds, Loans and Notes	185,213.32	
Due Water and Sewer Utility Operating Fund		941.80
	<u>4,310,050.90</u>	<u>611,533.16</u>
Balance Dec. 31, 2016	<u><u>\$ 836,450.53</u></u>	<u><u>\$ 998,283.05</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Water and Sewer Utility Cash
Per N.J.S. 40A:5-5 - Water Collector
For the Year Ended December 31, 2016

Consumer Accounts Receivable	\$ 3,768,459.84	
Overpayments	24,546.31	
Miscellaneous Revenues	<u>207,496.28</u>	
		\$ 4,000,502.43
Decreased by:		
Payments to Treasurer		<u><u>\$ 4,000,502.43</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
 Analysis of Water and Sewer Utility Capital Cash
 For the Year Ended December 31, 2016

	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2016
	Balance (Deficit) Dec. 31, 2015	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	
Capital Improvement Fund	\$ 25,061.60		\$ 10,000.00			\$ 3,592.00	\$ 31,469.60
Fund Balance	9,558.41						9,558.41
Due State of New Jersey - NJEIT	(473,107.00)		462,888.00			1,046,003.00	(958,051.00)
Due Water Utility Operating Fund	47.99		978.68		\$ 941.80		84.87
Encumbrances Payable	420,692.96				193,673.85	225,019.11	383,275.35
Reserve to Pay Debt	425,786.72						425,786.72
Reserve for MTBE Settlement							
Improvement Authorizations:							
WATER:							
09-07 Replacement of Water Treatment Plant	101,230.98						101,230.98
03-09 Water Plant Supplement	64,785.90						64,785.90
24-10 Acquisition of Utility Vehicle	1,013.00						1,013.00
07-11 Improvements to the Broadway Water Tank	223,519.77					223,519.00	0.77
11-12 Replacement of Water Valves	18,252.40						18,252.40
11-12 Acquisition of Various Equipment	5,638.06						5,638.06
13-09a Water Mains	(314,013.35)			\$ 3,647.60			228,801.61
13-09b Automatic Water Meter Reading System	111,874.23						120,704.52
13-11b Well No. 42 Upgrades	80,920.80						80,920.80
14-15b Upgrades to Wells 42 and 43	78,007.92			3,742.00			74,265.92
15-20a Replacement of Water Mains	88,000.00			17,294.80		68,000.00	2,705.20
15-20c Acquisition of SCADA System	50,000.00						50,000.00
16-11b Water Main Improvements to Freedom Pier				114,743.09		67,437.89	(182,180.98)
16-18b Acquisition of Equipment and Various Improvements		\$ 49,400.00				2,600.00	52,000.00
16-24 Removal and Replacement of Water Mains				24,912.15			(24,912.15)
16-27c Various Utility Improvements on 5th Street				681.00		200,000.00	22,838.00
SEWER:							
07-11 Improvements to Chestnut Street Pumping Station	2,363.00			2,363.00			1,115.12
11-12 Improvements to Gravity Sewers	64,808.23			62,627.68		1,065.43	3,775.47
13-08a Main Systems - Cumberland, Monmouth and Hudson	93,239.89			393.42		9,100.00	252,231.07
13-08b Sewer System - Water Street	(450,194.01)			3,254.18		705,679.26	1,338.08
13-11a Pump Station Improvements	16,100.08			14,762.00			21,000.00
13-11d SCADA Sewer System Upgrades	21,000.00						135,770.47
13-13 King Street Pumping Station	135,770.47						44,000.00
14-15a Improvements to Wet Wells and Gravity Sewers	44,000.00						15,322.50
15-20b Pump Station Improvements	75,000.00			14,905.47		44,772.03	(126,347.98)
16-11a Sanitary Sewer Main Improvements to Freedom Pier				126,347.98			19,840.00
16-18a Various Improvements to Goldy Street Pump Station		18,848.00				992.00	(24,912.14)
16-23 Various Improvements to Sanitary Sewer System				24,912.14			
EQUIPMENT:							
13-11c Back Hoe and Various Equipment	34,129.00						34,129.00
14-15c Calcium Hypo Chlorine System and Various Equipment	5,125.29			2,331.00		950.00	3,744.29
14-15d Pole Barn	40,000.00						40,000.00
14-15e Various Vehicles	69,089.19						69,089.19
	\$ 1,067,701.53	\$ 68,248.00	\$ 473,866.68	\$ 416,917.51	\$ 194,615.65	\$ 1,977,579.46	\$ 998,283.05

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 210,686.05
Increased by:		
Utility Rents Levied		<u>3,843,156.56</u>
		4,053,842.61
Decreased by:		
Rent Collections	\$ 3,768,459.84	
Overpayments Applied	<u>12,313.12</u>	
	\$ 3,780,772.96	
Transfer Tax Title Liens	<u>50,610.79</u>	
		<u>3,831,383.75</u>
Balance Dec. 31, 2016		<u><u>\$ 222,458.86</u></u>

Exhibit SD-5

WATER & SEWER UTILITY CAPITAL FUND
Statement of Due Water and Sewer Utility Operating Fund
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 47.99
Increased by:		
Interest Earned on Investments		<u>978.68</u>
		1,026.67
Decreased by:		
Disbursements		<u>941.80</u>
Balance Dec. 31, 2016		<u><u>\$ 84.87</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2016

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
WATER:	
Distribution System Land	\$ 10,400.00
Springs and Wells	650,947.84
Collecting Reservoir	26,125.40
Settling Basins	3,425.00
Filters	161,484.13
Chemical Treatment Plant	2,051,657.24
Aerating Plant	41,772.47
Pumping Station Structures	158,880.03
Electric Power Pumping Equipment	140,738.19
Miscellaneous Pumping Equipment	41,170.80
Storage, Reservoirs, Tanks, and Standpipes	136,659.47
Distribution Mains and Accessories	4,708,536.94
Service Pipes & Stops	23,847.45
Meters	1,316,191.06
Fire Hydrants	26,772.28
General Equipment	56,910.70
Engineering and Superintendent	100,320.78
Expenditures During Construction	5,985.41
Interest During Construction	22,436.20
Miscellaneous Construction	11,682.21
Emergency Generator	28,820.05
Backwash System	184,000.00
Water Works Building	120,000.00
Rehab of Wells	292,000.00
Design Costs for Water Treatment Plant	460,000.00
Acquisition of Utility Vehicles	302,526.11
Southport Redevelopment Project	270,175.19
SEWER:	
Sewer Plant and Equipment	2,376,738.16
Distribution Mains and Accessories	2,780,139.39
Sewer System Improvements	1,007,373.61
Pumping Station Structures	1,886,536.04
	<u>\$ 19,404,252.15</u>

The Fixed Capital reported is as Taken from the Municipal Records and Does not Necessarily Reflect the True Condition of Such Fixed Capital.

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2016

Improvement Description	Ordinance		Balance Dec. 31, 2015	2016 Authorizations	Balance Dec. 31, 2016
	Number	Date			
WATER:					
Replacement of Water Treatment Plant	09-07	5/24/07	\$ 9,445,000.00		\$ 9,445,000.00
Water Plant Supplement	03-09	2/19/09	1,500,000.00		1,500,000.00
Acquisition of Utility Vehicle	24-10	10/21/10	78,000.00		78,000.00
Improvements to Broadway Water Tank	07-11	6/6/11	625,000.00	\$ (223,519.00)	401,481.00
Replacement of Water Valves	11-12a	6/28/12	37,000.00		37,000.00
Acquisition of Various Equipment	11-12c	6/28/12	80,800.00		80,800.00
Water Mains	13-09a	5/23/13	1,155,774.00		1,155,774.00
Automatic Water Meter Reading System	13-09b	5/23/13	936,923.00		936,923.00
Well No. 42 Upgrades	13-11b	7/25/13	90,000.00		90,000.00
Upgrades to Wells 42 and 43	14-15b	7/24/14	95,500.00		95,500.00
Replacement of Water Mains	15-20a	6/24/15	88,000.00		88,000.00
Acquisition of SCADA System	15-20c	6/24/15	50,000.00		50,000.00
Water Main Improvements to Freedom Pier	16-11b	6/6/16		310,000.00	310,000.00
Acquisition of Equipment and Various Improvements	16-18b	7/21/16		52,000.00	52,000.00
Removal and Replacement of Water Mains	16-24	10/20/16		1,100,000.00	1,100,000.00
Various Utility Improvements on 5th Street	16-27c	12/5/16		223,519.00	223,519.00
SEWER					
Improvements to Chestnut Street Pumping Station	07-11	6/6/11	280,000.00		116,182.93
Improvements to Gravity Sewers	11-12b	6/28/12	65,000.00		65,000.00
Main Systems - Cumberland, Monmouth & Hudson					
Sewer System - Water Street	13-08a	5/23/13	1,568,921.00	(100,000.00)	1,468,921.00
Pump Station Improvements	13-08b	5/23/13	588,596.00	100,000.00	688,596.00
SCADA Sewer System Upgrades	13-11a	7/25/13	42,000.00		42,000.00
King Street Pumping Station	13-11d	7/25/13	21,000.00		21,000.00
Improvements to Wet Wells and Gravity Sewers	13-13	7/25/13	163,817.07		163,817.07
Emergency Generators for Pump Stations	14-15a	7/24/14	44,000.00		44,000.00
Sanitary Sewer Main Improvements to Freedom Pier	15-20b	6/24/15	75,000.00	210,000.00	75,000.00
Various Improvements to Goldy Street Pump Station	16-11a	6/6/16		19,840.00	19,840.00
Various Improvements to Sanitary Sewer System	16-18a	7/21/16		2,150,000.00	2,150,000.00
	16-23	10/20/16			
EQUIPMENT:					
Improvements to Gravity Sewers	13-11c	7/25/13	85,000.00		85,000.00
Calcium Hypo Chlorine System and Various Equipment	14-15c	7/24/14	56,000.00		56,000.00
Pole Barn	14-15d	7/24/14	40,000.00		40,000.00
Various Vehicles	14-15e	7/24/14	180,000.00		180,000.00
			\$ 17,227,514.00	\$ 3,841,840.00	\$ 21,069,354.00

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
 Statement of 2015 Appropriation Reserves and Encumbrances
 For the Year Ended December 31, 2016

	<u>Appropriations</u>		<u>Modified</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Balance Dec. 31, 2015</u>				
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Balance</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 39,901.51		\$ 39,901.51	\$ 28,800.00	\$ 11,101.51
Other Expenses	39,651.80	\$ 83,288.42	122,940.22	44,797.49	78,142.73
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	2,368.15		2,368.15		2,368.15
	<u>\$ 81,921.46</u>	<u>\$ 83,288.42</u>	<u>\$ 165,209.88</u>	<u>\$ 73,597.49</u>	<u>\$ 91,612.39</u>
Reserve for Contract Settlements				28,800.00	
Disbursed				44,797.49	
				<u>\$ 73,597.49</u>	

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Water and Sewer Rent Overpayments
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$	12,313.12
Increased by:			
Collections			<u>24,546.31</u>
			36,859.43
Decreased by:			
Disbursements	\$	2,478.99	
Applied to 2016 Water Rents		<u>12,313.12</u>	
			<u>14,792.11</u>
Balance Dec. 31, 2016		\$	<u><u>22,067.32</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds, Loans and Notes and Analysis of Balance
For the Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 118,772.60
Increased by:	
Budget Appropriation for:	
Interest on Bonds	\$ 47,400.00
Interest on Notes	7,181.49
Interest on Loans	<u>127,832.62</u>
	<u>182,414.11</u>
	301,186.71
Decreased by:	
Interest Paid	<u>185,212.96</u>
Balance Dec. 31, 2016	<u><u>\$ 115,973.75</u></u>

Analysis of Accrued Interest Dec. 31, 2016

<u>Principal Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>		<u>Amount</u>
NJ Environmental Infrastructure Trust Loan:							
\$ 100,000.00	1997 Project	5.00%	08/01/16	12/31/16	150 days	\$	2,083.33
230,000.00	2001 Project	4.89%	08/01/16	12/31/16	150 days		4,687.50
115,000.00	2002 Project	4.96%	08/01/16	12/31/16	150 days		2,377.39
3,505,000.00	2008 Project	5.17%	08/01/16	12/31/16	150 days		74,506.85
275,000.00	2014 Project	3.79%	08/01/16	12/31/16	150 days		4,284.25
310,000.00	2014 Project	3.80%	08/01/16	12/31/16	150 days		4,846.75
110,000.00	2016 Project	3.64%	08/01/16	12/31/16	150 days		1,646.41
145,000.00	2016 Project	3.49%	08/01/16	12/31/16	150 days		<u>2,077.92</u>
Total NJ Environmental Infrastructure Trust Loan							<u>96,510.40</u>
Bonds							
700,000.00		2.25%	09/01/16	12/31/16	120 days		5,250.00
700,000.00		2.50%	09/01/16	12/31/16	120 days		5,833.33
350,000.00		2.75%	09/01/16	12/31/16	120 days		<u>3,208.33</u>
Total Bond Accrued Interest							<u>14,291.66</u>
Bond Anticipation Note							
990,323.00		2.00%	09/27/16	12/31/16	94 days		<u>5,171.69</u>
Total Accrued Interest							<u><u>\$ 115,973.75</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Reserve for Contract Settlements
For Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 24,948.32
Increased by:	
Transfer from Appropriation Reserves	<u>28,800.00</u>
Balance Dec. 31, 2016	<u><u>\$ 53,748.32</u></u>

Exhibit SD-12

WATER & SEWER UTILITY CAPITAL FUND
Statement of Accounts Receivable - Due from State of New Jersey
For Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 473,107.00
Increased by:	
NJGIT Loans Issued	<u>1,046,003.00</u>
	1,519,110.00
Decreased by:	
Receipts	\$ 462,888.00
Principal Forgiveness Deobligated	65,447.00
Canceled	<u>32,724.00</u>
Receipts	<u>561,059.00</u>
Balance Dec. 31, 2016	<u><u>\$ 958,051.00</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2016

Improvement Description	Ordinance		Balance Dec. 31, 2015		2016 Authorizations	Reserve For Encumbrances Canceled	Paid or Charged	Balance Dec. 31, 2016		
	Number	Date	Amount	Funded				Unfunded	Funded	Unfunded
General Improvements:										
WATER:										
Replacement of Water Treatment Plant	09-07	5/24/07	\$ 9,445,000.00	\$	101,230.98	\$ 117,262.00		\$	101,230.98	\$ 117,262.00
Water Plant Supplement	03-09	2/19/09	1,500,000.00		64,785.90				64,785.90	
Acquisition of Utility Vehicle	24-10	10/21/10	78,000.00		1,013.00				1,013.00	
Improvements to Broadway Water Tank	07-11b	6/16/11	401,481.00		223,519.77		\$ (223,519.00)		0.77	
Replacement of Water Valves	11-12a	6/28/12	37,000.00			18,252.40				18,252.40
Acquisition of Various Equipment	11-12c	6/28/12	80,800.00			5,638.06				5,638.06
Water Mains	13-09a	5/23/13	1,155,774.00			525,629.65	\$ 98,085.56	\$ 3,647.60		620,067.61
Automatic Water Meter Reading System	13-09b	5/23/13	936,923.00		111,874.23	56,440.00	\$ 8,830.29		120,704.52	56,440.00
Well No. 42 Upgrades	13-11b	7/25/13	90,000.00			80,920.80				80,920.80
Upgrades to Wells 42 and 43	14-15b	7/24/14	95,000.00			78,007.92		3,742.00		74,265.92
Replacement of Water Mains	15-20a	6/25/15	88,000.00		4,400.00	83,600.00		85,294.80		2,705.20
Acquisition of SCADA System	15-20c	6/25/15	50,000.00		2,500.00	47,500.00			2,500.00	47,500.00
Water Main Improvements to Freedom Pier	16-11b	6/6/16	310,000.00				310,000.00	182,180.98		127,819.02
Acquisition of Equipment and Various Improvements	16-18b	7/21/16	52,000.00				52,000.00		2,600.00	49,400.00
Removal and Replacement of Water Mains	16-24	10/20/16	1,100,000.00				1,100,000.00	24,912.15		1,075,087.85
Various Utility Improvements on 5th Street	16-27c	12/5/16	223,519.00				223,519.00	200,681.00		
SEWER:										
Improvements to Chestnut Street Pumping Station	07-11a	6/16/11	116,183.00		2,363.00			2,363.00		
Improvements to Gravity Sewers	11-12b	6/28/12	65,000.00		3,058.23	61,750.00		63,693.11		1,115.12
Main Systems - Cumberland, Monmouth and Hudson	13-08a	5/23/13	1,468,921.00		93,239.89	233,703.00	(100,000.00)	9,100.00	101,946.47	133,703.00
Sewer System - Water Street	13-08b	5/23/13	688,596.00			138,401.99	100,000.00	3,254.18		343,201.07
Pump Station Improvements	13-11a	7/25/13	42,000.00			16,100.08		14,762.00		1,338.08
SCADA Sewer System Upgrades	13-11d	7/25/13	21,000.00		1,050.00	19,950.00			1,050.00	19,950.00
King Street Pumping Station	13-13	7/25/13	163,817.07			135,770.47			2,200.00	135,770.47
Improvements to Wet Wells and Gravity Sewers	14-15a	7/24/14	44,000.00		2,200.00	41,800.00		59,677.50		41,800.00
Pump Station Improvements	15-20b	6/25/15	75,000.00		3,750.00	71,250.00				15,322.50
Sanitary Sewer Main Improvements to Freedom Pier	16-11a	6/6/16	210,000.00				210,000.00	126,347.98		83,652.02
Various Improvements to Goldy Street Pump Station	16-18a	7/21/16	19,840.00				19,840.00		992.00	18,848.00
Various Improvements to Sanitary Sewer System	16-23	10/20/16	2,150,000.00				2,150,000.00	24,912.14		2,125,087.86
EQUIPMENT:										
Back Hoe and Various Equipment	13-11c	7/25/13	85,000.00			34,129.00				34,129.00
Calcium Hypo Chlorine System and Various Equipment	14-15c	7/24/14	56,000.00			5,125.29	950.00	2,331.00		3,744.29
Pole Barn	14-15d	7/24/14	40,000.00		2,000.00	38,000.00			2,000.00	38,000.00
Various Vehicles	14-15e	7/24/14	180,000.00			69,089.19				69,089.19
				\$	616,985.00	\$ 1,878,319.85	\$ 3,841,840.00	\$ 225,019.11	\$ 798,192.86	\$ 423,861.64
Disbursed Reserve for Encumbrances								\$ 416,917.51		
								381,275.35		
Capital Improvement Fund Unfunded								\$ 798,192.86		

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 25,061.60
Increased by:	
Budget Appropriation	<u>10,000.00</u>
	35,061.60
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>3,592.00</u>
Balance Dec. 31, 2016	<u><u>\$ 31,469.60</u></u>

Exhibit SD-15

WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For Year Ended December 31, 2016

Balance Dec. 31, 2015	\$ 420,692.96
Increased by:	
Charged to Improvement Authorizations	<u>381,275.35</u>
	801,968.31
Decreased by:	
Disbursements	\$ 193,673.85
Reserve for Encumbrances Canceled	<u>225,019.11</u>
	<u>418,692.96</u>
Balance Dec. 31, 2016	<u><u>\$ 383,275.35</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2016

Balance Dec. 31, 2015		\$ 20,240,875.04
Increased by:		
Paid by Budget Appropriation:		
NJ Environmental Infrastructure Trust	\$ 751,791.24	
Serial Bonds	335,000.00	
Note Principal	<u>51,100.00</u>	
		<u>1,137,891.24</u>
		21,378,766.28
Decreased by:		
Principal Forgiveness Deobligated		<u>65,447.00</u>
Balance Dec. 31, 2016		<u><u>\$ 21,313,319.28</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Deferred Reserve for Amortization
For the Year Ended December 31, 2016

	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2015</u>	<u>Fixed Capital Authorized</u>	<u>Balance Dec. 31, 2016</u>
WATER:					
Various Improvements	21-05	8/04/05	\$ 305,000.00		\$ 305,000.00
Preliminary Design Costs for Water Treatment Plant	02-07	2/22/07	99,617.00		99,617.00
Replacement of Water Treatment Plant	09-07	5/24/07	23,000.00		23,000.00
Water Plant Supplement	03-09	2/19/09	1,500,000.00		1,500,000.00
Acquisition of Utility Vehicle	24-10	10/21/10	3,900.00		3,900.00
Improvements to the Broadway Water Tank	07-11	6/16/11	31,250.00	\$ (11,176.00)	20,074.00
Replacement of Water Valves	11-12	6/28/12	1,850.00		1,850.00
Acquisition of Various Equipment	11-12	6/28/12	4,040.00		4,040.00
Well No. 42 Upgrades	13-11b	7/25/13	4,500.00		4,500.00
Upgrades to Wells 42 and 43	14-15b	7/25/13	4,775.00		4,775.00
Replacement of Water Mains	15-20a	6/25/15	4,400.00		4,400.00
Acquisition of SCADA System	15-20c	6/25/15	2,500.00		2,500.00
Acquisition of Equipment and Various Improvements	16-18b	7/21/16		2,600.00	2,600.00
Various Utility Improvements on 5th Street	16-27c	12/5/16		11,176.00	11,176.00
SEWER:					
Various Improvements	25-06	11/20/06	383.00		383.00
Improvements to Chestnut Street Pumping Station	07-11	6/16/11	14,000.00		14,000.00
Improvements to Gravity Sewers	11-12	6/28/12	3,250.00		3,250.00
Pump Station Improvements	13-11a	7/25/13	2,100.00		2,100.00
SCADA Sewer System Upgrades	13-11d	7/25/13	1,050.00		1,050.00
Improvements to Wet Wells and Gravity Sewers	14-15a	7/25/13	2,200.00		2,200.00
Pump Station Improvements	15-20b	6/25/15	3,750.00		3,750.00
Various Improvements to Goldy Street Pump Station	16-18b	7/21/16		992.00	992.00
EQUIPMENT:					
Back Hoe and Various Equipment	13-11c	7/25/13	4,250.00		4,250.00
Calcium Hypo Chlorine System and Various Equipment	14-15c	7/24/14	2,800.00		2,800.00
Pole Barn	14-15d	7/24/14	2,000.00		2,000.00
Various Vehicles	14-15e	7/24/14	9,000.00		9,000.00
			<u>\$ 2,029,615.00</u>	<u>\$ 3,592.00</u>	<u>\$ 2,033,207.00</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For Year Ended December 31, 2016

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
Various Improvements to the Sewer and Water Utility Systems	11-2012	10/02/13	09/28/15	09/27/16	0.74%	\$ 150,000.00	\$ 125,000.00	\$ 150,000.00	\$ 125,000.00
	11-2012	10/02/13	09/26/16	09/25/17	2.00%				
Various Improvements to the Sewer and Water Utility Systems	11-2013	10/02/13	09/28/15	09/27/16	0.74%	226,100.00	200,000.00	226,100.00	200,000.00
	11-2013	10/02/13	09/26/16	09/25/17	2.00%				
Various Improvements to the Sewer and Water Utility Systems	15-2014	09/30/14	09/28/15	09/27/16	0.74%	394,725.00	394,725.00	394,725.00	394,725.00
	15-2014	09/30/14	09/26/16	09/25/17	2.00%				
Various Improvements to the Sewer and Water Utility Systems	20-2015	09/28/15	09/28/15	09/27/16	0.74%	202,350.00	202,350.00	202,350.00	202,350.00
		09/28/15	09/26/16	09/25/17	2.00%				
Various Improvements to the Sewer and Water Utility Systems	18-2016	09/26/16	09/26/16	09/25/17	2.00%		68,248.00		68,248.00
						\$ 973,175.00	\$ 990,323.00	\$ 973,175.00	\$ 990,323.00
Issued for Cash Renewals Funded By Budget Appropriation						\$ 68,248.00			
						922,075.00	\$ 922,075.00		
							51,100.00		
						\$ 990,323.00	\$ 973,175.00		

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2016

	Maturities of Loans Outstanding						
	December 31, 2016						
	<u>Year Issued</u>	<u>Original Issue</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2016</u>
NJ Environmental Infrastructure Trust Loan	1997	\$ 1,285,000.00	2017	\$ 100,000.00	5.00%	\$ 195,000.00	\$ 100,000.00
NJ Environmental Infrastructure Trust Loan	2001	645,000.00	2017	40,000.00	4.89%		
			2018	45,000.00	4.87%		
			2019	45,000.00	4.83%		
			2020	50,000.00	4.75%		
			2021	50,000.00	4.63%	270,000.00	230,000.00
NJ Environmental Infrastructure Fund Loan	2001	678,128.00	2017	35,228.75			
			2018	35,173.80			
			2019	33,715.04			
			2020	33,894.03			
			2021	33,562.44		206,099.55	171,574.06
NJ Environmental Infrastructure Trust Loan	2002	275,000.00	2017	15,000.00	4.96%		
			2018	20,000.00	4.95%		
			2019	20,000.00	4.94%		
			2020	20,000.00	4.92%		
			2021	20,000.00	4.88%		
			2022	20,000.00	4.75%	130,000.00	115,000.00
NJ Environmental Infrastructure Fund Loan	2002	274,572.00	2017	13,208.93			
			2018	15,920.90			
			2019	15,282.80			
			2020	14,644.68			
			2021	14,006.57		100,120.02	86,432.51
			2022	13,368.63			

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2016

	Year Issued	Original Issue	Maturities of Loans Outstanding December 31, 2016					Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Year	Amount								
NJ Environmental Infrastructure Trust Loan	2008	\$ 4,765,000.00	2017	\$ 220,000.00			5.00%					
			2018	230,000.00			5.00%					
			2019	240,000.00			5.25%					
			2020	250,000.00			5.50%					
			2021	265,000.00			5.50%					
			2022	280,000.00			5.50%					
			2023	295,000.00			5.50%					
			2024	310,000.00			5.00%					
			2025	330,000.00			5.00%					
			2026	345,000.00			5.00%					
			2027	360,000.00			5.00%					
			2028	380,000.00			5.00%	\$ 3,710,000.00	\$ 205,000.00			\$ 3,505,000.00
NJ Environmental Infrastructure Loan	2008	4,562,738.00	2017	241,743.63								
			2018	241,141.23								
			2019	240,237.63								
			2020	238,671.38								
			2021	239,424.38								
			2022	239,680.40								
			2023	239,439.44								
			2024	238,701.50								
			2025	241,412.31								
			2026	240,508.71								
			2027	239,153.30								
			2028	240,358.31					3,119,354.49	238,882.22		2,880,472.27
NJ Environmental Infrastructure Fund Loan	2014	901,614.00	2017-2032	45,844.77								
			2033	45,844.96								
									825,206.05	45,844.77		779,361.28

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2016

	Year Issued	Original Issue	Maturities of Loans Outstanding December 31, 2016					Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Year	Amount								
NJ Environmental Infrastructure Trust Loan	2014	\$ 295,000.00	2017-2024	\$ 10,000.00	5.00%							
			2025-2031	15,000.00	3.00%							
			2032	20,000.00	3.125%							
			2033	20,000.00	3.25%	\$ 285,000.00			\$ 10,000.00	\$		275,000.00
NJ Environmental Infrastructure Fund Loan	2014	1,005,218.00	2017-2032	17,037.60								
			2032	1,351.40		306,677.00			49,761.60			256,915.40
NJ Environmental Infrastructure Trust Loan	2014	330,000.00	2017-2024	15,000.00	5.00%							
			2025-2031	20,000.00	3.00%							
			2032	25,000.00	3.125%							
			2033	25,000.00	3.25%	320,000.00			10,000.00			310,000.00
NJ Environmental Infrastructure Fund Loan	2016	338,377.00	2017-2034	17,205.60								
			2035	17,205.80		\$ 338,377.00			11,470.40			326,906.60
NJ Environmental Infrastructure Trust Loan	2016	110,000.00	2017-2023	5,000.00	5.00%							
			2024-2027	5,000.00	4.00%							
			2028-2030	5,000.00	2.00%							
			2031	5,000.00	2.125%							
			2032-2035	10,000.00	3.00%	110,000.00						110,000.00
NJ Environmental Infrastructure Fund Loan	2016	452,626.00	2017-2034	23,014.87								
			2035	23,015.09		452,626.00			15,343.25			437,282.75

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2016

Maturities of Loans Outstanding December 31, 2016												
Year Issued	Original Issue	Year	Amount	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016				
NJ Environmental Infrastructure Trust Loan	2016	\$	145,000.00	2017-2023	\$	5,000.00	5.00%					
				2018		5,000.00	5.00%					
				2024		5,000.00	4.00%					
				2025-2027		10,000.00	4.00%					
				2028-2030		10,000.00	2.00%					
				2031		5,000.00	2.125%					
				2032-2035		10,000.00	3.00%					
					\$	145,000.00		\$	145,000.00			
					\$	9,467,457.11	\$	1,046,003.00	\$	784,515.24	\$	9,728,944.87

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Water & Sewer Capital Serial Bonds Payable
For the Year Ended December 31, 2016

	Maturities of Bonds Outstanding December 31, 2016									
	Date Issued	Original Issue	Year	Amount	Interest Rate	Balance				
						Dec. 31, 2015	Dec. 31, 2016			
Water and Sewer Obligation Bond Non Callable	9/8/2011	\$ 2,935,000.00	2017	\$ 350,000.00	2.25%					
			2018	350,000.00	2.25%					
			2019	350,000.00	2.50%					
			2020	350,000.00	2.50%					
			2021	350,000.00	2.75%	\$ 2,085,000.00	\$ 335,000.00			
							\$ 1,750,000.00			

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2016

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Loans Canceled</u>	<u>Loans Issued</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2016</u>
General Improvements:							
WATER:							
Replacement of Water Treatment Plant	09-07	\$ 117,262.00					\$ 117,262.00
Water Mains	13-09a	839,643.00			\$ 448,377.00		391,266.00
Automatic Water Meter Reading System	13-09b	56,440.00					56,440.00
Water Main Improvements to Freedom Pier	16-11b		\$ 310,000.00				310,000.00
Acquisition of Equipment and Various Improvements	16-18b		49,400.00		\$ 49,400.00		
Removal and Replacement of Water Mains	16-24		1,100,000.00				1,100,000.00
SEWER:							
Main Systems - Cumberland, Monmouth and Hudson	13-08a	233,703.00	(100,000.00)	\$ 98,171.00			231,874.00
Sewer System - Water Street	13-08b	588,596.00	100,000.00		597,626.00		90,970.00
Sanitary Sewer Main Improvements to Freedom Pier	16-11a		210,000.00				210,000.00
Various Improvements to Goldy Street Pump Station	16-18a		18,848.00			18,848.00	
Various Improvements to Sanitary Sewer System	16-23		2,150,000.00				2,150,000.00
		\$ 1,835,644.00	\$ 3,838,248.00	\$ 98,171.00	\$ 1,046,003.00	\$ 68,248.00	\$ 4,657,812.00

PART II

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Gloucester City
Gloucester City, New Jersey 08030

Report on Compliance for Each Major Federal Program

We have audited the City of Gloucester City's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Gloucester City's major federal programs for the year ended December 31, 2016. The City of Gloucester City's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gloucester City's major federal 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 program occurred. An audit includes examining, on a test basis, evidence about the City of Gloucester 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 program. However, our audit does not provide a legal determination of the City of Gloucester City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Gloucester City, in the County of Camden, State of New Jersey, 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 programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

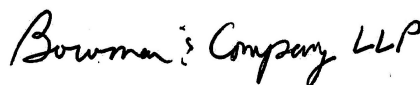
Management of the City of Gloucester City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gloucester City's internal control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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 19, 2017

CITY OF GLOUCESTER CITY
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Federal Grantor/ Pass-through Grantor/Program Title	Federal CFDA Number	Federal FAIN Grant Number	Program or Award Amount	Grant Period From To		Balance Dec. 31, 2015
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through the State Department of Community Affairs						
Program Income (CDBG Revolving Loan Fund)	14.228	N/A	N/A	N/A	N/A	\$ 123,760.91
Small Cities 2012 (Public Facilities)	14.228	2012-02292-0281	\$ 400,000.00	2/1/12	6/30/14	2,414.95
Small Cities 2015 (Public Facilities)	14.228	2015-02292-0146	400,000.00	1/1/15	12/31/16	367,000.25
						493,176.11
<u>US Department of Homeland Security</u>						
Emergency Management Performance Grant	97.042	N/A	7,000.00	1/1/16	12/31/16	
Emergency Management Assistance Grant	97.042	N/A	5,000.00	1/1/11	12/31/11	15.00
Emergency Management Assistance Grant	97.042	N/A	5,000.00	1/1/15	12/31/15	5,000.00
Firefighters Assistance Grant	97.044	N/A	57,143.00	1/1/16	12/31/16	
SAFER Retention Grant Program	97.083	N/A	596,298.00	6/11/14	6/10/16	554,305.77
Staffing of Adequate Fire and Emergency Response (SAFER) Grant	97.083	N/A	267,138.00	6/11/12	6/10/14	67,792.12
						627,112.89
<u>Department of Environmental Protection</u>						
Passed-through the State Department of Environmental Protection Agency:						
Brownfield Redevelopment Cleanup project	66.818	BF98291903	400,000.00	10/1/03	9/30/05	19,713.22
Licensed Operator Internship Program	66.471	03-100-042-4840-176	35,000.00	9/1/11	8/31/12	24,681.44
NJEIT Capitalization Grants for Clean Water	66.458	S340958-06	597,626.00	N/A	N/A	
NJEIT Capitalization Grants for Drinking Water	66.468	0414001-020	451,169.00	N/A	N/A	
						44,394.66
<u>U.S. Department of Justice</u>						
Bulletproof Vest Partnership Grant	20.607	N/A	2,318.98	1/1/16	12/31/16	-
<u>Department of Transportation</u>						
Passed-through the State Department of Transportation:						
Drive Sober or Get Pulled Over	20.616	031020	10,000.00	8/15/15	9/1/16	2,700.00
Drive Sober or Get Pulled Over	20.616	031020	5,000.00	8/15/16	9/1/17	
						2,700.00
Total Drive Sober or Get Pulled Over						
NJ Transportation Enhancement Program-Broadway Streetscape	20.205	N/A	270,000.00	7/1/09	6/30/10	27,465.08
						30,165.08
Total Department of Transportation						
Total Federal Financial Assistance						\$ 1,194,848.74

The accompanying Notes to the Financial Statements and the Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Prior Year Encumbrances	Receipts or Revenues Recognized	Encumbrances/ Contract Awards	Disbursed/Expended			Passed Through to Subrecipients	Balance Dec. 31, 2016	(Memo Only) Culmulative	
			Pass-Through Funds	Direct Funds	Total Expended			Cash Received	Expenditures
	\$ 48,225.00	\$ 8,614.00	\$ 11,475.10		\$ 11,475.10		\$ 151,896.81	N/A	N/A
							2,414.95	\$ 400,000.00	\$ 397,585.05
\$ 16,000.00		7,137.20	375,677.95		375,677.95		185.10	321,535.87	399,814.90
16,000.00	48,225.00	15,751.20	387,153.05	-	387,153.05	-	154,496.86	721,535.87	797,399.95
	7,000.00	1,200.00					5,800.00		1,200.00
				\$ 15.00	15.00			5,000.00	5,000.00
				5,000.00	5,000.00			5,000.00	5,000.00
	57,143.00	52,905.71					4,237.29		52,905.71
				258,956.11	258,956.11		295,349.66	283,716.00	300,948.34
				67,792.12	67,792.12			267,138.00	267,138.00
-	64,143.00	54,105.71	-	331,763.23	331,763.23	-	305,386.95	560,854.00	632,192.05
							19,713.22	395,120.75	380,286.78
							24,681.44	11,727.49	10,318.56
	83,146.00		83,146.00		83,146.00			83,146.00	83,146.00
	61,670.00		61,670.00		61,670.00			61,670.00	61,670.00
-	144,816.00	-	144,816.00	-	144,816.00	-	44,394.66	551,664.24	535,421.34
1,419.22	2,318.98	-	-	3,738.20	3,738.20			780.78	2,318.98
			2,700.00		2,700.00			10,000.00	10,000.00
	5,000.00		5,000.00		5,000.00			5,000.00	5,000.00
-	5,000.00	-	7,700.00	-	7,700.00	-	-	15,000.00	15,000.00
							27,465.08	226,393.12	242,534.92
-	5,000.00	-	7,700.00	-	7,700.00	-	27,465.08	241,393.12	257,534.92
\$ 17,419.22	\$ 264,502.98	\$ 69,856.91	\$ 539,669.05	\$ 335,501.43	\$ 875,170.48	\$ -	\$ 531,743.55	\$ 2,076,228.01	\$ 2,224,867.24
Analysis of Balance December 31, 2016									
Current Fund - Reserve for Federal and State Grants Appropriated							\$ 379,846.74		
Trust Fund - Reserve for Community Development Block Grant Fund							151,896.81		
							<u>\$ 531,743.55</u>		

CITY OF GLOUCESTER CITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include federal award activity of the City of Gloucester City (hereafter referred to as the "City") under programs of the federal government for the year ended December 31, 2016. The City is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position and changes in operations of the City.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the modified accrual basis of accounting as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the City's financial statements. Expenditures from awards are reported in the City's financial statements as follows:

<u>Fund</u>	<u>Federal</u>
Current	\$ 718,879.38
Trust - Community Development	11,475.10
Water and Sewer Utility Capital	<u>144,816.00</u>
Total Awards and Financial Assistance	<u>\$ 875,170.48</u>

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports.

Note 5: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

PART III

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED DECEMBER 31, 2016

GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	
	_____ yes <u> X </u> no

Identification of major programs:

CFDA Number(s)

14.228

Name of Federal Program or Cluster

CDBG Revolving Loan Fund - Small Cities

Dollar threshold used to determine Type A programs	\$ 750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance - Not Applicable

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in
accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

Dollar threshold used to determine Type A programs _____ \$

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

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 2 - Schedule of Financial Statement Findings

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

None.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2016

Section 3 - Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, 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).

None.

CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2015-001

Condition

The controls in place by the City over the monitoring and disbursing of Urban Development Action funds are not operating effectively. The City has not been fulfilling the expenditure allocation as stipulated by the self-enforced agreement.

Current Status

The condition has been resolved.

Finding No. 2015-002

Condition

The City did not record housing rehabilitation loans administratively issued on their behalf by another entity.

Current Status

The condition has been resolved.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

CITY OF GLOUCESTER CITY
Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Surety Bond</u>
William P. James	Mayor	
Daniel T. Spencer, Jr.	Councilperson	
John Hutchinson	Councilperson	
James Johnson	Councilperson	
Bruce Parry	Councilperson	
Nancy Baus	Councilperson	
Patrick Keating	Councilperson	
Joanne Eddy	Tax Collector	\$1,000,000.00 (B)
Lois Riding	Tax Search Officer	(A)
Frank J. Robertson	Chief Financial Officer	1,000,000.00 (B)
Kathleen Jentsch	Registered Municipal Clerk and Registrar of Vital Statistics	(A)
Jack Lipsett	Administrator	(A)
William Golden	Municipal Judge	1,000,000.00 (A)
Donna Florich	Municipal Court Administrator	1,000,000.00 (A)
Leonard Wood	Solicitor	
John Dymond	Tax Assessor	(A)
Brian Morrell	Police Chief	(A)
Michael DePalma	Construction Code Official and Plumbing Sub Code Official	(A)
Brian Hagan	Fire Chief (until 6/30/16)	(A)
Michael Hagan	Fire Chief (since 7/01/16)	(A)

(A) Covered by a Public Employee Bond of \$1,000,000.00, with Camden County Joint Insurance Fund as participants in the Municipal Excess Liability Joint Insurance Fund.

(B) Covered by a Public Employee Statutory Position Bond with Camden County Joint Insurance Fund as participants in the Municipal Excess Liability Joint Insurance Fund.

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink, reading "Robert S. Marrone". The signature is written in a cursive, flowing style.

Robert S. Marrone
Certified Public Accountant
Registered Municipal Accountant

