

CITY OF GLOUCESTER CITY

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

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CITY OF GLOUCESTER CITY
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City 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, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is also not a required part of the basic financial statements.

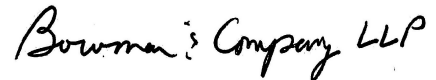
Other Matters (Cont'd)*Other Information (Cont'd)*

The supplemental statements and schedules presented for the various funds and the schedule of expenditures of state financial assistance 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 August 28, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Gloucester City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of 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
August 28, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City 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, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 28, 2019. 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. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying *Schedule of Findings and Questioned Costs*, as Finding No. 2018-001, Finding No. 2018-002, Finding No. 2018-003, and Finding No. 2018-004 that we consider to be significant deficiencies.

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 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, and which are described in the accompanying *Schedule of Findings and Questioned Costs* as Finding No. 2018-001, Finding No. 2018-002, Finding No. 2018-003 and Finding No. 2018-004.

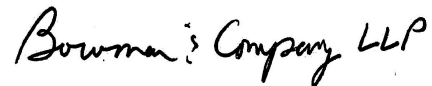
The City of Gloucester City's Response to Findings

The City of Gloucester City's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 28, 2019

CITY OF GLOUCESTER CITY
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Cash - Treasurer	SA-1	\$ 4,442,477.20	\$ 3,417,239.16
Cash - Collector	SA-2	9,917.98	2,536.55
Change Funds	SA-3	1,925.00	1,925.00
		<u>4,454,320.18</u>	<u>3,421,700.71</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	586,067.24	728,938.60
Tax Title Liens Receivable	SA-6	289,957.16	68,590.89
Property Acquired for Taxes - Assessed Valuation	SA-7	1,958,700.00	1,856,800.00
Clean-up, Fire and Miscellaneous Charges Receivable	SA-8	30,697.16	74,674.56
Revenue Accounts Receivable	SA-10	103,118.18	187,180.07
Due Bank	SA-17	5,771.65	3,533.48
Prepaid School Taxes	SA-21	3,307.00	
Due Water and Sewer Operating Fund	D	21,633.07	
Due Water and Sewer Capital Fund	D		575,122.37
Due Trust Other Fund	B	43,942.69	
		<u>3,043,194.15</u>	<u>3,494,839.97</u>
Deferred Charges:			
Special Emergency - Master Plan and Revaluation	SA-11	10,000.00	80,000.00
Emergency Authorization	A-3		80,000.00
		<u>10,000.00</u>	<u>160,000.00</u>
		<u>7,507,514.33</u>	<u>7,076,540.68</u>
Federal, State and Local Grant Fund:			
Due Current Fund	SA-27	250,521.69	29,959.08
Federal and State Grants Receivable	SA-23	2,263,923.71	2,199,123.60
		<u>2,514,445.40</u>	<u>2,229,082.68</u>
		<u>\$ 10,021,959.73</u>	<u>\$ 9,305,623.36</u>

(Continued)

**CITY OF GLOUCESTER CITY
CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2018 and 2017

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3 & SA-14	\$ 377,156.15	\$ 436,019.77
Reserve for Encumbrances	A-3 & SA-14	172,473.65	175,449.38
Payroll Taxes Payable	SA-12	71,662.14	25,586.11
Prepaid Taxes	SA-15	203,909.24	226,679.18
Tax Overpayments	SA-2	1,355.51	
Accounts Payable	SA-18	3,562.00	522,800.35
Due State of New Jersey			
Veterans' and Senior Citizens' Deductions	SA-4	84,621.60	81,941.47
DCA Training Fees	SA-19	4,588.88	1,469.00
Due County for Added and Omitted Taxes	SA-20	12,832.27	8,665.36
Due Animal Control Trust Fund	B	83.89	131.94
Due Trust Other Fund	B		8,845.79
Due Community Development Trust Fund	B	180,471.02	169,748.27
Due Water and Sewer Capital Fund	D	4,801.46	
Due Federal and State Grant Fund	SA-27	250,521.69	29,959.08
Due Water and Sewer Operating Fund	D		4,191.44
Due General Capital Fund	C	119,649.53	10,257.75
Due CCMUA	A	1,239.76	1,239.76
Due Library	SA-9	4,100.53	13,585.48
Reserve for Master Plan	SA-13	2,357.83	17,688.48
Other Reserves for:			
Deposits on Sale of Property	A	20.00	20.00
Revaluation	A	13,978.00	13,978.00
Contract Settlements	SA-16	38,118.99	41,651.22
		<u>1,547,504.14</u>	<u>1,789,907.83</u>
Reserve for Receivables and Other Assets	A	3,043,194.15	3,494,839.97
Fund Balance	A-1	<u>2,916,816.04</u>	<u>1,791,792.88</u>
		<u>7,507,514.33</u>	<u>7,076,540.68</u>
Federal, State and Local Grant Fund:			
Reserve for Encumbrances	SA-26	530,933.05	726.50
Reserve for Federal and State Grants:			
Unappropriated	SA-24	2,270.00	19,394.87
Appropriated	SA-25	1,981,242.35	2,208,961.31
		<u>2,514,445.40</u>	<u>2,229,082.68</u>
		<u>\$ 10,021,959.73</u>	<u>\$ 9,305,623.36</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 1,700,000.00	\$ 1,800,000.00
Miscellaneous Revenue Anticipated	7,490,660.64	6,549,701.62
Receipts from Delinquent Taxes and Tax Title Liens	695,403.52	454,486.46
Receipts from Current Taxes	21,686,180.89	21,139,359.07
Non Budget Revenues	750,750.93	760,759.72
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	279,222.15	204,366.82
Accounts Payable Canceled	16,039.35	702.30
Overpayments Canceled		115.31
Reserves Liquidated:		
Due Library		27.28
Due Animal Control Fund		0.96
Due Water and Sewer Utility Capital Fund	575,122.37	
Due General Capital Fund		107.07
	<hr/>	<hr/>
Total Income	33,193,379.85	30,909,626.61
	<hr/>	<hr/>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	7,715,355.88	7,412,531.00
Other Expenses	6,553,294.00	6,535,144.00
Deferred Charges and Statutory Expenditures Within "CAPS"	1,810,155.41	1,779,081.06
Operations - Excluded from "CAPS":		
Other Expenses	648,982.24	1,945,363.15
Capital Improvements - Excluded from "CAPS"	318,420.00	10,000.00
Municipal Debt Service - Excluded from "CAPS"	2,351,914.89	988,776.56
Deferred Charges - Excluded from "CAPS"	150,000.00	91,439.02
Transferred to Board of Education	31,615.00	28,740.00
County Taxes	4,481,416.47	4,586,431.10
County Share of Added and Omitted Taxes	12,832.27	8,665.36
Local District School Tax	6,210,718.00	5,947,540.00
Deductions Disallowed by Tax Collector - Prior Year	9,432.88	7,041.78
Refund of Prior Year Revenue	3,098.72	13,267.26
Reserves Created:		
Prepaid School Taxes	3,307.00	
Due Water and Sewer Operating Fund	21,633.07	
Due Water and Sewer Capital Fund		575,122.37
Due Bank	2,238.17	
Due Trust Other Fund	43,942.69	
	<hr/>	<hr/>
Total Expenditures	30,368,356.69	29,929,142.66
	<hr/>	<hr/>

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND

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

	<u>2018</u>	<u>2017</u>
Excess in Revenue	\$ 2,825,023.16	\$ 980,483.95
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Years		<u>80,000.00</u>
Statutory Excess to Fund Balance	2,825,023.16	1,060,483.95
<u>Fund Balance</u>		
Balance Jan. 1	<u>1,791,792.88</u>	<u>2,531,308.93</u>
	4,616,816.04	3,591,792.88
Utilized as Revenue	<u>1,700,000.00</u>	<u>1,800,000.00</u>
Balance Dec. 31	<u><u>\$ 2,916,816.04</u></u>	<u><u>\$ 1,791,792.88</u></u>

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, 2018

	Anticipated			
	Budget	Special N.J.S.A 40A:4-87	Realized	Excess (Deficit)
Fund Balance Anticipated	\$ 1,700,000.00	---	\$ 1,700,000.00	---
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	31,000.00		31,432.00	\$ 432.00
Other	3,000.00		3,647.00	647.00
Fees and Permits	325,000.00		681,050.07	356,050.07
Fines and Costs - Municipal Court	300,000.00		276,830.92	(23,169.08)
Interest and Costs on Taxes	125,111.71		169,974.68	44,862.97
Interest on Investments and Deposits	10,000.00		37,645.30	27,645.30
Anticipated Utility Operating Surplus	65,000.00		65,000.00	
State Aid without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	117,515.00		117,515.00	
Energy Receipts Tax	2,560,981.00		2,560,981.00	
Uniform Construction Code Fees	175,000.00		267,146.12	92,146.12
Special Items of General Revenue Anticipated with Prior Written				
Consent of Director of Local Government Services:				
N.J. Transportation Trust Fund Authority Act	122,455.00		122,455.00	
Recycling Tonnage Grant	13,687.85		13,687.85	
Drunk Driving Enforcement Fund	2,796.89		2,796.89	
Municipal Alliance on Alcohol and Drug Abuse	14,104.77		14,104.77	
Body Armor Replacement Fund	2,910.35		2,910.35	
Distracted Driving Grant	6,600.00		6,600.00	
Bulletproof Vest Partnership Grant	1,707.09		1,707.09	
Cops Hiring Program Grant	125,000.00		125,000.00	
Homeland Security Emergency Management Performance Grant	9,400.00		9,400.00	
Federal Emergency Management Agency - Assistance to Firefighters		\$ 6,858.00	6,858.00	
Clean Communities Program		20,780.21	20,780.21	
Municipal Court Alcohol Education and Rehabilitation Fund		1,611.11	1,611.11	
NJ DOT - Reconstruction of Champion Road		150,965.00	150,965.00	
Other Items of Revenue:				
Uniform Fire Safety Act	25,818.34		55,053.24	29,234.90
Cable TV Franchise Fee	50,000.00		51,493.40	1,493.40
School District for Police Services	67,912.00		67,912.00	
Rental Revenue - Lease of Former Coast Guard Station	152,000.00		152,000.00	
Hotel Occupancy Taxes	40,000.00		49,116.15	9,116.15
Payment in Lieu of Taxes	850,000.00		924,987.49	74,987.49
General Capital Fund - Reserve for Payment of Debt	1,500,000.00		1,500,000.00	
Total Miscellaneous Revenues	6,697,000.00	180,214.32	7,490,660.64	613,446.32
Receipts from Delinquent Taxes	540,000.00	-	695,403.52	155,403.52
Subtotal General Revenues	8,937,000.00	180,214.32	9,886,064.16	768,849.84
Amount to be Raised for Support of Municipal Budget:				
Local Tax for Municipal Purpose	11,484,805.72		11,484,311.66	(494.06)
Minimum Library Tax	174,194.28		174,194.28	
	11,659,000.00	-	11,658,505.94	(494.06)
Budget Totals	20,596,000.00	180,214.32	21,544,570.10	768,355.78
Non Budget Revenues			750,750.93	750,750.93
	\$ 20,596,000.00	\$ 180,214.32	\$ 22,295,321.03	\$ 1,519,106.71

(Continued)

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

Allocation of Current Tax Collections:

Revenue from Collections	\$ 21,686,180.89
Allocated to:	
School and County Taxes	<u>10,704,966.74</u>
Balance for Support of Municipal Budget Appropriations	10,981,214.15
Add: Appropriation "Reserve for Uncollected Taxes"	<u>677,291.79</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 11,658,505.94</u></u>

Receipts from Delinquent Taxes:

Delinquent Taxes	\$ 565,597.17	
Tax Title Liens	<u>129,806.35</u>	
		<u><u>\$ 695,403.52</u></u>

Fees and Permits - Other:

Clerk - Other	\$ 1,401.85	
Police Department - Accident Reports	1,212.00	
Trailer Rental Fees	39,736.22	
Planning and Zoning Board Fees	3,028.00	
Housing Fees	79,500.00	
Marriage/Civil Union Fees	200.00	
Housing - Abandonment Fees	124,500.00	
Tax Search Office	30.00	
Rental Registration Fees	408,920.00	
Registrar of Vital Statistics	<u>22,522.00</u>	
		<u><u>\$ 681,050.07</u></u>

(Continued)

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

Analysis of Non Budget Revenues:

Revenue Accounts Receivable:

Sale of Recycling Buckets	\$ 816.00
Sale of Scrap Metal	1,645.45
Marina Rentals and Fees	34,681.00
Rentals and Fees - Community Center	<u>1,930.00</u>

\$ 39,072.45

Treasurer:

Insurance Dividends	409,400.00
N.J. Judiciary - Juvenile Restitution	3,077.00
N.J. Division of Motor Vehicles - Inspection Fines	350.00
Safety Award - Joint Insurance Fund	2,000.00
Sale of Municipal Property	50,220.25
Settlements	15,002.60
Police Off Duty Administrative Fee	16,433.42
Insurance Reimbursements	12,380.00
Senior & Veterans Deduction Administrative Fee	2,029.59
Landlord Security Deposits Canceled	5,711.51
Refund of Prior Year Expenditures	45,437.48
Stale Dated Check	<u>975.01</u>

563,016.86

Tax Collector:

Clean-Up Charges	\$ 100,019.08
Legal Fee Reimbursements	10,150.00
Fire Violations	<u>926.50</u>

111,095.58

Miscellaneous	11,807.53
Certificates of Redemption	850.00
Dishonored Check Fees	<u>40.00</u>

123,793.11

Due from Trust Other - Canceled Reserve for Escrow Deposits
Due from General Capital - Refunds

24,741.43
127.08

\$ 750,750.93

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, 2018

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive						
Salaries and Wages						
City Administrator's Office	\$ 43,626.00	\$ 43,626.00	\$ 42,469.50		\$ 156.50	\$ 1,000.00
Mayor and Common Council	9,500.00	9,500.00	8,849.96		650.04	
City Clerk's Office	168,863.00	168,863.00	156,249.82		4,613.18	8,000.00
Other Expenses:						
City Administrator's Office	3,550.00	3,550.00	2,070.78	\$ 119.21	360.01	1,000.00
City Clerk's Office	99,150.00	99,150.00	81,582.10	8,697.00	3,870.90	5,000.00
Financial Administration						
Salaries and Wages	105,921.00	105,921.00	99,167.92		2,753.08	4,000.00
Other Expenses	19,800.00	19,800.00	19,755.21	44.79		
Audit Services						
Other Expenses	65,000.00	65,000.00	60,100.00		900.00	4,000.00
Collection of Taxes						
Salaries and Wages	62,013.00	62,013.00	61,334.56		678.44	
Other Expenses	22,200.00	22,200.00	17,589.68	968.50	641.82	3,000.00
Assessment of Taxes						
Salaries and Wages	42,963.00	47,263.00	46,445.80		817.20	
Other Expenses	8,000.00	8,000.00	3,950.17		2,049.83	2,000.00
Legal Services and Costs						
Salaries and Wages	17,016.00	17,016.00	10,152.67		1,863.33	5,000.00
Other Expenses	275,000.00	355,000.00	348,835.64	620.00	5,544.36	
Municipal Court						
Salaries and Wages	246,146.00	246,146.00	235,029.18		6,116.82	5,000.00
Other Expenses	25,662.00	25,662.00	19,131.69	53.25	1,477.06	5,000.00
Public Defender (P.L. 1997, C.256)						
Other Expenses	5,000.00	5,000.00				5,000.00
Engineering Services and Costs						
Other Expenses	45,000.00	45,000.00	13,613.00	5,024.75	6,362.25	20,000.00

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
GENERAL GOVERNMENT (CONT'D)						
Community Development						
Salaries and Wages	\$ 95,242.00	\$ 95,242.00	\$ 92,873.54		\$ 368.46	\$ 2,000.00
Other Expenses	1,500.00	1,500.00	708.07		791.93	
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Combined Planning and Zoning Boards						
Salaries and Wages	7,804.00	8,054.00	7,995.48		58.52	
Other Expenses	3,650.00	3,650.00	3,606.71		43.29	
INSURANCE						
General Liability	301,534.00	301,534.00	298,674.58		359.42	2,500.00
Workers Compensation Insurance	309,429.00	309,429.00	309,428.35		0.65	
Group Insurance for Employees	3,120,839.00	3,120,839.00	2,845,698.34	\$ 1,780.00	123,360.66	150,000.00
Health Benefit Waiver	87,664.00	89,764.00	81,385.89		3,378.11	5,000.00
PUBLIC SAFETY FUNCTIONS						
Police						
Salaries and Wages	3,272,612.00	3,272,612.00	3,249,618.67		22,993.33	
Other Expenses	250,400.00	250,400.00	207,095.66	17,116.84	6,187.50	20,000.00
Crossing Guards						
Salaries and Wages	85,818.00	85,818.00	78,812.65		1,005.35	6,000.00
Other Expenses	500.00	500.00			500.00	
Office of Emergency Management						
Salaries and Wages	32,179.88	32,179.88	29,994.00		185.88	2,000.00
Other Expenses	9,500.00	9,500.00	6,779.48	2,473.05	247.47	
Fire						
Salaries and Wages	2,341,185.00	2,236,185.00	2,097,021.93		39,163.07	100,000.00
Other Expenses	164,250.00	164,250.00	108,802.29	37,421.99	3,025.72	15,000.00
Uniform Fire Safety Act (PL 1983, C383)						
Salaries and Wages	3,618.00	3,618.00	3,253.64		364.36	
Other Expenses	11,500.00	11,500.00	1,827.18	9,195.00	477.82	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Unexpended Balance Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (CONT'D)						
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance						
Salaries and Wages	\$ 512,489.00	\$ 512,489.00	\$ 498,535.96		\$ 9,953.04	\$ 4,000.00
Other Expenses	187,800.00	187,800.00	166,048.31	\$ 21,751.69		
Public Buildings and Grounds						
Salaries and Wages	451,030.00	421,030.00	402,156.80		8,873.20	10,000.00
Other Expenses	96,000.00	116,000.00	102,660.62	7,822.58	5,516.80	
Solid Waste Collection						
Other Expenses	556,630.00	556,630.00	556,629.32		0.68	
Animal Control Services						
Other Expenses	50,000.00	55,000.00	54,372.00		628.00	
PARKS & RECREATION FUNCTIONS						
Recreation Services and Programs						
Other Expenses	10,000.00	10,000.00	8,970.07		29.93	1,000.00
UTILITY EXPENSES AND BULK PURCHASES						
Gasoline and Diesel Fuel	115,000.00	115,000.00	83,569.02	14,000.00	17,430.98	
Street Lighting	250,000.00	250,000.00	162,597.83		27,402.17	60,000.00
Electricity	200,000.00	200,000.00	189,250.59		10,749.41	
Telephone	105,000.00	105,000.00	78,524.90		4,475.10	22,000.00
Fuel Oil	25,000.00	25,000.00	14,202.22	8,000.00	2,797.78	
Sewerage Disposal	5,200.00	5,200.00	5,200.00			
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill Costs						
Other Expenses	331,500.00	361,500.00	311,417.07	33,000.00	2,082.93	15,000.00
UNIFORM CONSTRUCTION CODE						
Construction Officials						
Salaries and Wages	106,023.00	106,023.00	103,752.22		2,270.78	
Other Expenses	67,700.00	67,700.00	47,586.55	3,720.00	1,393.45	15,000.00
Other Code Enforcement						
Salaries and Wages	280,643.00	280,643.00	267,611.76		3,031.24	10,000.00

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u> <u>Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>						
OTHER COMMON OPERATING FUNCTIONS						
Salary Adjustment	\$ 40,000.00	\$ 33,350.00			\$ 33,350.00	
Celebration of Public Events or Holidays						
Other Expenses	17,500.00	17,500.00	\$ 16,537.93	\$ 665.00	297.07	
Total Operations - Within "CAPS"	14,771,149.88	14,771,149.88	13,719,527.31	172,473.65	371,648.92	\$ 507,500.00
Contingent	5,000.00	5,000.00	1,541.63		3,458.37	
Total Operations Including Contingent - Within "CAPS"	14,776,149.88	14,776,149.88	13,721,068.94	172,473.65	375,107.29	507,500.00
Detail:						
Salaries and Wages	8,017,355.88	7,882,355.88	7,572,711.95		142,643.93	167,000.00
Other Expenses	6,758,794.00	6,893,794.00	6,148,356.99	172,473.65	232,463.36	340,500.00
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
Statutory Expenditures						
Contribution to:						
Social Security System (O.A.S.I.)	265,000.00	265,000.00	257,952.14		2,047.86	5,000.00
Public Employees Retirement System	346,601.24	346,601.24	346,601.24			
Unemployment Compensation	1.00	1.00			1.00	
Police and Firemen's Retirement System	1,203,553.17	1,203,553.17	1,203,553.17			
Total Deferred Charges and Statutory Expenditures						
Municipal - Within "CAPS"	1,815,155.41	1,815,155.41	1,808,106.55	-	2,048.86	5,000.00
Total General Appropriations for Municipal Purposes						
Within "CAPS"	16,591,305.29	16,591,305.29	15,529,175.49	172,473.65	377,156.15	512,500.00
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library	440,000.00	440,000.00	440,000.00			
Total Other Operations Excluded from "CAPS"	440,000.00	440,000.00	440,000.00	-	-	-

(Continued)

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

	<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>OPERATIONS - EXCLUDED FROM "CAPS" (CONT'D)</u>						
Public and Private Programs Offset by Revenues:						
Clean Communities Program (40A:4-87 \$20,780.21)		\$ 20,780.21	\$ 20,780.21			
Recycling Tonnage Grant	\$ 13,687.63	13,687.63	13,687.63			
Distracted Driving Grant	6,600.00	6,600.00	6,600.00			
Municipal Alliance on Alcohol and Drug Abuse	17,630.96	17,630.96	17,630.96			
Homeland Security - Office of Emergency Management Grant	9,400.00	9,400.00	9,400.00			
Body Armor Replacement Fund	2,910.35	2,910.35	2,910.35			
Drunk Driving Enforcement Fund	2,796.89	2,796.89	2,796.89			
Bulletproof Vest Partnership Grant	1,707.09	1,707.09	1,707.09			
Cops Hiring Program Grant	125,000.00	125,000.00	125,000.00			
Municipal Court Alcohol Education and Rehabilitation Fund (40A:4-87 \$1,611.11)		1,611.11	1,611.11			
Federal Emergency Management Agency: Assistance to Firefighters Grant (40A:4-87 \$6,858.00)		6,858.00	6,858.00			
Total Public and Private Programs Offset by Revenues	179,732.92	208,982.24	208,982.24	-	-	-
Total Operations - Excluded from "CAPS"	619,732.92	648,982.24	648,982.24	-	-	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	45,000.00	45,000.00	45,000.00			
FY 2018 Municipal Aid Program: Reconstruction of Miller Avenue	122,455.00	122,455.00	122,455.00			
FY 2017 Municipal Aid Program: Reconstruction of Champion Road (40A:4-87 \$150,965.00)		150,965.00	150,965.00			
Total Capital Improvements--Excluded from "CAPS"	167,455.00	318,420.00	318,420.00	-	-	-

(Continued)

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

			Expended			Unexpended
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 425,000.00	\$ 425,000.00	\$ 425,000.00			
Payment of Bond Anticipation Notes and Capital Notes	1,500,000.00	1,500,000.00	1,500,000.00			
Interest on Notes	158,000.00	158,000.00	152,875.22			\$ 5,124.78
Interest on Bonds	130,000.00	130,000.00	128,440.34			1,559.66
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	145,600.00	145,600.00	145,599.33			0.67
Total Municipal Debt Service - Excluded from "CAPS"	2,358,600.00	2,358,600.00	2,351,914.89	-	-	6,685.11
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>						
Emergency Authorizations	80,000.00	80,000.00	80,000.00			
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	70,000.00	70,000.00	70,000.00			
Total Deferred Charges - Excluded from "CAPS"	150,000.00	150,000.00	150,000.00	-	-	-
<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)	31,615.00	31,615.00	31,615.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,327,402.92	3,507,617.24	3,500,932.13	-	-	6,685.11
Subtotal General Appropriations (Carried Forward)	19,918,708.21	20,098,922.53	19,030,107.62	\$ 172,473.65	\$ 377,156.15	519,185.11

(Continued)

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

			<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>	<u>Reserved</u>	<u>Canceled</u>
Subtotal General Appropriations (Brought Forward)	\$ 19,918,708.21	\$ 20,098,922.53	\$ 19,030,107.62	\$ 172,473.65	\$ 377,156.15
Reserve for Uncollected Taxes	677,291.79	677,291.79	677,291.79		
	<u>\$ 20,596,000.00</u>	<u>\$ 20,776,214.32</u>	<u>\$ 19,707,399.41</u>	<u>\$ 172,473.65</u>	<u>\$ 377,156.15</u>
					<u>\$ 519,185.11</u>
Budget		\$ 20,596,000.00			
Appropriation by N.J.S.A. 40A:4-87		<u>180,214.32</u>			
		<u>\$ 20,776,214.32</u>			
<u>Analysis of Paid or Charged</u>					
Reserve for Federal and State Grants - Appropriated			\$ 482,744.24		
Payroll Deductions Payable			3,692,119.00		
Reserve for Uncollected Taxes			677,291.79		
Special Emergency Authorization - 5 Years (N.J.S.A. 40A:4-55)			70,000.00		
Deferred Charge - Emergency Authorization			80,000.00		
Refunds			(361,677.86)		
Due Water and Sewer Operating Fund			(39,303.45)		
Disbursed			<u>15,106,225.69</u>		
			<u>\$ 19,707,399.41</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, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash - Treasurer	SB-1	\$ 5,367.21	\$ 5,867.01
Due Trust Other - Unemployment	SB-1		76.00
Due Current Fund	SB-4	83.89	131.94
Accounts Receivable - Due Clerk	SB-1 & SB-3	8.40	8.40
Total Animal Control Trust Fund		5,459.50	6,083.35
Trust Other Fund:			
Cash - Treasurer	SB-1	700,548.41	680,026.11
Cash - Collector	SB-2	224,581.18	277,982.40
Regional Contribution Agreement Loans Receivable	SB-6	1,567,753.00	1,728,773.00
Off Duty Police Fees Receivable	SB-9	40,928.75	13,827.50
Due Current Fund	SB-5		8,845.79
Total Trust Other Funds		2,533,811.34	2,709,454.80
Community Development Fund:			
Cash - Treasurer	SB-1	596,564.37	769,201.48
Mortgages and Loans Receivable	SB-14	3,173,528.12	3,180,054.73
Due Trust Other Fund	SB-1	53,800.32	53,800.32
Due Current Fund	SB-15	180,471.02	169,748.27
Total Community Development Fund		4,004,363.83	4,172,804.80
		<u>\$ 6,543,634.67</u>	<u>\$ 6,888,342.95</u>

(Continued)

CITY OF GLOUCESTER CITY
TRUST FUND

Statements of Assets, Liabilities and Reserves - Regulatory Basis
As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Trust Fund:			
Accounts Payable	SB-1 & 3		\$ 1,622.20
Reserve for Animal Control Trust Fund Expenditures	SB-3	\$ 5,459.50	4,461.15
Total Animal Control Trust Fund		5,459.50	6,083.35
Trust Other Fund:			
Accounts Payable	SB-7	3,881.82	10,083.11
Due Current Fund	SB-5	43,942.69	
Due Community Development Trust Fund	B	53,800.32	53,800.32
Due Animal Control Trust Fund	SB-1		76.00
Due New Jersey Unemployment Compensation Fund	SB-1 & SB-12	3,690.27	11,566.04
Miscellaneous Trust Reserves:			
Reserve for Parking Offenses Adjudication Act Funds	SB-12	129.83	
Disposal of Forfeited Property	SB-12	18,132.93	31,782.56
Reserve for Public Defender	SB-12	4,225.50	10,067.00
Community Playground	SB-12	3,196.60	3,196.60
Uniform Fire Safety Act Penalties	SB-12	3,061.45	1,781.81
Unemployment Compensation Insurance	SB-12	25,773.97	49,911.64
Reserve for Landlord Security Deposits	SB-12		5,705.86
Reserve for Off Duty Police Fees	SB-8		1,322.42
Reserve for Escrow Deposits	SB-11	96,681.65	104,512.78
Reserve for Tax Title Lien Premiums and Redemptions	SB-13	220,993.17	276,025.79
Reserve for Regional Contribution Agreements	SB-10	487,341.96	419,643.69
Reserve for Regional Contribution Agreement Loans Receivable	B	1,567,753.00	1,728,773.00
Unallocated Deposits	B	1,000.00	1,000.00
Interest Due East Greenwich Township	B	206.18	206.18
Total Trust Other Funds		2,533,811.34	2,709,454.80
Community Development Fund:			
Reserve for Mortgages and Loans Receivable	B	3,173,528.12	3,180,054.73
Reserve for CDBG Revolving Loan Fund	SB-16	233,526.02	219,154.02
Reserve for UDAG Projects and Revolving Loan Fund	SB-17	301,597.44	490,575.30
Accounts Payable	SB-18	295,712.25	283,020.75
Total Community Development Fund		4,004,363.83	4,172,804.80
		<u>\$ 6,543,634.67</u>	<u>\$ 6,888,342.95</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, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash - Treasurer	SC-1	\$ 1,979,347.74	\$ 1,970,068.15
Due Water and Sewer Utility Capital Fund	SC-1	106,074.44	300,000.00
Due Water and Sewer Utility Operating Fund	SC-1		105,476.44
Due Current Fund	SC-5	119,649.53	10,257.75
Due State of New Jersey - Community Affairs	SC-1 & SC-10	425,381.35	
Due State of New Jersey - Green Acres	C	43,464.51	43,464.51
Deferred Charges to Future Taxation:			
Funded	SC-3	10,173,672.57	2,574,992.49
Unfunded	SC-4	3,751,593.74	12,406,523.27
		<u>\$ 16,599,183.88</u>	<u>\$ 17,410,782.61</u>
 <u>LIABILITIES, RESERVES</u> <u>AND FUND BALANCE</u>			
Serial Bonds Payable	SC-12	\$ 8,668,000.00	\$ 1,795,000.00
Bond Anticipation Notes Payable	SC-11	999,400.00	8,288,305.00
Green Trust Loans Payable	SC-9	649,343.04	779,992.49
Demolition Loan Payable	SC-10	856,329.53	
Improvement Authorizations:			
Funded	SC-7	1,336,794.06	148,218.63
Unfunded	SC-7	3,712,838.74	4,599,135.62
Reserve for Encumbrances	SC-8	358,408.30	274,460.66
Capital Improvement Fund	SC-6	3,085.82	10,685.82
Reserve to Pay Debt	SC-1		1,500,000.00
Reserve to Pay Green Trust Loans	C	7,083.39	7,083.39
Fund Balance	C	<u>7,901.00</u>	<u>7,901.00</u>
		<u>\$ 16,599,183.88</u>	<u>\$ 17,410,782.61</u>

There were bonds and notes authorized but not issued on December 31, 2018 totaling \$2,752,193.74 and 2017 totaling \$4,118,218.27.

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, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Cash - Treasurer	SD-1	\$ 1,160,685.50	\$ 1,029,696.80
Change Fund - Collector	D	75.00	75.00
Due Current Fund	SD-6		4,191.44
		<u>1,160,760.50</u>	<u>1,033,963.24</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	<u>223,604.96</u>	<u>192,920.93</u>
Total Operating Fund		<u>1,384,365.46</u>	<u>1,226,884.17</u>
Capital Fund:			
Cash - Treasurer	SD-1	1,369,819.00	482,392.84
Due State of New Jersey - NJEIT	SD-12	172,059.69	685,726.00
Due Water and Sewer Operating Fund	SD-5	28,028.20	8,486.05
Due Current Fund	SD-13	4,801.46	
Fixed Capital	SD-14	19,404,252.15	19,404,252.15
Fixed Capital Authorized and Uncompleted	SD-15	<u>21,069,354.00</u>	<u>21,069,354.00</u>
Total Capital Fund		<u>42,048,314.50</u>	<u>41,650,211.04</u>
		<u>\$ 43,432,679.96</u>	<u>\$ 42,877,095.21</u>

(Continued)

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

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3 & SD-10	\$ 127,199.75	\$ 124,873.74
Encumbrances Payable	D-3 & SD-10	33,837.12	46,889.26
Accounts Payable	D-1		9,200.00
Reserve for Contract Settlements	SD-8	42,345.27	53,748.32
Water and Sewer Rent Overpayments	SD-7	18,035.22	16,736.30
Accrued Interest on Bonds, Loans and Notes	SD-11	102,828.87	103,168.49
Due Current Fund	SD-6	21,633.07	
Due General Capital Fund	SD-9		105,476.44
Due Water and Sewer Capital Fund	SD-5	28,028.20	8,486.05
		<hr/>	<hr/>
		373,907.50	468,578.60
Reserves for Receivables	D	223,604.96	192,920.93
Fund Balance	D-1	786,853.00	565,384.64
		<hr/>	<hr/>
Total Operating Fund		1,384,365.46	1,226,884.17
		<hr/>	<hr/>
Capital Fund:			
Serial Bonds Payable	SD-23	1,954,000.00	1,400,000.00
New Jersey Environmental Infrastructure Loans	SD-22	7,981,743.45	9,267,053.72
New Jersey Environmental Infrastructure Loan - Short Term	SD-1	1,412,385.00	
Bond Anticipation Notes	SD-24		904,598.00
Improvement Authorizations:			
Funded	SD-21	1,530,960.05	965,656.24
Unfunded	SD-21	2,903,146.04	3,433,126.95
Capital Improvement Fund	SD-16	47,469.60	41,469.60
Reserve for Encumbrances	SD-17	505.79	88,803.60
Reserve to Pay Debt	D	81,286.72	81,286.72
Due General Capital Fund	SD-18	106,074.44	300,000.00
Due Current Fund	SD-13		575,122.37
Reserve for Amortization	SD-19	23,987,978.00	22,550,328.43
Deferred Reserve for Amortization	SD-20	2,033,207.00	2,033,207.00
Fund Balance	D	9,558.41	9,558.41
		<hr/>	<hr/>
Total Capital Fund		42,048,314.50	41,650,211.04
		<hr/>	<hr/>
		\$ 43,432,679.96	\$ 42,877,095.21
		<hr/>	<hr/>

There were bonds and notes authorized but not issued on December 31, 2018 totaling \$3,104,292.70 and 2017 totaling \$4,318,419.00.

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, 2018 and 2017

<u>Income Realized</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	\$ 465,000.00	\$ 350,000.00
Rents	4,097,722.25	3,739,884.16
Rents Additional	201,000.00	
Miscellaneous	306,821.10	338,371.34
Reserve for Payment of Debt		344,500.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	63,230.82	92,003.39
Cancellation of Accounts Payable	9,200.00	
Total Income	<u>5,142,974.17</u>	<u>4,864,758.89</u>
<u>Expenditures</u>		
Operating	2,873,404.00	2,782,800.00
Debt Service	1,291,909.20	1,440,640.07
Capital Improvements	6,000.00	10,000.00
Statutory Expenditures	264,971.00	199,725.00
Cancellation of State of New Jersey Receivable	20,221.61	
Total Expenditures	<u>4,456,505.81</u>	<u>4,433,165.07</u>
Excess in Revenue	686,468.36	431,593.82
<u>Fund Balance</u>		
Balance Jan. 1	<u>565,384.64</u>	<u>483,790.82</u>
	1,251,853.00	915,384.64
Decreased by:		
Realized as Revenue	<u>465,000.00</u>	<u>350,000.00</u>
Balance Dec. 31	<u>\$ 786,853.00</u>	<u>\$ 565,384.64</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 Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	\$ 465,000.00	\$ 465,000.00	
Rents	3,739,000.00	4,097,722.25	\$ 358,722.25
Miscellaneous	325,000.00	306,821.10	(18,178.90)
Rents - Additional	201,000.00	201,000.00	
	<u>\$ 4,730,000.00</u>	<u>\$ 5,070,543.35</u>	<u>\$ 340,543.35</u>

Analysis of Realized Revenue

Rents:

Consumer Accounts Receivable:

Collected	\$ 4,281,985.95
Overpayments Applied	<u>16,736.30</u>
	<u><u>\$ 4,298,722.25</u></u>

Miscellaneous Revenue Anticipated:

Collector:

Penalties and Delinquent Fees	\$ 167,340.16
Materials, Parts and Labor	297.00
Turn On / Off Fees	2,547.29
Final Readings	14,901.22
Meter Fees and Replacements	6,632.03
Missed Appointment Fees	280.00
Tag Fees	25.00
NSF Fees	<u>120.00</u>
	\$ 192,142.70

Treasurer:

Interest on Investments	7,627.30
Refunds	1,877.39
Sale of Brine	6,216.10
Sale of Scrap Metal	211.95
Tower Lease	<u>97,468.20</u>
	113,400.94

Interest Due from Water and Sewer Utility Capital Fund	<u>1,277.46</u>
	<u><u>\$ 306,821.10</u></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, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>
	<u>Budget</u>	<u>Modification</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u>
			<u>Charged</u>			<u>Canceled</u>
Operating:						
Salaries and Wages	\$ 1,127,638.00	\$ 1,127,638.00	\$ 1,112,290.41		\$ 15,347.59	
Other Expenses	1,950,766.00	1,950,766.00	1,602,985.94	\$ 33,837.12	108,942.94	\$ 205,000.00
Total Operating	3,078,404.00	3,078,404.00	2,715,276.35	33,837.12	124,290.53	205,000.00
Debt Service:						
Payment of Bonds	350,000.00	350,000.00	350,000.00			
Interest on Bonds	52,125.00	52,125.00	51,822.73			302.27
Principal and Interest on Notes	9,500.00	9,500.00	2,819.63			6,680.37
NJDEP Environmental Trust/Water Supply Loans	960,000.00	960,000.00	887,266.84			72,733.16
Total Debt Service	1,371,625.00	1,371,625.00	1,291,909.20	-	-	79,715.80
Capital Improvements:						
Capital Improvement Fund	6,000.00	6,000.00	6,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	115,533.75	115,533.75	115,533.75			
Social Security System (O.A.S.I.)	93,437.25	93,437.25	81,528.03		2,909.22	9,000.00
Surplus	65,000.00	65,000.00	65,000.00			
Total Statutory Expenditures	273,971.00	273,971.00	262,061.78	-	2,909.22	9,000.00
	<u>\$ 4,730,000.00</u>	<u>\$ 4,730,000.00</u>	<u>\$ 4,275,247.33</u>	<u>\$ 33,837.12</u>	<u>\$ 127,199.75</u>	<u>\$ 293,715.80</u>
Accrued Interest Adjustment on Bonds, Loans and Notes			\$ 266,085.27			
Disbursed			3,974,514.57			
Due Water & Sewer Utility Capital Fund			598.00			
Due Current Fund			39,303.45			
Refunds			(5,253.96)			
			<u>\$ 4,275,247.33</u>			

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, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land & Land Improvements	\$ 13,654,610.24	\$ 5,500.00		\$ 13,660,110.24
Building	1,982,800.16	13,500.00		1,996,300.16
Equipment	<u>6,442,080.79</u>	<u>49,785.50</u>	<u>\$ 212,353.24</u>	<u>6,279,513.05</u>
Total General Fixed Assets	<u>\$ 22,079,491.19</u>	<u>\$ 68,785.50</u>	<u>\$ 212,353.24</u>	<u>\$ 21,935,923.45</u>
Total Investment in General Fixed Assets	<u>\$ 22,079,491.19</u>	<u>\$ 68,785.50</u>	<u>\$ 212,353.24</u>	<u>\$ 21,935,923.45</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, 2018

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*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component 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* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

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

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

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 to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of 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 City 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 City 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.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2018, the City's bank balances of \$10,627,944.40 were insured by FDIC and GUDPA.

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>	<u>2014</u>
Tax Rate	<u>\$ 4.320</u>	<u>\$ 4.231</u>	<u>\$ 4.071</u>	<u>\$ 3.666</u>	<u>\$ 5.246</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.219	\$ 2.154	\$ 2.080	\$ 1.966	\$ 2.803
Municipal Library	.033	0.035	0.037	0.031	0.052
County Open Space	.021	0.022	0.023	0.021	0.032
County	.846	0.868	0.923	0.808	1.229
Local School	1.201	1.152	1.008	0.840	1.130

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 517,477,250.00
2017	516,207,850.00
2016	521,431,400.00
2015*	523,386,600.00
2014	353,944,613.00

*Revaluation

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):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 22,418,895.02	\$ 21,686,180.89	96.73%
2017	21,881,950.62	21,139,359.07	96.61%
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%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>
2018	\$ 289,957.16	\$ 586,067.24	\$ 876,024.40
2017	68,590.89	728,938.60	797,529.49
2016	58,083.22	455,184.67	513,267.89
2015	102,014.49	297,654.82	399,669.31
2014	9,448.14	408,477.37	417,925.51

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

<u>Year</u>	<u>Number</u>
2018	27
2017	9
2016	1
2015	9
2014	1

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 1,958,700.00
2017	1,856,800.00
2016	2,187,700.00
2015	1,672,900.00
2014	1,542,300.00

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</u> <u>Receivable</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2018	\$ 192,920.93	\$ 4,537,026.83	\$ 4,729,947.76	\$ 4,298,722.25
2017	222,458.86	3,743,670.79	3,966,129.65	3,739,884.16
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

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</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2018	\$ 2,916,816.04	\$ 2,220,000.00	76.11%
2017	1,791,792.88	1,700,000.00	94.88%
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%

Water & Sewer Utility Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in Succeeding Year</u>		<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
		<u>Utility</u> <u>Budget</u>	<u>Current Fund</u> <u>Budget</u>	
2018	\$ 786,853.00	\$ 530,000.00	\$ 65,000.00	75.62%
2017	565,384.64	465,000.00	65,000.00	93.74%
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%

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, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 65,575.76	\$ 555,527.59
Federal and State Grant	250,521.69	
Trust - Community Development	234,271.34	
Trust - Animal Control	83.89	
Trust - Other		97,743.01
General Capital	225,723.97	
Utility - Operating		49,661.27
Utility - Capital	32,829.66	106,074.44
Totals	<u>\$ 809,006.31</u>	<u>\$ 809,006.31</u>

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

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

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

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

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

Note 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' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the City. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

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

Contributions

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

The City's contractually required contribution rate for the year ended December 31, 2018 was 14.17% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$443,566.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$435,936.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$236,712.73.

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

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

The City's contractually required contribution rate for the year ended December 31, 2018 was 29.37% of the City's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the City's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$1,282,993.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the City's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$1,130,972.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$442,040.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the City, for the year ended December 31, 2018 was 3.27% of the City's covered payroll.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2018 is \$142,856.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the City, to the pension plan for the year ended December 31, 2017 was \$110,497.00, which was paid on April 1, 2018.

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

The City adopted a Defined Contribution Retirement Program on March 23, 2017. Currently, there are no participants in the program.

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

Public Employees' Retirement System - At December 31, 2018, the City's proportionate share of the PERS net pension liability was \$8,780,332.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the City's proportion was 0.0445939774%, which was a decrease of 0.0024633628% from its proportion measured as of June 30, 2017.

At December 31, 2018, the City's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$545,436.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City's contribution to PERS was \$443,566.00, and was paid on April 1, 2018.

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

City's Proportionate Share of Net Pension Liability	\$ 17,757,948.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the City	<u>2,412,124.00</u>
	<u>\$ 20,170,072.00</u>

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)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the City's proportion was 0.1312327009%, which was an increase of 0.0034419198% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the City, was 0.1312327009%, which was an increase of 0.0034419198% from its proportion, on-behalf of the City, measured as of June 30, 2017.

At December 31, 2018, the City's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,624,764.00. This expense is not recognized by the City because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the City's contribution to PFRS was \$1,282,993.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the City, calculated by the Plan as of the June 30, 2018 measurement date is \$285,712.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

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

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 167,442.00	\$ 180,664.00	\$ 348,106.00	\$ 45,274.00	\$ 73,487.00	\$ 118,761.00
Changes of Assumptions	1,446,853.00	1,524,281.00	2,971,134.00	2,807,483.00	4,551,055.00	7,358,538.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	82,360.00	97,152.00	179,512.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions	387,376.00	1,043,381.00	1,430,757.00	564,090.00	872,558.00	1,436,648.00
City Contributions Subsequent to the Measurement Date	221,783.00	641,497.00	863,280.00	-	-	-
	<u>\$ 2,223,454.00</u>	<u>\$ 3,389,823.00</u>	<u>\$ 5,613,277.00</u>	<u>\$ 3,499,207.00</u>	<u>\$ 5,594,252.00</u>	<u>\$ 9,093,459.00</u>

\$221,783.00 and \$641,497.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the City's year end of December 31, 2018.

Note 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
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between City Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

Note 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>
2019	\$ 119,638.00	\$ 400,176.00	\$ 519,814.00
2020	(78,029.00)	(487,990.00)	(566,019.00)
2021	(674,170.00)	(1,582,595.00)	(2,256,765.00)
2022	(634,873.00)	(954,767.00)	(1,589,640.00)
2023	(230,102.00)	(220,750.00)	(450,852.00)
	<u>\$ (1,497,536.00)</u>	<u>\$ (2,845,926.00)</u>	<u>\$ (4,343,462.00)</u>

Actuarial Assumptions

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

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

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

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

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

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

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

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

Note 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, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
City's Proportionate Share of the Net Pension Liability	<u>\$ 11,040,256.00</u>	<u>\$ 8,780,332.00</u>	<u>\$ 6,884,400.00</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, 2018, the Plan's measurement date, for the City and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
City's Proportionate Share of the Net Pension Liability	\$ 23,766,810.00	\$ 17,757,948.00	\$ 12,801,732.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the City	<u>3,228,328.64</u>	<u>2,412,124.00</u>	<u>1,738,903.84</u>
	<u>\$ 26,995,138.64</u>	<u>\$ 20,170,072.00</u>	<u>\$ 14,540,635.84</u>

Pension Plan Fiduciary Net Position

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

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

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.0445939774%	0.0470573402%	0.0476726485%
City's Proportionate Share of the Net Pension Liability	\$ 8,780,332.00	\$ 10,954,197.00	\$ 14,119,271.00
City's Covered Payroll (Plan Measurement Period)	\$ 3,136,828.00	\$ 3,238,728.00	\$ 3,255,632.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	279.91%	338.23%	433.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.0450152010%	0.0453950203%	0.0420294074%
City's Proportionate Share of the Net Pension Liability	\$ 10,105,011.00	\$ 8,499,189.00	\$ 8,032,655.00
City's Covered Payroll (Plan Measurement Period)	\$ 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 Covered Payroll	322.31%	268.43%	287.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the City's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Contractually Required Contribution	\$ 443,566.00	\$ 435,936.00	\$ 423,517.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(443,566.00)</u>	<u>(435,936.00)</u>	<u>(423,517.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 3,130,108.00	\$ 3,167,194.00	\$ 3,224,216.00
City's Contributions as a Percentage of Covered Payroll	14.17%	13.76%	13.14%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 387,010.00	\$ 374,230.00	\$ 316,683.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(387,010.00)</u>	<u>(374,230.00)</u>	<u>(316,683.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 3,243,986.00	\$ 3,131,526.00	\$ 3,071,813.00
City's Contributions as a Percentage of Covered Payroll	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 Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Proportion of the Net Pension Liability	0.1312327009%	0.1277907811%	0.1355526769%
City's Proportionate Share of the Net Pension Liability	\$ 17,757,948.00	\$ 19,728,426.00	\$ 25,894,029.00
State's Proportionate Share of the Net Pension Liability associated with the City	2,412,124.00	2,209,750.00	2,174,456.00
Total	<u>\$ 20,170,072.00</u>	<u>\$ 21,938,176.00</u>	<u>\$ 28,068,485.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 4,353,476.00	\$ 4,195,388.00	\$ 4,299,392.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	407.90%	470.24%	602.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Proportion of the Net Pension Liability	0.1372918547%	0.1237413458%	0.1200273727%
City's Proportionate Share of the Net Pension Liability	\$ 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	2,005,450.00	1,676,144.00	1,487,345.00
Total	<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)	\$ 3,135,224.00	\$ 3,908,352.00	\$ 3,690,696.00
City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	729.39%	398.26%	432.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's Contractually Required Contribution	\$ 1,282,993.00	\$ 1,130,972.00	\$ 1,105,216.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,282,993.00)</u>	<u>(1,130,972.00)</u>	<u>(1,105,216.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 4,367,690.00	\$ 4,349,934.00	\$ 4,146,258.00
City's Contributions as a Percentage of Covered Payroll	29.37%	26.00%	26.66%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
City's Contractually Required Contribution	\$ 1,115,978.00	\$ 950,419.00	\$ 875,693.00
City's Contribution in Relation to the Contractually Required Contribution	<u>(1,115,978.00)</u>	<u>(950,419.00)</u>	<u>(875,693.00)</u>
City's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Covered Payroll (Calendar Year)	\$ 4,294,647.00	\$ 3,131,526.00	\$ 3,915,664.00
City's Contributions as a Percentage of Covered Payroll	25.99%	30.35%	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

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

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

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

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

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

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

Changes in Assumptions

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****General Information about the OPEB Plan (Cont'd)**

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

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

Therefore, the City is considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the City does not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the City is required disclose:

- a) the State's proportion (percentage) of the collective net OPEB liability that is associated with the City,
- b) the State's proportionate share of the collective net OPEB liability that is associated with the City, and
- c) the State's proportionate share of the OPEB expense that is associated with the City.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the City, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the City, is \$337,595.00 for the year ended December 31, 2018 representing 7.73% of the City's covered payroll.

OPEB Liability and OPEB Expense

OPEB Liability - At December 31, 2018 the State's proportionate Share of the Net OPEB liability associated with the City is \$11,152,360.00. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The State's proportion of the net OPEB liability, on-behalf of the City, was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the City was 0.179476% which was a decrease of 0.003747% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the City, calculated by the Plan as of the June 30, 2018 measurement date, is \$337,595.00. This on-behalf expense is not recognized by the City because of the regulatory basis of accounting as described in note 1.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions**

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

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

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

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

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

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

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

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Actuarial Assumptions (Cont'd)**

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

Sensitivity of the net OPEB Liability to Changes in the Discount Rate

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

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	<u>\$ 13,084,666.96</u>	<u>\$ 11,152,360.00</u>	<u>\$ 9,608,884.53</u>

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

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the City	<u>\$ 9,302,855.96</u>	<u>\$ 11,152,360.00</u>	<u>\$ 13,545,892.89</u>

OPEB Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Supplementary OPEB Information**

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

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

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.000000%	0.000000%
State's Proportion of the Net Pension Liability Associated with the City	<u>100.000000%</u>	<u>100.000000%</u>
	<u>100.000000%</u>	<u>100.000000%</u>
City's Proportionate Share of the Net OPEB Liability	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the City	<u>11,152,360.00</u>	<u>15,931,997.00</u>
Total	<u>\$ 11,152,360.00</u>	<u>\$ 15,931,997.00</u>
City's Covered Payroll (Plan Measurement Period)	\$ 4,315,772.00	\$ 4,218,315.00
City's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	258.409%	377.686%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

The amount of actual contributions that the State made on-behalf of the City is not known.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**A. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)****Other Notes to Supplementary OPEB Information****Changes in Benefit Terms**

None

Changes in Assumptions

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

B. CITY OF GLOUCESTER CITY POSTEMPLOYMENT BENEFIT PLAN

Plan Description and Benefits Provided - The City provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The City provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the City under various classifications and 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. This provision is part of a labor agreement between the City and the I.A.F.F. Locals 3198 and 2663. The Plan is administered by the City; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees are paid in monthly installments after the City provides the retirees with a detailed accounting of the costs.

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

	<u>December 31, 2018</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	84
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	
Active Employees	<u>87</u>
	<u>171</u>

Total OPEB Liability

The City's total OPEB liability of \$48,163,900.00 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. CITY OF GLOUCESTER CITY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)**

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

Inflation	2.50% Annually
Salary Increases	2.50% Annually
Discount Rate	4.10%
Healthcare Cost Trend Rates	5.8% in 2018 Reducing by 0.1% per annum, leveling at 5% per annum in 2026
Drug	10.0% in 2018 Reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026
Dental	3.5% per annum
Retirees' Share of Benefit-Related Costs	Retiree's who retired before the passage of Chapter 78 or those employees who had 25 years of service on the date of passage are grandfathered. All others are subject to contribution rates in effect when they retired, but not less than 1.5% of their annual retirement allowance from PERS. 2018 employer contributions for retiree benefits are \$1,162,000.

The discount rate was based on the Bond Buyer 20 Index.

Mortality rates were based on the RP 2000 Combined Healthy Male Mortality Rates Set Forward 3 Years.

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

Changes in Total OPEB Liability

Balance at Beginning of Year	\$ 46,828,025.00
Changes for the Year:	
Service Cost	577,890.00
Interest Cost	1,919,825.00
Benefit Payments	(1,161,840.00)
Actuarial Assumption Changes	-
Actuarial Demographic Gains / (Losses)	-
Net Changes	1,335,875.00
Balance at End of Year	<u>\$ 48,163,900.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. CITY OF GLOUCESTER CITY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Changes in Total OPEB Liability (Cont'd)**

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

There were not changes in assumptions.

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

	1.00% Decrease (3.10%)	Current Discount Rate (4.10%)	1.00% Increase (5.10%)
Total OPEB Liability	<u>\$ 53,487,676.00</u>	<u>\$ 48,163,900.00</u>	<u>\$ 43,748,195.00</u>

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

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 44,228,773.00</u>	<u>\$ 48,163,900.00</u>	<u>\$ 52,896,765.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the City recognized OPEB expense of \$2,497,715.00. As of December 31, 2018, the City reported that there were no deferred outflows of resources or deferred inflows of resources related to OPEB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**B. CITY OF GLOUCESTER CITY POSTEMPLOYMENT BENEFIT PLAN (CONT'D)****Supplementary OPEB Information**

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

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

Total OPEB Liability	<u>December 31, 2018</u>
Service Cost	\$ 577,890.00
Interest Cost	1,919,825.00
Benefit Payments	(1,161,840.00)
Actuarial Assumption Changes	-
Differences Between Expected and Actual Experience	-
Net Change in Total OPEB Liability	1,335,875.00
Total OPEB Liability - Beginning of Fiscal Year	<u>46,828,025.00</u>
Total OPEB Liability - End of Fiscal Year	<u><u>\$ 48,163,900.00</u></u>
Covered-Employee Payroll per Actuarial Valuation Report	\$ 6,426,000.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	749.52%

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

None

Changes in Assumptions

None

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, 2018, accrued benefits for compensated absences are valued at \$1,686,876.75.

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: LEASE OBLIGATIONS

At December 31, 2018, the City had lease agreements in effect for the following:

Capital:

Equipment and Vehicles:

Phone System

Five (5) Vehicles

Operating:

Equipment:

Two (2) Photocopiers

Mail Machine

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

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2018</u>	<u>2017</u>
Vehicles		\$ 56,159.80
Phone System	\$ 5,078.08	19,624.55

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>
2019	\$ 5,078.08	\$ 74.04	\$ 5,152.12
Total	\$ 5,078.08	\$ 74.04	\$ 5,152.12

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

<u>Year</u>	<u>Amount</u>
2019	\$ 5,832.96
2020	5,832.96
2021	5,832.96
2022	5,832.96
2023	5,832.96

Rental payments under operating leases for the year 2018 were \$5,561.76.

Note 13: 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 September 1, 2021.

General Improvement Bonds, Series 2018 – On April 11, 2018, the City issued \$2,708,000.00 of general improvement bonds, with interest rates ranging from 3.00% to 3.125%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is February 15, 2030.

Taxable General Improvement Bonds, Series 2018 – On April 11, 2018, the City issued \$4,590,000.00 of taxable general improvement bonds, with interest rates ranging from 4.00% to 4.25%. The bonds were issued for the purpose of funding various capital projects in the City. The final maturity of the bonds is February 15, 2043.

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>
2019	\$ 763,000.00	\$ 303,020.02	\$ 1,066,020.02
2020	785,000.00	280,925.02	1,065,925.02
2021	805,000.00	258,350.02	1,063,350.02
2022	340,000.00	233,912.52	573,912.52
2023	350,000.00	222,212.52	572,212.52
2024-2028	1,920,000.00	919,753.20	2,839,753.20
2029-2033	1,405,000.00	593,271.91	1,998,271.91
2034-2038	1,055,000.00	377,718.76	1,432,718.76
2039-2043	1,245,000.00	134,406.25	1,379,406.25
Totals	\$ 8,668,000.00	\$ 3,323,570.22	\$ 11,991,570.22

General Debt - New Jersey Green Acres and Demolition 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.

Note 13: CAPITAL DEBT (CONT'D)**General Debt - New Jersey Green Acres and Demolition Loans (Cont'd)**

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.

On October 15, 2018, the City entered into an agreement with the New Jersey Department of Community Affairs to provide \$856,329.53 at an interest rate of 1.0%. The proceeds were used to fund the demolition of various structures. Annual debt payments are due October 13th through 2032.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 190,323.37	\$ 12,935.49	\$ 203,258.86
2020	193,002.21	10,256.63	203,258.84
2021	195,734.89	7,523.96	203,258.85
2022	147,199.05	4,736.34	151,935.39
2023	97,175.60	3,437.52	100,613.12
2024-2028	365,094.13	9,352.75	374,446.88
2029-2032	<u>259,483.81</u>	<u>3,550.95</u>	<u>263,034.76</u>
Totals	<u>\$ 1,448,013.05</u>	<u>\$ 51,793.64</u>	<u>\$ 1,499,806.69</u>

The 2018 maturity of the demolition loan was not paid until 2019.

Water and Sewer Utility Debt – Serial Bonds

Water and Sewer Utility 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.

Water and Sewer Utility Bonds, Series 2018 – On April 11, 2018, the City issued \$904,000.00 of water and sewer utility bonds, with interest rates ranging from 3.00% to 3.50%. The bonds were issued for the purpose of funding various water and sewer utility improvements. The final maturity of the bonds is February 15, 2039.

Note 13: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt – Serial Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the Water and Sewer Utility serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 384,000.00	\$ 55,191.26	\$ 439,191.26
2020	380,000.00	45,481.26	425,481.26
2021	380,000.00	35,831.26	415,831.26
2022	35,000.00	25,231.26	60,231.26
2023	35,000.00	24,181.26	59,181.26
2024-2028	185,000.00	104,493.79	289,493.79
2029-2033	225,000.00	72,640.65	297,640.65
2034-2038	270,000.00	33,556.25	303,556.25
2039	60,000.00	1,050.00	61,050.00
Totals	<u>\$ 1,954,000.00</u>	<u>\$ 397,656.99</u>	<u>\$ 2,351,656.99</u>

Water and Sewer Utility Debt – New Jersey Environmental Infrastructure Loans

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.

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. Semiannual debt payments are due February 1st and August 1st through 2033.

Note 13: CAPITAL DEBT (CONT'D)**Water and Sewer Utility Debt – New Jersey Environmental Infrastructure Loans (Cont'd)**

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 21, 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.

On November 21, 2017, the City entered into a loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$164,784.00 at no interest, from the fund loan, and \$55,000.00 at interest rates ranging from 2.125% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of water mains and the looping of said water mains to Freedom Pier. Semiannual debt payments are due February 1st and August 1st through 2029.

In addition, on November 21, 2017, the City entered into a second loan agreement with the New Jersey Environmental Infrastructure Trust to provide \$136,874.00 at no interest, from the fund loan, and \$45,000.00 at interest rates ranging from 2.125% to 5.000% from the trust loan. The proceeds were used to fund the removal and/or replacement of sanitary sewer mains and relate appurtenances at Freedom Pier. Semiannual debt payments are due February 1st and August 1st through 2027.

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>
2019	\$ 734,625.30	\$ 174,297.65	\$ 908,922.95
2020	752,523.49	158,391.81	910,915.30
2021	762,928.42	141,439.60	904,368.02
2022	706,485.23	123,880.57	830,365.80
2023	685,825.98	107,807.54	793,633.52
2024-2028	3,609,763.08	296,065.20	3,905,828.28
2029-2033	655,180.55	32,600.10	687,780.65
2034-2035	74,411.40	1,800.00	76,211.40
Totals	\$ 7,981,743.45	\$ 1,036,282.47	\$ 9,018,025.92

The City also received during the year \$1,412,385.00 in short term loans in the interim to long term loans received subsequent to December 31, 2018. The proceeds of the loans were used to fund expenditures through December 31, 2018 for the removal and/or replacement of water mains and improvements to the sanitary sewer system.

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 11,173,072.57	\$ 10,863,297.50	\$ 11,631,172.63
Water & Sewer Utility:			
Bonds, Loans and Notes	11,348,128.45	11,571,651.72	12,469,267.87
Total Issued	<u>22,521,201.02</u>	<u>22,434,949.22</u>	<u>24,100,440.50</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	2,572,193.74	4,118,218.27	3,628,557.29
Water & Sewer Utility:			
Bonds, Loans and Notes	3,104,890.70	4,318,419.00	4,657,812.00
Total Authorized but not Issued	<u>5,677,084.44</u>	<u>8,436,637.27</u>	<u>8,286,369.29</u>
Total Issued and Authorized but not Issued	<u>28,198,285.46</u>	<u>30,871,586.49</u>	<u>32,386,809.79</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Bonds		1,500,000.00	
Excess Proceeds from Issuance of Notes	7,083.39	7,083.39	7,083.39
Other			43,464.51
Water & Sewer Utility:			
Self-Liquidating	14,453,019.15	15,890,070.72	17,127,079.87
Total Deductions	<u>14,460,102.54</u>	<u>17,397,154.11</u>	<u>17,177,627.77</u>
Net Debt	<u>\$ 13,738,182.92</u>	<u>\$ 13,474,432.38</u>	<u>\$ 15,209,182.02</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 2.556%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 4,700,000.00	\$ 4,700,000.00	
Self-Liquidating	14,453,019.15	14,453,019.15	
General	13,745,266.31	7,083.39	\$ 13,738,182.92
	<u>\$ 32,898,285.46</u>	<u>\$ 19,160,102.54</u>	<u>\$ 13,738,182.92</u>

Net debt \$13,738,182.92 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$535,304,388.33, equals 2.566%.

Note 13: CAPITAL DEBT (CONT'D)**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal)	\$	18,735,653.59
Less: Net Debt		<u>13,738,182.92</u>
Remaining Borrowing Power	\$	<u><u>4,997,470.67</u></u>

**Calculation of "Self-Liquidating Purpose,"
Water & 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	\$	5,070,543.35
Deductions:		
Operating and Maintenance Costs	\$	3,138,375.00
Debt Service		<u>1,291,311.20</u>
Total Deductions		<u>4,429,686.20</u>
Excess (Deficit) in Revenue	\$	<u><u>640,857.15</u></u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	\$ 10,000.00	\$ 10,000.00

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

Note 15: RISK MANAGEMENT

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

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

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

<u>Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ 21,987.65	\$ 265.25	\$ 46,390.57	\$ 25,773.97
2017	22,227.03	168.20	28,697.17	49,911.64
2016	20,657.25	66.17	31,313.52	56,213.58

It is estimated that unreimbursed payments on behalf of the City at December 31, 2018 are \$3,690.27.

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 15: 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, 2018, which can be obtained from:

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

Liability Insurance - The City maintains commercial insurance coverage for various other types of risk.

Note 16: 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 17: 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 18: SUBSEQUENT EVENTS

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

<u>Purpose - Authorization of Bonds</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Water & Sewer Utility System Improvements	6/27/2019	\$ 910,000.00
Capital Equipment & Various Capital Improvements	6/27/2019	\$ 2,115,650.00

Purpose - Issuance of Bonds**Replacement of Water & Sewer Mains**

Issuance and sale of Series 2019A, 2019B, 2019C, & 2019D General Obligation Bonds to the New Jersey Infrastructure Bank and the State of New Jersey Department of Environmental Protection to evidence Loans to be used to finance the replacement of water and sewer mains.

Series 2019A and 2019B	2/28/2019	\$ 2,150,000.00
Series 2019C and 2018D	2/28/2019	\$ 1,100,000.00

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, 2018

Balance Dec. 31, 2017		\$ 3,417,239.16
Increased by Receipts:		
Collector	\$ 22,538,325.52	
Revenue Accounts Receivable	6,872,460.87	
Miscellaneous Revenue Not Anticipated	563,016.86	
2018 Appropriations Refunded	361,677.86	
Deposits for Net Payroll	5,724,843.81	
Due State of NJ - Veterans' and Senior Citizens' Deductions	101,478.07	
Due State of NJ - DCA Training Fees	11,124.88	
Petty Cash	1,000.00	
Reserve for Master Plan	2,965.35	
Change Funds	100.00	
Due Water and Sewer Utility Operating Fund	13,478.94	
Due Water and Sewer Utility Capital Fund	580,521.83	
Due General Capital Fund	116,260.68	
Due Community Development Trust Fund	53,817.00	
Due Trust Other Fund	180,024.95	
Due Library	373,455.24	
Federal and State Grants Receivable	396,951.29	
		<u>37,891,503.15</u>
		41,308,742.31
Decreased by Disbursements:		
2018 Appropriations	15,106,225.69	
2017 Appropriation Reserves	328,947.00	
Accounts Payable	506,761.00	
Payroll Deductions Payable	3,646,042.97	
Net Payroll	5,724,843.81	
Due State of NJ - DCA Fees	8,005.00	
Petty Cash	1,000.00	
Change Funds	100.00	
Local School District Tax	6,214,025.00	
County Taxes Payable	4,481,416.47	
Due County Added & Omitted Taxes	8,665.36	
Due Water and Sewer Utility Capital Fund	598.00	
Due Community Development Trust Fund	43,094.25	
Refund of Prior Year Revenue	3,098.72	
Due Trust Other Fund	206,440.60	
Due Library	382,940.19	
Due Bank	2,238.17	
Reserve for Master Plan	18,034.00	
Reserve for Contract Settlements	3,532.23	
Federal and State Grants Appropriated	180,256.65	
		<u>36,866,265.11</u>
Balance Dec. 31, 2018		<u><u>\$ 4,442,477.20</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, 2018

Balance Dec. 31, 2017		\$ 2,536.55
Increased by Receipts:		
Taxes Receivable	\$ 21,916,868.06	
Tax Title Liens	129,806.35	
Prepaid Taxes	203,909.24	
Tax Overpayments	1,355.51	
Interest and Costs on Taxes	169,974.68	
Miscellaneous Revenue Not Anticipated	<u>123,793.11</u>	
		<u>22,545,706.95</u>
		22,548,243.50
Decreased by Disbursements:		
Payments to Treasurer		<u>22,538,325.52</u>
Balance Dec. 31, 2018		<u><u>\$ 9,917.98</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, 2018

Balance Dec. 31, 2017	\$ 1,925.00
Increased by:	
Disbursements	<u>100.00</u>
	2,025.00
Decreased by:	
Receipts	<u>100.00</u>
Balance Dec. 31, 2018	<u><u>\$ 1,925.00</u></u>

Analysis of Balance Dec. 31, 2018

	<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, 2018

Balance Dec. 31, 2017	\$ 81,941.47
Increased by:	
Receipts	\$ 101,478.07
Deductions Disallowed by Tax Collector - Prior Year Taxes	<u>9,432.88</u>
	<u>110,910.95</u>
	192,852.42
Decreased by:	
Accrued in 2018:	
Senior Citizens' and Veterans' Deductions per Billings	\$ 109,250.00
Deductions Allowed by Collector	<u>1,750.00</u>
	111,000.00
Less:	
Deductions Disallowed by Collector - Current Year Taxes	<u>2,769.18</u>
	<u>108,230.82</u>
Balance Dec. 31, 2018	<u><u>\$ 84,621.60</u></u>

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

Year	Balance	2018	Added	Collections		Due from	Canceled	Transferred	Property	Balance
	Dec. 31, 2017			2017	2018					
		Levy	Taxes			State of New Jersey		to Tax Title Liens	Acquired for Taxes	Dec. 31, 2018
2014			\$ 750.00		\$ 750.00					
2015			1,000.00		1,000.00					
2016	\$ 47,779.35				13,727.88			\$ 28,077.90	\$ 5,973.57	
2017	681,159.25		7,682.88		550,119.29		\$ 8,505.81	121,770.46	7,446.57	\$ 1,000.00
	728,938.60		9,432.88		565,597.17		8,505.81	149,848.36	13,420.14	1,000.00
2018		\$ 22,418,895.02		\$ 226,679.18	21,351,270.89	\$ 108,230.82	43,470.62	96,573.07	7,603.20	585,067.24
	<u>\$ 728,938.60</u>	<u>\$ 22,418,895.02</u>	<u>\$ 9,432.88</u>	<u>\$ 226,679.18</u>	<u>\$ 21,916,868.06</u>	<u>\$ 108,230.82</u>	<u>\$ 51,976.43</u>	<u>\$ 246,421.43</u>	<u>\$ 21,023.34</u>	<u>\$ 586,067.24</u>

Analysis of 2018 Property Tax Levy

Tax Yield

General Property Tax	\$22,355,017.24
Added Taxes (54:4-63.1 et. seq.)	<u>63,877.78</u>
	<u><u>\$22,418,895.02</u></u>

Tax Levy

Local School Tax	\$ 6,210,718.00
County Taxes:	
County Tax	\$ 4,481,416.47
Due County for Added and Omitted Taxes	<u>12,832.27</u>
Total County Taxes	4,494,248.74
Local Tax for Municipal Purposes	11,659,000.00
Add: Additional Tax Levied	<u>54,928.28</u>
Local Tax for Municipal Purposes Levied	<u>11,713,928.28</u>

\$22,418,895.02

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

Balance Dec. 31, 2017		\$ 68,590.89
Increased by:		
Transfer from Taxes Receivable	\$ 246,421.43	
Transfer from Consumer Accounts Receivable	98,730.82	
Interest and Costs	<u>6,020.37</u>	
		<u>351,172.62</u>
		419,763.51
Decreased by:		
Receipts		<u>129,806.35</u>
Balance Dec. 31, 2018		<u><u>\$ 289,957.16</u></u>

Exhibit SA-7

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

Balance Dec. 31, 2017		\$ 1,856,800.00
Increased by:		
Transfer from Taxes Receivable	\$ 21,023.34	
Adjustment to Assessed Valuation	<u>154,976.66</u>	
		<u>176,000.00</u>
		2,032,800.00
Decreased by:		
Property Sold - Miscellaneous Revenue Not Anticipated	1.00	
Loss on Sale of Property	<u>74,099.00</u>	
		<u>74,100.00</u>
Balance Dec. 31, 2018		<u><u>\$ 1,958,700.00</u></u>

CITY OF GLOUCESTER CITY

CURRENT FUND

Statement of Clean-Up, Fire and Miscellaneous Charges Receivable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 74,674.56
Increased by:		
Charges Assessed		<u>105,134.00</u>
		179,808.56
Decreased by:		
Received - Miscellaneous Revenue Not Anticipated	\$ 111,095.58	
Canceled	<u>38,015.82</u>	
		<u>149,111.40</u>
Balance Dec. 31, 2018		<u><u>\$ 30,697.16</u></u>

Exhibit SA-9

CURRENT FUND

Statement of Due Library
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 13,585.48
Increased by:		
Receipts		<u>373,455.24</u>
		387,040.72
Decreased by:		
Disbursed on Behalf of Library		<u>382,940.19</u>
Balance Dec. 31, 2018		<u><u>\$ 4,100.53</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	Accrued in 2018	Collected By		Balance Dec. 31, 2018
			Treasurer	Collector	
<u>Miscellaneous Revenue Anticipated:</u>					
Licenses:					
Alcoholic Beverages	\$ 165.00	\$ 31,267.00	\$ 31,432.00		
Other	6.00	3,656.00	3,647.00		\$ 15.00
Fees and Permits	135,134.75	584,845.32	681,050.07		38,930.00
Fines and Costs:					
Municipal Court	16,680.79	275,512.52	276,830.92		15,362.39
Interest on Costs and Taxes		169,974.68		\$ 169,974.68	
Interest on Investments	115.53	37,696.56	37,645.30		166.79
Anticipated Utility Operating Surplus		65,000.00	65,000.00		
Consolidated Municipal Property					
Tax Relief		117,515.00	117,515.00		
Energy Receipts Tax		2,560,981.00	2,560,981.00		
Uniform Construction Code Official	34,878.00	280,912.12	267,146.12		48,644.00
Uniform Fire Safety Act		55,053.24	55,053.24		
Cable TV Franchise Fee		51,493.40	51,493.40		
School District for Police Services		67,912.00	67,912.00		
Rentals - Lease of Former Coast					
Guard Station		152,000.00	152,000.00		
Hotel Occupancy Taxes		49,116.15	49,116.15		
Payments in Lieu of Taxes on					
Real Property		924,987.49	924,987.49		
General Capital Fund -					
Reserve for Payment of Debt		1,500,000.00	1,500,000.00		
	186,980.07	6,927,922.48	6,841,809.69	169,974.68	103,118.18
<u>Miscellaneous Revenue Not Anticipated:</u>					
Sale of Recycling Buckets		816.00	816.00		
Sale of Scrap Metal		1,645.45	1,645.45		
Marina Rentals and Fees		34,681.00	34,681.00		
Rentals and Fees - Community Center	200.00	1,730.00	1,930.00		
	200.00	38,872.45	39,072.45		
	<u>\$ 187,180.07</u>	<u>\$ 6,966,794.93</u>	<u>\$ 6,880,882.14</u>	<u>\$ 169,974.68</u>	<u>\$ 103,118.18</u>
Treasurer Receipts			\$ 6,872,460.87		
Due General Capital Fund			6,741.82		
Due Trust Other Fund			1,631.40		
Due Animal Control Fund			48.05		
			<u>\$ 6,880,882.14</u>		

CITY OF GLOUCESTER CITY
CURRENT FUND

Statement of Deferred Charges - Special Emergency N.J.S.A. 40A:4-55
For the Year Ended December 31, 2018

<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, 2017</u>	<u>Raised in</u> <u>2018</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
06-27-13	Revaluation	\$ 300,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	
07-24-14	Master Plan	50,000.00	10,000.00	20,000.00	10,000.00	\$ 10,000.00
				<u>\$ 80,000.00</u>	<u>\$ 70,000.00</u>	<u>\$ 10,000.00</u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 25,586.11
Increased by:	
Payroll Deductions Charged to Budget	<u>3,692,119.00</u>
	3,717,705.11
Decreased by:	
Disbursements	<u>3,646,042.97</u>
Balance Dec. 31, 2018	<u><u>\$ 71,662.14</u></u>

Exhibit SA-13

CURRENT FUND
Statement of Reserve for Master Plan
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 17,688.48
Increased by:	
Receipts	<u>2,965.35</u>
	20,653.83
Decreased by:	
Disbursed	\$ 18,034.00
Transferred to Accounts Payable	<u>262.00</u>
	<u>18,296.00</u>
Balance Dec. 31, 2018	<u><u>\$ 2,357.83</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of 2017 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017		Balance After Transfers	Paid or Charged	Balance Lapsed
	Reserve for Encumbrances	Appropriation Reserves			
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries & Wages					
City Administrator's Office		\$ 103.64	\$ 103.64		\$ 103.64
Mayor and Common Council		800.04	800.04		800.04
City Clerk's Office		63.82	4,563.82		4,563.82
Other Expenses					
City Administrator's Office		875.62	875.62	\$ 399.29	476.33
City Clerk's Office	\$ 5,114.82	5,166.26	10,281.08	6,669.15	3,611.93
Financial Administration					
Salaries & Wages		77,610.11	77,610.11		77,610.11
Other Expenses	10,554.00	794.31	11,348.31	10,800.00	548.31
Collection of Taxes					
Salaries & Wages		717.73	4,217.73		4,217.73
Other Expenses	166.66	375.34	542.00	399.57	142.43
Assessment of Taxes					
Salaries and Wages		70.73	1,570.73		1,570.73
Other Expenses:		2,408.50	2,408.50	1,883.65	524.85
Legal Services and Costs					
Other Expenses	2,106.38	16,290.89	18,397.27	13,727.18	4,670.09
Municipal Court					
Salaries & Wages		8,653.97	8,653.97		8,653.97
Other Expenses	50.00	793.78	843.78		843.78
Public Defender (P.L. 1997, C.256)					
Salaries & Wages		1.00	1.00		1.00
Engineering Services and Costs					
Other Expenses	15,752.30	2,407.51	25,159.81	18,127.55	7,032.26
Community Development					
Salaries & Wages		34.56	34.56		34.56
Other Expenses		786.96	786.96	425.93	361.03
Municipal Land Use Law (N.J.S.40:55D-1)					
Combined Zoning and Planning Boards					
Salaries & Wages		50.84	50.84		50.84
Other Expenses		1,159.00	1,159.00	1,159.00	
INSURANCE					
General Liability		5,643.10	5,643.10		5,643.10
Workers Compensation Insurance		0.84	0.84		0.84
Group Insurance for Employees	2,307.80	14,887.51	17,195.31	12,802.56	4,392.75
Health Benefit Waiver		1,909.37	1,909.37		1,909.37
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages		1,789.66	7,189.66		7,189.66
Other Expenses	10,599.43	9,436.55	20,035.98	9,037.90	10,998.08
Crossing Guards					
Salaries and Wages		1,008.69	1,008.69		1,008.69
Other Expenses		750.00	750.00		750.00
Office of Emergency Management					
Salaries & Wages		62.00	62.00		62.00
Other Expenses	2,843.50	346.87	3,190.37	2,763.96	426.41
Fire					
Salaries & Wages		52,014.62	52,014.62		52,014.62
Other Expenses	24,181.73	11,913.75	36,095.48	20,117.03	15,978.45
Uniform Fire Safety Act (PL 1983, CH 383)					
Salaries and Wages		267.36	267.36		267.36
Other Expenses	500.00	1,798.33	2,298.33	1,154.15	1,144.18

(Continued)

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of 2017 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>		<u>Balance After</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserve for</u>	<u>Appropriation</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		\$ 9,162.91	\$ 9,162.91	\$ 4,969.71	\$ 4,193.20
Other Expenses	\$ 21,110.81	5,463.82	26,574.63	22,574.63	4,000.00
Buildings and Grounds					
Salaries & Wages		1,052.24	1,052.24		1,052.24
Other Expenses	8,566.72	6,226.31	14,793.03	14,493.03	300.00
Solid Waste Collection					
Other Expenses		0.50	0.50		0.50
HEALTH & HUMAN SERVICES					
Animal Control					
Other Expenses	872.00	6,718.00	7,590.00	6,718.00	872.00
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Other Expenses		465.22	465.22		465.22
UTILITY EXPENSES AND BULK PURCHASES					
Gasoline	25,000.00	18,712.96	43,712.96	25,164.66	18,548.30
Street Lighting		48,348.28	48,348.28	48,348.28	
Electricity		27,868.82	27,868.82	25,525.61	2,343.21
Telephone		19,112.72	19,112.72	18,519.63	593.09
Fuel Oil	4,000.00	7,892.46	11,892.46	4,586.95	7,305.51
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Landfill Costs					
Other Expenses	36,000.00	7,869.74	43,869.74	40,869.74	3,000.00
UNIFORM CONSTRUCTION CODE					
Construction Officials					
Salaries and Wages		6,189.95	6,189.95		6,189.95
Other Expenses	4,451.38	5,657.51	4,608.89	4,561.24	47.65
Other Code Enforcement					
Salaries and Wages		15,960.52	21,460.52	14,626.75	6,833.77
OTHER COMMON OPERATING FUNCTIONS					
Salary Adjustment		24,100.00	2,200.00		2,200.00
Celebration of Public Events					
Other Expenses	893.46	77.45	970.91	943.46	27.45
Contingent	378.39	2,521.61	2,900.00	878.39	2,021.61
STATUTORY EXPENDITURES					
Social Security System (O.A.S.I.)		1,624.49	1,624.49		1,624.49
Unemployment Compensation		1.00	1.00		1.00
Grand Total	\$ 175,449.38	\$ 436,019.77	\$ 611,469.15	\$ 332,247.00	\$ 279,222.15

Accounts Payable \$ 3,300.00
Disbursed 328,947.00
\$ 332,247.00

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

Balance Dec. 31, 2017	\$ 226,679.18
Increased by:	
Collections	<u>203,909.24</u>
	430,588.42
Decreased by:	
Application to 2018 Taxes	<u>226,679.18</u>
Balance Dec. 31, 2018	<u><u>\$ 203,909.24</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Reserve for Contract Settlements
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 41,651.22
Decreased by:	
Disbursed	<u>3,532.23</u>
Balance Dec. 31, 2018	<u><u>\$ 38,118.99</u></u>

Exhibit SA-17

CURRENT FUND
Statement of Due Bank
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 3,533.48
Increased by:	
Disbursed	<u>2,238.17</u>
Balance Dec. 31, 2018	<u><u>\$ 5,771.65</u></u>

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

Balance Dec. 31, 2017		\$ 522,800.35
Increased by:		
Charged to Reserve for Master Plan	\$ 262.00	
Transfer from Appropriation Reserves	<u>3,300.00</u>	
		<u>3,562.00</u>
		526,362.35
Decreased by:		
Payments	506,761.00	
Canceled to Fund Balance	<u>16,039.35</u>	
		<u>522,800.35</u>
Balance Dec. 31, 2018		<u><u>\$ 3,562.00</u></u>

CURRENT FUND
Statement of Due State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,469.00
Increased by:		
Receipts		<u>11,124.88</u>
		12,593.88
Decreased by:		
Disbursements		<u>8,005.00</u>
Balance Dec. 31, 2018		<u><u>\$ 4,588.88</u></u>

CITY OF GLOUCESTER CITY
CURRENT FUND
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	
2017 Added Taxes (R.S. 54:4-63.1 et seq.)	\$ 8,665.36
Increased by:	
County Share of Levy:	
2018 Added Taxes (R.S. 54:4-63.1 et seq.)	<u>12,832.27</u>
	21,497.63
Decreased by:	
Payments	<u>8,665.36</u>
Balance Dec. 31, 2018	<u><u>\$ 12,832.27</u></u>

Exhibit SA-21

CURRENT FUND
Statement of Local District School Tax Payable
For the Year Ended December 31, 2018

2018 Levy	\$ 6,210,718.00
Decreased by:	
Payments	<u>6,214,025.00</u>
Balance Dec. 31, 2018 (Prepaid School Tax)	<u><u>\$ 3,307.00</u></u>

Exhibit SA-22

CURRENT FUND
Statement of Due County Taxes Payable
For the Year Ended December 31, 2018

2018 Levy	\$ 4,481,416.47
Decreased by:	
Payments	<u><u>\$ 4,481,416.47</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, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Brownfield Redevelopment Cleanup Project	\$ 4,879.25			\$ 4,879.25
Bulletproof Vest Partnership Grant	3,913.20	\$ 1,707.09		5,620.29
Federal Emergency Management Agency:				
Assistance to Firefighters Grant	4,237.00			4,237.00
Assistance to Firefighters Grant		6,858.00		6,858.00
Assistance to Firefighters Grant - Local Match				
SAFER Retention Grant Program	78,966.00	270.00	\$ 79,236.00	
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
Cops Hiring Program Grant		125,000.00	29,359.75	95,640.25
Distracted Driving Grant	275.00	6,600.00	6,600.00	275.00
New Jersey Division of State Police Office of Emergency Management				
Homeland Security Management Performance Grant		9,400.00	9,400.00	
COPS in Shops	1,800.00			1,800.00
Small Cities	400,000.00			400,000.00
Total Federal Grants	560,949.84	149,835.09	124,595.75	586,189.18
State Grants:				
Clean Communities Program		20,780.21	20,780.21	
Drunk Driving Enforcement Fund		2,000.00	2,000.00	
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

(Continued)

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Federal, State and Local Grants Receivable
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Balance Dec. 31, 2018</u>
State Grants (Cont'd):				
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	53,727.00		\$ 53,727.00	
Safe Routes to Schools	343,000.00			343,000.00
Miller Avenue		\$ 122,455.00	80,985.00	41,470.00
Champion Road		150,965.00	106,905.00	44,060.00
Municipal Alliance on Alcohol and Drug Abuse	26,052.98	14,104.77	6,347.00	33,810.75
Municipal Court Alcohol Education and Rehabilitation Fund		1,611.11	1,611.11	
Recycling Tonnage Grant		0.22	0.22	
Total State Grants	1,628,648.76	311,916.31	272,355.54	1,668,209.53
Local Grants:				
County of Camden - Recreation Facilities Enhancement	9,525.00			9,525.00
Total All Grants	\$ 2,199,123.60	\$ 461,751.40	\$ 396,951.29	\$ 2,263,923.71

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, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Grants Receivable</u>	<u>Realized as Miscellaneous Revenue in 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Bulletproof Vest Partnership Grant		\$ 1,707.09	\$ 1,707.09	
Federal Emergency Management Agency:				
Assistance to Firefighters Grant		6,858.00	6,858.00	
SAFER Retention Grant Program		270.00		\$ 270.00
Distracted Driving Grant		6,600.00	6,600.00	
Office of Emergency Management		9,400.00	9,400.00	
Cops Hiring Program Grant		125,000.00	125,000.00	
Total Federal Grants	-	149,835.09	149,565.09	270.00
State Grants:				
Body Armor Replacement Fund	\$ 2,910.35		2,910.35	
Clean Communities Program		20,780.21	20,780.21	
Drunk Driving Enforcement Fund	2,796.89	2,000.00	2,796.89	2,000.00
Municipal Alliance on Alcohol and Drug Abuse		14,104.77	14,104.77	
Municipal Court Alcohol Education and Rehabilitation Fund		1,611.11	1,611.11	
New Jersey Department of Transportation Municipal Aid Program:				
Miller Avenue		122,455.00	122,455.00	
Champion Road		150,965.00	150,965.00	
Recycling Tonnage Grant	13,687.63	0.22	13,687.85	
Total State Grants	19,394.87	311,916.31	329,311.18	2,000.00
Total All Grants	\$ 19,394.87	\$ 461,751.40	\$ 478,876.27	\$ 2,270.00
Budget			\$ 298,661.95	
Appropriation by 40A:4-87			180,214.32	
			<u>\$ 478,876.27</u>	

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, 2018

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Transferred from</u> <u>2018 Budget</u> <u>Appropriation</u>	<u>Disbursed by</u> <u>Current Fund</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Federal Grants:						
Brownfield Redevelopment Cleanup Project	\$ 19,713.22					\$ 19,713.22
Bulletproof Vest Partnership Grant	2,375.00		\$ 1,707.09	\$ 2,685.29		1,396.80
Federal Emergency Management Agency:						
SAFER Retention Grant Program	11,416.96			11,416.96		
Assistance to Firefighters Grant	4,237.29		6,858.00	2,850.00	\$ 6,858.00	1,387.29
Assistance to Firefighters Grant - Local Match			342.00			342.00
Homeland Security Emergency Management Performance Grant	5,812.00			3,050.00	1,950.00	812.00
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
Cops Hiring Program Grant			125,000.00	57,233.36		67,766.64
New Jersey Division of State Police Office of Emergency Management						
Homeland Security Management Performance Grant			9,400.00			9,400.00
Distracted Driving Grant	275.00		6,600.00	6,600.00		275.00
COPS in Shops	3,600.00					3,600.00
Small Cities 2012 - Public Facilities	2,414.95					2,414.95
Small Cities 2015 - Public Facilities	125.60					125.60
Small Cities 2017	420,000.00				400,000.00	20,000.00
Total Federal Grants	522,116.54	-	149,907.09	83,835.61	408,808.00	179,380.02
State Grants:						
Body Armor Replacement Fund	2,665.36		2,910.35	5,575.71		
Clean Communities Program 2010	1,041.61					1,041.61
Clean Communities Program 2017	19,676.10	\$ 200.00		18,958.45	100.00	817.65
Clean Communities Program 2018			20,780.21			20,780.21
Drunk Driving Enforcement Fund 2010	3,777.81			884.50		2,893.31
Drunk Driving Enforcement Fund 2011	2,105.31			521.40		1,583.91
Drunk Driving Enforcement Fund 2014	7,335.04			250.00		7,085.04
Drunk Driving Enforcement Fund 2015	1,906.43			750.00		1,156.43
Drunk Driving Enforcement Fund 2016	1,736.86					1,736.86
Drunk Driving Enforcement Fund 2017	2,500.00					2,500.00
Drunk Driving Enforcement Fund 2018			2,796.89			2,796.89
Economic Development Site Fund	478,360.68					478,360.68
Hazardous Discharge Site Remediation Grants:						
Sewer Treatment Plan	9,920.32					9,920.32
Empire Vending INC Site	29,593.20					29,593.20

(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, 2018

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Encumbrances</u> <u>Canceled</u>	<u>Transferred from</u> <u>2018 Budget</u> <u>Appropriation</u>	<u>Disbursed by</u> <u>Current Fund</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
State Grants (Cont'd):						
Hazardous Discharge Site Remediation Grants:						
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
Municipal Alliance on Alcohol and Drug Abuse	49,876.65	\$ 526.50	\$ 17,630.96	\$ 13,176.00	\$ 1,591.00	53,267.11
Municipal Court Alcohol Education and Rehabilitation Fund	7,387.51		1,611.11			8,998.62
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
Miller Avenue			122,455.00	12,941.00		109,514.00
Reconstruction of Champion Road			150,965.00	19,748.30	118,647.00	12,569.70
Safe Routes to School Program	442,776.00					442,776.00
Recycling Tonnage Grant	109,648.22		13,687.63	14,090.68	1,787.05	107,458.12
Recycling Tonnage Grant - Abandoned Tires	2,500.00					2,500.00
Urban Enterprise Zone - Administration	23,163.47					23,163.47
Total State Grants	1,633,257.77	726.50	332,837.15	86,896.04	122,125.05	1,757,800.33
Local Grants:						
Delaware River Port Authority - Resheathing Freedom Pier Grant	39,062.00					39,062.00
County of Camden - Office of Emergency Management Grant	5,000.00					5,000.00
County of Camden - Recreation Facilities Enhancement:	9,525.00			9,525.00		
Total Local Grants	53,587.00	-	-	9,525.00	-	44,062.00
Total Grants:	\$ 2,208,961.31	\$ 726.50	\$ 482,744.24	\$ 180,256.65	\$ 530,933.05	\$ 1,981,242.35
Appropriation by 40A:4-87			\$ 180,214.32			
Budget Appropriation			298,661.95			
			478,876.27			
Budget Appropriation - Local Match			3,867.97			
			\$ 482,744.24			

CITY OF GLOUCESTER CITY
FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 726.50
Increased by:	
Encumbrances Charged	<u>530,933.05</u>
	531,659.55
Decreased by:	
Encumbrances Canceled	<u>726.50</u>
Balance Dec. 31, 2018	<u><u>\$ 530,933.05</u></u>

Exhibit SA-27

FEDERAL, STATE AND LOCAL GRANT FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 29,959.08
Increased by:	
Receipts:	
Grants Receivable Received in the Current Fund	\$ 396,951.29
Matching Funds for Grants - Budget	<u>3,867.97</u>
	<u>400,819.26</u>
	430,778.34
Decreased by:	
Grants Appropriated Disbursed by Current Fund	<u>180,256.65</u>
Balance Dec. 31, 2018	<u><u>\$ 250,521.69</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, 2018

	Animal Control	Trust Other	Community Development
Balance Dec. 31, 2017	\$ 5,867.01	\$ 680,026.11	\$ 769,201.48
Increased by Receipts:			
Animal Control Licenses Issued	\$ 4,607.00		
Due Current Fund - Interest	48.05		
Due Current Fund		\$ 3,411.63	\$ 3,649.25
Due Trust - Unemployment	76.00		
Reserve for U.D.A.G.			76,197.81
Reserve for Regional Contribution Agreement		67,848.27	
Reserve for Escrow Deposits		18,681.79	
Reserve for Miscellaneous Trust Reserves		31,687.74	
	<u>4,731.05</u>	<u>121,629.43</u>	<u>79,847.06</u>
	10,598.06	801,655.54	849,048.54
Decreased by Disbursements:			
Animal Control Expenses	5,230.85		
Due Current Fund		10,682.12	
Due Animal Control Trust		76.00	
Reserve for U.D.A.G.			252,484.17
Reserve for Regional Contribution Agreement		150.00	
Reserve for Escrow Deposits		11,854.60	
Reserve for Miscellaneous Trust Reserves		66,778.37	
Due New Jersey Unemployment Compensation		11,566.04	
Insurance Fund		<u>11,566.04</u>	
	<u>5,230.85</u>	<u>101,107.13</u>	<u>252,484.17</u>
Balance Dec. 31, 2018	<u>\$ 5,367.21</u>	<u>\$ 700,548.41</u>	<u>596,564.37</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, 2018

Balance Dec. 31, 2017		\$ 277,982.40
Increased by Receipts:		
Interest - Due Current Fund	\$ 1,631.40	
Redemption of Tax Certificates	2,176,210.58	
Premiums Received for Tax Sale	<u>76,500.00</u>	
		<u>2,254,341.98</u>
		2,532,324.38
Decreased by Disbursements:		
Redemption of Tax Certificates	2,103,043.20	
Premiums Received for Tax Sale	<u>204,700.00</u>	
		<u>2,307,743.20</u>
Balance Dec. 31, 2018		<u><u>\$ 224,581.18</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, 2018

Balance Dec. 31, 2017	\$ 4,461.15
Increased by:	
Receipts	\$ 4,607.00
Prior Year Accounts Payable Canceled	<u>1,622.20</u>
	<u>6,229.20</u>
	10,690.35
Decreased by:	
Disbursed	<u>5,230.85</u>
Balance Dec. 31, 2018	<u><u>\$ 5,459.50</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2017	\$ 4,850.00
2016	<u>5,820.00</u>
	<u><u>\$ 10,670.00</u></u>

Exhibit SB-4

ANIMAL CONTROL TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 131.94
Decreased by:	
Interest Earned	<u>48.05</u>
Balance Dec. 31, 2018	<u><u>\$ 83.89</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017 (due from)		\$	8,845.79
Increased by:			
Disbursed to Current Fund - Treasurer Cash	\$	10,682.12	
Trust Receipts Collected by Current Fund Treasurer:			
Off Duty Police Fees	\$	141,545.33	
Off Duty Police Fees Receivable		13,827.50	
Miscellaneous Trust Reserves		<u>13,970.00</u>	
			<u>169,342.83</u>
			<u>180,024.95</u>
			188,870.7
Decreased by:			
Received from Current Fund		3,411.63	
Canceled to Current Fund		24,741.43	
Interest Earned - Collector Cash		1,631.40	
Disbursed by Current Fund on Behalf of Trust Other Fund:			
Off Duty Police		183,796.50	
Miscellaneous Trust Reserves		<u>19,232.47</u>	
			<u>203,028.97</u>
			<u>232,813.43</u>
Balance Dec. 31, 2018 (due to)		\$	<u><u>43,942.69</u></u>
<u>Analysis of Balance Dec. 31, 2018</u>			
Tax Sale Premium		\$	1,578.61
Redemption			1,009.40
Off Duty Police			40,928.75
POAA			(129.83)
Regional Contribution Agreements			(9,426.00)
Public Defender			(4,225.50)
Community Playground			(3,196.60)
Unemployment			(7,305.60)
Uniform Fire Code			(3,592.19)
Escrow			<u>28,301.65</u>
		\$	<u><u>43,942.69</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Regional Contribution Agreement Loans Receivable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 1,728,773.00
Decreased by:		
Receipts for Payment of Loans	\$ 64,291.00	
Loans Canceled	<u>96,729.00</u>	
		<u>161,020.00</u>
Balance Dec. 31, 2018		<u><u>\$ 1,567,753.00</u></u>

Analysis of Balance Dec. 31, 2018

Evesham Township Contributions	\$ 686,438.41
Washington Township Contributions	443,400.96
East Greenwich Contributions	<u>437,913.63</u>
	<u><u>\$ 1,567,753.00</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Accounts Payable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 10,083.11
Increased by:	
Charged - Miscellaneous Trust Reserves	<u>3,881.82</u>
	13,964.93
Decreased by:	
Canceled to Reserve for Escrow Deposit	<u>10,083.11</u>
Balance Dec. 31, 2018	<u><u>\$ 3,881.82</u></u>

Exhibit SB-8

TRUST OTHER FUND
Statement of Reserve for Off Duty Police
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 1,322.42
Increased by:	
Off Duty Police Fees Received By Current Fund	\$ 141,545.33
Off Duty Police Fees Receivable	<u>40,928.75</u>
	<u>182,474.08</u>
	183,796.50
Decreased by:	
Off Duty Police Fees Disbursed by Current Fund	<u><u>\$ 183,796.50</u></u>

Exhibit SB-9

TRUST OTHER FUND
Statement of Off Duty Police Fees Receivable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 13,827.50
Increased by:	
Reserve for Traffic Control	<u>40,928.75</u>
	54,756.25
Decreased by:	
Collected in Current Fund	<u>13,827.50</u>
Balance Dec. 31, 2018	<u><u>\$ 40,928.75</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Reserve for Regional Contribution Agreements
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 419,643.69
Increased by:		
Receipts:		
Interest	\$ 3,557.27	
Loans Receivable Collected	64,291.00	
		<u>67,848.27</u>
		487,491.96
Decreased by:		
Disbursements:		
Administrative and Other Expenses		<u>150.00</u>
Balance Dec. 31, 2018		<u><u>\$ 487,341.96</u></u>

Exhibit SB-11

TRUST OTHER FUND
Statement of Reserve for Escrow Deposits
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 104,512.78
Increased by:		
Receipts:		
Reserve for Escrow Deposits	\$ 18,647.56	
Interest Earned	34.23	
		<u>18,681.79</u>
Accounts Payable Canceled		<u>10,083.11</u>
		<u>28,764.90</u>
		133,277.68
Decreased by:		
Disbursements	11,854.60	
Canceled to Current Fund	24,741.43	
		<u>36,596.03</u>
Balance Dec. 31, 2018		<u><u>\$ 96,681.65</u></u>
 <u>Analysis of Balance Dec. 31, 2018</u>		
Escrow Deposits		\$ 96,677.98
Remediation Escrow		<u>3.67</u>
		<u><u>\$ 96,681.65</u></u>

CITY OF GLOUCESTER CITY
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Due To</u> <u>New Jersey</u> <u>Unemployment</u> <u>Compensation</u> <u>Fund</u>	<u>Due From</u> <u>Current Fund</u>	<u>Due to</u> <u>Current Fund</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Landlord Security Deposits	\$ 5,705.86	\$ 5.65	\$ 5,711.51					
Disposal of Forfeited Property	31,782.56	9,429.19	19,197.00				\$ 3,881.82	\$ 18,132.93
Unemployment Compensation Insurance	49,911.64	22,252.90	41,869.86	\$ 3,690.27		\$ 830.44		25,773.97
Reserve for Parking Offenses								
Adjudication Act Funds					\$ 1,325.50	1,195.67		129.83
Reserve for Public Defender	10,067.00				10,394.50	16,236.00		4,225.50
Uniform Fire Safety Act Penalties	1,781.81				2,250.00	970.36		3,061.45
Community Playground	3,196.60							3,196.60
	<u>\$ 102,445.47</u>	<u>\$ 31,687.74</u>	<u>\$ 66,778.37</u>	<u>\$ 3,690.27</u>	<u>\$ 13,970.00</u>	<u>\$ 19,232.47</u>	<u>\$ 3,881.82</u>	<u>\$ 54,520.28</u>

CITY OF GLOUCESTER CITY

TRUST OTHER FUND

Statement of Reserve for Tax Title Lien Premiums and Redemptions
For the Year Ended December 31, 2018

	Balance	Collector		Balance
	<u>Dec. 31, 2017</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Dec. 31, 2018</u>
Premiums Received at Tax Sale	\$ 204,400.00	\$ 76,500.00	\$ 204,700.00	\$ 76,200.00
Tax Certificates	71,625.79	2,176,210.58	2,103,043.20	144,793.17
	<u>\$ 276,025.79</u>	<u>\$ 2,252,710.58</u>	<u>\$ 2,307,743.20</u>	<u>\$ 220,993.17</u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Loans and Mortgages Receivable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 3,180,054.73
Increased by:		
Reserve for UDAG Revolving Loan Fund - Loans Issued		<u>135,000.00</u>
		3,315,054.73
Decreased by:		
Reserve for UDAG Revolving Loan Fund - Receipts	\$ 39,959.61	
Reserve for Small Cities Rehabilitation - Canceled	47,750.00	
Reserve for Small Cities Rehabilitation - Current Fund Receipts	<u>53,817.00</u>	
		<u>141,526.61</u>
Balance Dec. 31, 2018		<u><u>\$ 3,173,528.12</u></u>
<u>Analysis of Balance Dec. 31, 2018</u>		
Loans Receivable - Urban Development Action Grant		\$ 1,901,115.47
Mortgages Receivable - Small Cities Rehabilitation Grant		<u>1,272,412.65</u>
		<u><u>\$ 3,173,528.12</u></u>

CITY OF GLOUCESTER CITY
COMMUNITY DEVELOPMENT TRUST FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 169,748.27
Increased by:		
Small Cities Mortgage Payoffs Collected by Current Fund		<u>53,817.00</u>
		223,565.27
Decreased by:		
Small Cities Revolving Loan Fund Expenses Disbursed by Current Fund	\$ 39,445.00	
Receipts from Current Fund	<u>3,649.25</u>	
		<u>43,094.25</u>
Balance Dec. 31, 2018		<u><u>\$ 180,471.02</u></u>

Exhibit SB-16

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Reserve for CDBG Revolving Loan Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 219,154.02
Increased by:		
Small Cities Mortgage Payoffs Collected by Current Fund		<u>53,817.00</u>
		272,971.02
Decreased by:		
Disbursed by Current Fund on Behalf of Small Cities		<u>39,445.00</u>
Balance Dec. 31, 2018		<u><u>\$ 233,526.02</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, 2018

Balance Dec. 31, 2017			\$ 490,575.30
Increased by:			
Receipts:			
Loans Receivable - Collected	\$ 39,959.61		
Interest and Late Fees	33,675.09		
Interest Earned on Investments	<u>2,563.11</u>		
		\$ 76,197.81	
Cancellation of Prior Year Accounts Payable		<u>283,020.75</u>	
			<u>359,218.56</u>
			849,793.86
Decreased by:			
Loans Issued	135,000.00		
Disbursements	<u>117,484.17</u>		
		252,484.17	
Accounts Payable		<u>295,712.25</u>	
			<u>548,196.42</u>
Balance Dec. 31, 2018			<u><u>\$ 301,597.44</u></u>

COMMUNITY DEVELOPMENT TRUST FUND
Statement of Accounts Payable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 283,020.75
Increased by:		
Accounts Payable Created:		
Reserve for UDAG Revolving Loan Fund		<u>295,712.25</u>
		578,733.00
Decreased by:		
Accounts Payable Canceled:		
Reserve for UDAG Revolving Loan Fund		<u>283,020.75</u>
Balance Dec. 31, 2018		<u><u>\$ 295,712.25</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, 2018

Balance Dec. 31, 2017		\$ 1,970,068.15
Increased by Receipts:		
Due Current Fund	\$ 6,868.90	
Budget Appropriations	45,000.00	
Due Water and Sewer Operating	105,476.44	
Due Water and Sewer Capital	300,000.00	
Bond Anticipation Notes	7,787,105.00	
Bonds Issued	7,298,000.00	
Due State of New Jersey - Community Affairs	<u>430,948.18</u>	
		<u>15,973,398.52</u>
		17,943,466.67
Decreased by Disbursements:		
Due Current Fund	116,260.68	
Due Water and Sewer Utility Capital Fund	106,074.44	
Bond Anticipation Notes	13,576,010.00	
Improvement Authorizations	622,787.98	
Reserve for Encumbrances	42,985.83	
Reserve for Payment of Debt	<u>1,500,000.00</u>	
		<u>15,964,118.93</u>
Balance Dec. 31, 2018		<u><u>\$ 1,979,347.74</u></u>

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

	Ordinance Number	Balance (Deficit) Dec. 31, 2017	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2018	
			Bond Anticipation Notes	Bonds	Loans	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From		To
Fund Balance		\$ 7,901.00									\$ 7,901.00	
Capital Improvement Fund		10,685.82				\$ 45,000.00			\$ 52,600.00		3,085.82	
Accounts Receivable - Green Acres		(43,464.51)									(43,464.51)	
Accounts Receivable - Community Affairs					\$ 430,948.18				856,329.53		(425,381.35)	
Due Current Fund		(10,257.75)				6,868.90		\$ 116,260.68			(119,649.53)	
Due Water and Sewer Utility Operating Fund		(105,476.44)				105,476.44						
Due Water and Sewer Utility Capital Fund		(300,000.00)				300,000.00			106,074.44		(106,074.44)	
Reserve to Pay Debt		1,500,000.00						1,500,000.00				
Reserve to Pay Green Loan		7,083.39									7,083.39	
Reserve for Encumbrances		274,460.66						42,985.83	213,240.70	\$ 340,174.17	358,408.30	
Accounts Payable												
Improvement Authorizations:												
Various Improvements	14-00	6,337.85									6,337.85	
Acquisition of Apartments	05-08	7,887.96	\$ 2,430,000.00	\$ 2,430,000.00		\$ 6,542.54	\$ 4,860,000.00				1,345.42	
Reconstruction of Various Streets	24-08	5,259.36				5,259.36						
Walkway Along Freedom Pier	09-10	24,522.76								469.01	24,991.77	
Various Improvements	06-11	379.42									379.42	
Improvements to City Clerk's Office	19-11	6,000.00							4,265.32		1,734.68	
Southport Redevelopment Project	03-12	32,069.85	2,160,000.00	2,160,000.00		9,061.85	4,320,000.00				23,008.00	
Various Improvements	10-12	153,951.08	490,000.00	490,000.00		23,470.63	980,000.00		39,377.15		91,103.30	
Various Improvements	12-13	101,437.92	447,500.00	447,500.00		18,500.00	895,000.00		40,400.00		42,537.92	
Landscaping Improvements	21-13	2,376.46				2,294.50			81.00		0.96	
Various Improvements	14-14	12,326.42	556,000.00	556,000.00		11,168.83	1,112,000.00				1,157.59	
Various Improvements	13-15	60,498.82							23,893.00	168,999.84	205,605.66	
Various Improvements	19-15	36,363.91	124,325.00	124,325.00		4,756.17	249,250.00			561.43	31,569.17	
Various Improvements	17-16	166,321.38	579,880.00	579,075.00		29,257.03	1,159,760.00		54,106.22	43,210.42	125,363.55	
Acquisition and Installation of HVAC Systems	25-16	15,943.96									15,943.96	
Demolition of Existing City Structures	26-16	(31,329.15)					431,656.63		17,227.33	856,329.53	376,116.42	
Acquisition of Public Works Tractor	20-17	1,887.98									1,887.98	
Various Improvements	21-17	26,900.00		511,100.00		47,275.44			103,417.80		387,306.76	
Various Improvements	11-18		999,400.00			33,545.00			57,810.00	52,600.00	960,645.00	
Various Improvements	14-18								74,363.50	74,767.15	403.65	
		\$ 1,970,068.15	\$ 7,787,105.00	\$ 7,298,000.00	\$ 430,948.18	\$ 457,345.34	\$ 622,787.98	\$ 13,576,010.00	\$ 1,765,320.95	\$ 1,537,111.55	\$ 1,537,111.55	\$ 1,979,347.74

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

Balance Dec. 31, 2017		\$ 2,574,992.49
Increased By:		
Bonds Issued	\$ 7,298,000.00	
Loans Issued	<u>856,329.53</u>	
		<u>8,154,329.53</u>
		10,729,322.02
Decreased By:		
Budget Appropriations:		
Payment of Serial Bonds	425,000.00	
Payment of Loans Payable	<u>130,649.45</u>	
		<u>555,649.45</u>
Balance Dec. 31, 2018		<u><u>\$ 10,173,672.57</u></u>

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

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorizations</u>	<u>Funded by</u>			<u>Balance Dec. 31, 2018</u>	<u>Analysis of Balance Dec. 31, 2018</u>	
				<u>Budget Appropriation</u>	<u>Bonds Issued</u>	<u>Loans Issued</u>		<u>Financed by Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
Various Improvements	14-00	\$ 405.74					\$ 405.74		\$ 405.74
Acquisition of Apartments	05-08	3,930,000.00		\$ 1,500,000.00	\$ 2,430,000.00				
Various Improvements	06-11	383.00					383.00		383.00
Southport Redevelopment Project	03-12	4,910,000.00			2,160,000.00		2,750,000.00		2,750,000.00
Various Improvements	10-12	490,000.00			490,000.00				
Various Improvements	12-13	447,500.00			447,500.00				
Various Improvements	14-14	538,712.02			538,712.02				
Various Improvements	19-15	110,425.00			109,825.00		600.00		600.00
Various Improvements	17-16	579,880.00			579,075.00		805.00		805.00
Demolition of Existing City Structures	26-16	856,329.53				\$ 856,329.53			
Acquisition of Public Works Tractor	20-17	31,787.98			31,787.98				
Various Improvements	21-17	511,100.00			511,100.00				
Various Improvements	11-18		\$ 999,400.00				999,400.00	\$ 999,400.00	
		<u>\$12,406,523.27</u>	<u>\$ 999,400.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 7,298,000.00</u>	<u>\$ 856,329.53</u>	<u>\$ 3,751,593.74</u>	<u>\$ 999,400.00</u>	<u>\$ 2,752,193.74</u>
Improvement Authorizations Unfunded									\$ 3,712,838.74
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
Ordinance 11-18									<u>960,645.00</u>
									<u>\$ 2,752,193.74</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Due Current Fund
For Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 10,257.75
Increased by:		
Disbursed to Current Fund	\$ 110,623.24	
Interest Disbursed	<u>5,637.44</u>	
		<u>116,260.68</u>
		126,518.43
Decreased by:		
Interest Earned on Deposits	6,741.82	
Received on Behalf of Current Fund	<u>127.08</u>	
		<u>6,868.90</u>
Balance Dec. 31, 2018		<u><u>\$ 119,649.53</u></u>

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 10,685.82
Increased by:		
Receipts - Budget Appropriation		<u>45,000.00</u>
		55,685.82
Decreased by:		
Appropriations to Improvement Authorizations		<u>52,600.00</u>
Balance Dec. 31, 2018		<u><u>\$ 3,085.82</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2018

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2017</u>		<u>2018 Authorizations</u>	<u>Encumbrances Canceled</u>	<u>Paid or Charged</u>	<u>Authorization Reappropriated</u>	<u>Balance Dec. 31, 2018</u>	
				<u>Funded</u>	<u>Unfunded</u>					<u>Funded</u>	<u>Unfunded</u>
Various Improvements:	14-00	07-06-00	\$ 486,000.00	\$ 6,337.85	\$ 405.74					\$ 6,337.85	\$ 405.74
Acquisition of Apartments	05-08	03-20-08	4,350,000.00		7,887.96			\$ 6,542.54		1,345.42	
Reconstruction of Various Streets	24-08	12-18-08	75,000.00	5,259.36				5,259.36			
Walkway Along Freedom Pier	09-10	04-30-10	600,000.00	24,522.76			\$ 469.01			24,991.77	
Various Improvements	06-11	06-16-11	1,638,666.00	379.42	383.00					379.42	383.00
Improvements to City Clerk's Office	19-11	12-05-11	6,000.00	6,000.00				4,265.32		1,734.68	
Southport Redevelopment Project	03-12	02-16-12	5,000,000.00		2,782,069.85			9,061.85		23,008.00	2,750,000.00
Various Improvements	10-12	06-28-12	716,000.00		153,951.08			28,480.63	\$ (34,367.15)	91,103.30	
Various Improvements	12-13	07-25-13	543,500.00		101,437.92			18,500.00	(40,400.00)	42,537.92	
Repair and Replacement of Public Facilities Roofs	20-13	09-26-13	80,750.00								
Landscaping Improvements	21-13	09-26-13	79,555.00	2,376.46				2,375.50		0.96	
Various Improvements	14-14	07-24-14	634,000.00		12,326.42			11,168.83		1,157.59	
Various Improvements	13-15	05-28-15	820,000.00	60,498.82			168,999.84	23,893.00		205,605.66	
Various Improvements	19-15	06-25-15	131,500.00		36,363.91		561.43	4,756.17		31,569.17	600.00
Various Improvements	17-16	07-21-16	610,400.00		166,321.38		43,210.42	83,363.25		125,363.55	805.00
Acquisition and Installation of HVAC Systems	25-16	10-27-16	76,671.08	15,943.96						15,943.96	
Demolition of Existing City Structures	26-16	11-22-16	856,329.53		825,000.38			448,883.96		376,116.42	
Acquisition of Public Works Tractor	20-17	07-20-17	31,787.98		1,887.98					1,887.98	
Various Improvements	21-17	09-05-17	538,000.00	26,900.00	511,100.00			150,693.24		387,306.76	
Various Improvements	11-18	07-19-18	1,052,000.00			\$ 1,052,000.00		91,355.00			960,645.00
Acquisition of Sport Utility Vehicles	14-18	08-16-18	74,767.15					74,363.50	74,767.15	403.65	
				<u>\$ 148,218.63</u>	<u>\$ 4,599,135.62</u>	<u>\$ 1,052,000.00</u>	<u>\$ 213,240.70</u>	<u>\$ 962,962.15</u>	<u>\$ -</u>	<u>\$ 1,336,794.06</u>	<u>\$ 3,712,838.74</u>
Disbursed								\$ 622,787.98			
Encumbrances								340,174.17			
								<u>\$ 962,962.15</u>			
Deferred Charges to Future Taxation - Unfunded						\$ 999,400.00					
Capital Improvement Fund						52,600.00					
						<u>\$ 1,052,000.00</u>					

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

Balance Dec. 31, 2017		\$	274,460.66
Increased by:			
Charged to Improvement Authorizations			<u>340,174.17</u>
			614,634.83
Decreased by:			
Disbursed	\$	42,985.83	
Canceled		<u>213,240.70</u>	
			<u>256,226.53</u>
Balance Dec. 31, 2018		\$	<u><u>358,408.30</u></u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Green Trust Loans Payable
For the Year Ended December 31, 2018

	Johnson <u>Bld</u>	Point <u>Riverfront</u>	<u>Riverfront</u>	<u>Freedom Pier</u>	<u>Total</u>
Balance Dec. 31, 2017	\$ 66,582.15	\$ 373,049.76	\$ 209,065.06	\$ 131,295.52	\$ 779,992.49
Decreased by:					
Loan Payments	14,285.21	80,037.12	28,113.26	8,213.86	130,649.45
Balance Dec. 31, 2018	<u>\$ 52,296.94</u>	<u>\$ 293,012.64</u>	<u>\$ 180,951.80</u>	<u>\$ 123,081.66</u>	<u>\$ 649,343.04</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Demolition Loan Payable
For the Year Ended December 31, 2018

	Ordinance Number	Maturities of Loan Outstanding Dec. 31, 2018 Date	Amount	Issued	Balance Dec. 31, 2018
Demolition of Existing City Structures	26-16	10-15-18-32	\$ 57,047.86	<u>\$ 856,329.53</u>	<u>\$ 856,329.53</u>

CITY OF GLOUCESTER CITY
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes Payable
For the Year Ended December 31, 2018

	<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
Acquisition of Apartments	08-05	04-29-08	04-10-17 03-05-18	03-07-18 04-27-18	2.125% 1.250%	\$ 3,930,000.00	\$ 2,430,000.00	\$ 3,930,000.00 2,430,000.00	
Southport Redevelopment Project	12-03	03-20-12	03-08-17 03-05-18	03-07-18 04-27-18	2.250% 1.250%	2,160,000.00	2,160,000.00	2,160,000.00 2,160,000.00	
Various Improvements	12-10	10-04-12	09-21-17 03-05-18	03-07-18 04-27-18	1.246% 1.250%	490,000.00	490,000.00	490,000.00 490,000.00	
Various Improvements	13-12	10-02-13	09-21-17 03-05-18	03-07-18 04-27-18	1.246% 1.250%	447,500.00	447,500.00	447,500.00 447,500.00	
Various Improvements	14-14	09-30-14	09-21-17 03-05-18	03-07-18 04-27-18	1.246% 1.250%	556,000.00	556,000.00	556,000.00 556,000.00	
Various Improvements	15-19	09-30-14	09-21-17 03-05-18	03-07-18 04-27-18	1.246% 1.250%	124,925.00	124,325.00	124,925.00 124,325.00	
Various Improvements	16-17	09-26-16	09-21-17 03-05-18	03-07-18 04-27-18	1.246% 1.250%	579,880.00	579,880.00	579,880.00 579,880.00	
Various Improvements	18-11	12-20-18	12-20-18	12-19-19	2.750%		999,400.00		\$ 999,400.00
						<u>\$ 8,288,305.00</u>	<u>\$ 7,787,105.00</u>	<u>\$ 15,076,010.00</u>	<u>\$ 999,400.00</u>
Renewals							\$ 6,787,705.00	\$ 6,787,705.00	
Issued for Cash							999,400.00		
Paid by Capital Cash								1,405.00	
Paid by Bond Funds								6,786,900.00	
Paid by Budget Appropriation								1,500,000.00	
							<u>\$ 7,787,105.00</u>	<u>\$ 15,076,010.00</u>	

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Bonds Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds	8-31-11	\$ 4,140,000.00	9-1-19	\$ 440,000.00	2.50%				
			9-1-20	455,000.00	2.50%				
			9-1-21	475,000.00	2.75%	\$ 1,795,000.00		\$ 425,000.00	\$ 1,370,000.00
General Obligation Bonds, Series 2018	4-11-18	2,708,000.00	2-15-19	193,000.00	3.00%				
			2-15-20-21	200,000.00	3.00%				
			2-15-22	205,000.00	3.00%				
			2-15-23	215,000.00	3.00%				
			2-15-24	220,000.00	3.00%				
			2-15-25	225,000.00	3.125%				
			2-15-26	235,000.00	3.125%				
			2-15-27	240,000.00	3.125%				
			2-15-28	250,000.00	3.125%				
			2-15-29	260,000.00	3.125%				
			2-15-30	265,000.00	3.125%		\$ 2,708,000.00		2,708,000.00
Taxable General Obligation Bonds, Series 2018	4-11-18	4,590,000.00	2-15-19-21	130,000.00	4.00%				
			2-15-22-23	135,000.00	4.00%				
			2-15-24	140,000.00	4.00%				
			2-15-25	145,000.00	4.00%				
			2-15-26	150,000.00	4.125%				
			2-15-27	155,000.00	4.125%				
			2-15-28	160,000.00	4.125%				
			2-15-29	165,000.00	4.125%				
			2-15-30	170,000.00	4.125%				
			2-15-31	175,000.00	4.125%				
			2-15-32	180,000.00	4.125%				
			2-15-33	190,000.00	4.125%				
			2-15-34	195,000.00	4.125%				
			2-15-35	205,000.00	4.125%				

(Continued)

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Bonds Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>					
Taxable General Obligation Bonds, Series 2018 (Cont'd)	4-11-18	\$ 4,590,000.00	2-15-36	\$ 210,000.00	4.125%				
			2-15-37	220,000.00	4.125%				
			2-15-38	225,000.00	4.25%				
			2-15-39	235,000.00	4.25%				
			2-15-40	245,000.00	4.25%				
			2-15-41-43	255,000.00	4.25%				
							\$ 4,590,000.00		\$ 4,590,000.00
						\$ 1,795,000.00	\$ 7,298,000.00	\$ 425,000.00	\$ 8,668,000.00

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

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Authorization</u>	<u>Notes Paid From Bond Funds</u>	<u>Notes Returned</u>	<u>Bonds Issued</u>	<u>Notes Issued</u>	<u>Loans Issued</u>	<u>Balance Dec. 31, 2018</u>
<u>General Improvements:</u>									
Various Improvements	14-00	\$ 405.74							\$ 405.74
Acquisition of Apartments	05-08			\$ 2,430,000.00		\$ 2,430,000.00			
Various Improvements	06-11	383.00							383.00
Southport Redevelopment Project	12-03	2,750,000.00		2,160,000.00		2,160,000.00			2,750,000.00
Various Improvements	12-10			490,000.00		490,000.00			
Various Improvements	13-12			447,500.00		447,500.00			
Various Improvements	14-14			556,000.00		556,000.00			
Various Improvements	15-19			124,325.00	\$ 600.00	124,325.00			600.00
Demolition of Existing City Structures	26-16	856,329.53						\$ 856,329.53	
Various Improvements	16-17			579,075.00	805.00	579,075.00			805.00
Various Improvements	21-17	511,100.00				511,100.00			
Various Improvements	11-18		\$ 999,400.00				\$ 999,400.00		
		<u>\$ 4,118,218.27</u>	<u>\$ 999,400.00</u>	<u>\$ 6,786,900.00</u>	<u>\$ 1,405.00</u>	<u>\$ 7,298,000.00</u>	<u>\$ 999,400.00</u>	<u>\$ 856,329.53</u>	<u>\$ 2,752,193.74</u>

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, 2018

	<u>Operating</u>	<u>Capital</u>
Balance Dec. 31, 2017	\$ 1,029,696.80	\$ 482,392.84
Increased by Receipts:		
Transfer from Collector	\$ 4,492,538.87	
Miscellaneous Revenues	113,400.94	
Refund of Appropriations	5,253.96	
New Jersey Infrastructure Short Term Loans		\$ 1,412,385.00
Bond Anticipation Note Proceeds		904,000.00
Utility Bond Proceeds		904,598.00
Due State of New Jersey		295,186.00
Capital Improvement Fund		6,000.00
Due General Capital Fund		106,074.44
Due Water and Sewer Utility Operating Fund		3,830.61
	<u>4,611,193.77</u>	<u>3,632,074.05</u>
	5,640,890.57	4,114,466.89
Decreased by Disbursements:		
2018 Budget Appropriations	3,974,514.57	
2017 Appropriation Reserves	108,532.18	
Refund of Overpayments	375.00	
Reserve for Contract Settlements	11,403.05	
Due Current Fund	13,478.94	580,521.83
Due General Capital	105,476.44	300,000.00
Accrued Interest on Bonds, Loans and Notes	266,424.89	
Improvement Authorizations		52,974.91
Bond Anticipation Notes		1,809,196.00
Due Water and Sewer Utility Operating Fund		1,955.15
	<u>4,480,205.07</u>	<u>2,744,647.89</u>
Balance Dec. 31, 2018	<u><u>\$ 1,160,685.50</u></u>	<u><u>\$ 1,369,819.00</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, 2018

Consumer Accounts Receivable	\$ 4,281,985.95	
Overpayments	18,410.22	
Miscellaneous Revenues	<u>192,142.70</u>	
		\$ 4,492,538.87
Decreased by:		
Disbursed to Treasurer		<u><u>\$ 4,492,538.87</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, 2018

	Balance (Deficit) Dec. 31, 2017	Receipts			Disbursements			Transfers		Balance (Deficit) Dec. 31, 2018
		Bonds and Loans	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
Capital Improvement Fund	\$ 41,469.60			\$ 6,000.00						\$ 47,469.60
Fund Balance	9,558.41									9,558.41
Due State of New Jersey - NJEIT	(685,726.00)			295,186.00					\$ 218,480.31	(172,059.69)
Due Current Fund	575,122.37						\$ 580,521.83		598.00	(4,801.46)
Due General Capital Fund	300,000.00			106,074.44			300,000.00			106,074.44
Due Water Utility Operating Fund	(8,486.05)			3,232.61		\$ 598.00	1,955.15	\$ 20,819.61		(28,028.20)
Encumbrances Payable	88,803.60							88,803.60	505.79	505.79
Reserve to Pay Debt	81,286.72									81,286.72
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									2,000.00	2,000.00
11-12 Replacement of Water Valves	18,252.40	\$ 20,000.00	\$ 20,000.00		\$ 4,000.00	40,000.00				14,252.40
11-12 Acquisition of Various Equipment	5,638.06	45,000.00	45,000.00		2,772.00	90,000.00				2,866.06
13-09a Water Mains	166,536.61									166,536.61
13-09b Automatic Water Meter Reading System	120,704.52							9,386.49		111,318.03
13-11b Well No. 42 Upgrades	80,920.80	34,400.00	34,400.00		1,200.00	68,800.00				79,720.80
14-15b Upgrades to Wells 42 and 43	74,265.92	50,000.00	50,000.00			100,000.00				74,265.92
15-20a Replacement of Water Mains	1,130.86	83,600.00	83,600.00		1,130.86	167,200.00				
15-20c Acquisition of SCADA System	50,000.00	47,500.00	47,500.00			95,000.00				50,000.00
16-11b Water Main Improvements to Freedom Pier	108,266.22							25,195.00	54,710.51	137,781.73
16-18b Acquisition of Equipment and Various Improvements	52,000.00	49,400.00	49,400.00			98,800.00				52,000.00
16-24 Removal and Replacement of Water Mains	(253,064.89)	532,025.00			30,878.25			249,701.83		(1,619.97)
SEWER:										
11-12 Improvements to Gravity Sewers	1,115.12	40,000.00	40,000.00			80,000.00				1,115.12
13-08a Main Systems - Cumberland, Monmouth and Hudson	3,775.47							27,652.00	100,000.00	76,123.47
13-08b Sewer System - Water Street	252,231.07							202,879.65		49,351.42
13-11a Pump Station Improvements	1,338.08	39,900.00	39,900.00		1,338.08	79,800.00				
13-11d SCADA Sewer System Upgrades	21,000.00	19,950.00	19,950.00			39,900.00				21,000.00
07-11; King Street Pumping Station	135,770.47									135,770.47
14-15a Improvements to Wet Wells and Gravity Sewers	44,000.00	41,800.00	41,800.00			83,600.00				44,000.00
15-20b Pump Station Improvements	15,322.50	71,250.00	71,250.00		1,300.00	142,500.00				14,022.50
16-11a Sanitary Sewer Main Improvements to Freedom Pier	(28,458.78)							33,145.56	32,093.09	(29,511.25)
16-18a Various Improvements to Goldy Street Pump Station	19,840.00	18,250.00	18,848.00			37,098.00				19,840.00
16-23 Various Improvements to Sanitary Sewer System	(1,124,212.60)	880,360.00			6,611.43			252.89	249,448.93	(1,267.99)
EQUIPMENT:										
13-11c Back Hoe and Various Equipment	34,129.00	80,750.00	80,750.00			161,500.00				34,129.00
14-15c Calcium Hypo Chlorine System and Various Equipment	3,744.29	53,200.00	53,200.00		3,744.29	106,400.00				
14-15d Pole Barn	40,000.00	38,000.00	38,000.00			76,000.00				40,000.00
14-15e Various Vehicles	69,089.19	171,000.00	171,000.00			342,000.00				69,089.19
	\$ 482,392.84	\$ 2,316,385.00	\$ 904,598.00	\$ 410,493.05	\$ 52,974.91	\$ 1,809,196.00	\$ 882,476.98	\$ 657,836.63	\$ 657,836.63	\$ 1,369,819.00

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 192,920.93
Increased by:		
Utility Rents Levied		<u>4,537,026.83</u>
		4,729,947.76
Decreased by:		
Rent Collections	\$ 4,281,985.95	
Overpayments Applied	<u>16,736.30</u>	
		\$ 4,298,722.25
Canceled		108,889.73
Transfer Tax Title Liens		<u>98,730.82</u>
		<u>4,506,342.80</u>
Balance Dec. 31, 2018		<u><u>\$ 223,604.96</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, 2018

Balance Dec. 31, 2017		\$ 8,486.05
Increased by:		
Budget Appropriation	\$ 598.00	
Cancellation of State of New Jersey Receivable	20,221.61	
Disbursed to Utility Operating Fund - Miscellaneous Revenue		
Anticipated - Interest on Investments	<u>1,955.15</u>	
		<u>22,774.76</u>
		31,260.81
Decreased by:		
Interest Earned on Investments		<u>3,232.61</u>
Balance Dec. 31, 2018		<u><u>\$ 28,028.20</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017 (due from)	\$ 4,191.44
Increased by:	
Disbursements	<u>13,478.94</u>
	17,670.38
Decreased by:	
Current Fund Charges:	
Water and Sewer Utility Appropriations	<u>39,303.45</u>
Balance Dec. 31, 2018 (due to)	<u><u>\$ 21,633.07</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of Water and Sewer Rent Overpayments
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 16,736.30
Increased by:	
Collections	<u>18,410.22</u>
	35,146.52
Decreased by:	
Disbursements	\$ 375.00
Applied to 2018 Rents	<u>16,736.30</u>
	<u>17,111.30</u>
Balance Dec. 31, 2018	<u><u>\$ 18,035.22</u></u>

Exhibit SD-8

WATER & SEWER UTILITY OPERATING FUND
Statement of Reserve for Contract Settlements
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 53,748.32
Decreased by:	
Disbursements	<u>11,403.05</u>
Balance Dec. 31, 2018	<u><u>\$ 42,345.27</u></u>

Exhibit SD-9

WATER & SEWER UTILITY OPERATING FUND
Statement of Due General Capital Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 105,476.44
Decreased by:	
Disbursements	<u><u>\$ 105,476.44</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY OPERATING FUND
Statement of 2017 Appropriation Reserves and Encumbrances
For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>		<u>Modified</u>		<u>Balance</u>
	<u>Reserves</u>	<u>Encumbrances</u>	<u>Balance</u>	<u>Disbursed</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 25,234.94		\$ 25,234.94	\$ 8,864.20	\$ 16,370.74
Other Expenses	99,133.18	\$ 46,889.26	146,022.44	99,667.98	46,354.46
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I)	505.62		505.62		505.62
	<hr/>				
	\$ 124,873.74	\$ 46,889.26	\$ 171,763.00	\$ 108,532.18	\$ 63,230.82

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, 2018

Balance Dec. 31, 2017	\$ 103,168.49
Increased by:	
Budget Appropriation for:	
Interest on Bonds	\$ 51,822.73
Interest on Notes	2,221.63
Interest on Loans	<u>212,040.91</u>
	<u>266,085.27</u>
	369,253.76
Decreased by:	
Interest Paid	<u>266,424.89</u>
Balance Dec. 31, 2018	<u><u>\$ 102,828.87</u></u>

Analysis of Accrued Interest Dec. 31, 2018

Principal Outstanding Dec. 31, 2018		Interest Rate	From	To	Period	Amount
NJ Environmental Infrastructure Trust Loan:						
\$ 145,000.00	2001 Project	4.828%	08-01-18	12-31-18	150 days	\$ 2,916.66
80,000.00	2002 Project	4.938%	08-01-18	12-31-18	150 days	1,645.83
3,055,000.00	2008 Project	5.198%	08-01-18	12-31-18	150 days	65,260.32
255,000.00	2014 Project	3.696%	08-01-18	12-31-18	150 days	3,873.29
280,000.00	2014 Project	3.676%	08-01-18	12-31-18	150 days	4,230.31
100,000.00	2016 Project	3.506%	08-01-18	12-31-18	150 days	1,440.93
135,000.00	2016 Project	3.375%	08-01-18	12-31-18	150 days	1,872.44
55,000.00	2017 Project	4.273%	08-01-18	12-31-18	150 days	965.75
45,000.00	2017 Project	4.681%	08-01-18	12-31-18	150 days	<u>865.58</u>
Total NJ Environmental Infrastructure Trust Loan						<u>83,071.11</u>
Bonds						
700,000.00		2.500%	09-01-18	12-31-18	120 days	5,833.33
350,000.00		2.750%	09-01-18	12-31-18	120 days	3,208.33
199,000.00		3.000%	08-16-18	12-31-18	135 days	2,238.75
425,000.00		3.125%	08-16-18	12-31-18	135 days	4,980.47
160,000.00		3.250%	08-16-18	12-31-18	135 days	1,950.00
60,000.00		3.375%	08-16-18	12-31-18	135 days	759.38
60,000.00		3.500%	08-16-18	12-31-18	135 days	<u>787.50</u>
Total Bond Accrued Interest						<u>19,757.76</u>
Total Accrued Interest						<u><u>\$ 102,828.87</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Accounts Receivable - Due from State of New Jersey
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 685,726.00
Decreased by:		
Receipts:		
Federal	\$ 52,325.00	
State	<u>242,861.00</u>	
	\$ 295,186.00	
Loan Principal Deobligated	198,258.70	
Cancellation of Receivable	<u>20,221.61</u>	
Receipts		<u>513,666.31</u>
Balance Dec. 31, 2018		<u><u>\$ 172,059.69</u></u>

Exhibit SD-13

WATER & SEWER UTILITY CAPITAL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 575,122.37
Increased by:		
Disbursed by the Current Fund		<u>598.00</u>
		575,720.37
Decreased by:		
Disbursed		<u>580,521.83</u>
Balance Dec. 31, 2018		<u><u>\$ 4,801.46</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2018

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2018</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
Schedule of Fixed Capital Authorized and Uncompleted
As of December 31, 2018

<u>Improvement Description</u>	<u>Ordinance</u>			<u>Balance</u>
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2018</u>
WATER:				
Replacement of Water Treatment Plant	09-07	05-24-07	\$ 9,445,000.00	\$ 9,445,000.00
Water Plant Supplement	03-09	02-19-09	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	06-06-11	625,000.00	401,481.00
Replacement of Water Valves	11-12a	06-28-12	37,000.00	37,000.00
Acquisition of Various Equipment	11-12c	06-28-12	80,800.00	80,800.00
Water Mains	13-09a	05-23-13	1,155,774.00	1,155,774.00
Automatic Water Meter Reading System	13-09b	05-23-13	936,923.00	936,923.00
Well No. 42 Upgrades	13-11b	07-25-13	90,000.00	90,000.00
Upgrades to Wells 42 and 43	14-15b	07-24-14	95,500.00	95,500.00
Replacement of Water Mains	15-20a	06-24-15		88,000.00
Acquisition of SCADA System	15-20c	06-24-15		50,000.00
Water Main Improvements to Freedom Pier	16-11b	06-06-16		310,000.00
Acquisition of Equipment and Various Improvements	16-18b	07-21-16		52,000.00
Removal and Replacement of Water Mains	16-24	10-20-16		1,100,000.00
Various Utility Improvements on 5th Street	16-27c	12-05-16		223,519.00
SEWER				
Improvements to Chestnut Street Pumping Station	07-11	06-06-11	280,000.00	116,182.93
Improvements to Gravity Sewers	11-12b	06-28-12	65,000.00	65,000.00
Main Systems - Cumberland, Monmouth & Hudson	13-08a	05-23-13	1,568,921.00	1,468,921.00
Sewer System - Water Street	13-08b	05-23-13	588,596.00	688,596.00
Pump Station Improvements	13-11a	07-25-13	42,000.00	42,000.00
SCADA Sewer System Upgrades	13-11d	07-25-13	21,000.00	21,000.00
King Street Pumping Station	13-13	07-25-13	163,817.07	163,817.07
Improvements to Wet Wells and Gravity Sewers	14-15a	07-24-14	44,000.00	44,000.00
Emergency Generators for Pump Stations	15-20b	06-24-15		75,000.00
Sanitary Sewer Main Improvements to Freedom Pier	16-11a	06-06-16		210,000.00
Various Improvements to Goldy Street Pump Station	16-18a	07-21-16		19,840.00
Various Improvements to Sanitary Sewer System	16-23	10-20-16		2,150,000.00
EQUIPMENT:				
Improvements to Gravity Sewers	13-11c	07-25-13	85,000.00	85,000.00
Calcium Hypo Chlorine System and Various Equipment	14-15c	07-24-14	56,000.00	56,000.00
Pole Barn	14-15d	07-24-14	40,000.00	40,000.00
Various Vehicles	14-15e	07-24-14	180,000.00	180,000.00
				<u>\$ 21,069,354.00</u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 41,469.60
Increased by:	
Receipts - Budget Appropriation	<u>6,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 47,469.60</u></u>

Exhibit SD-17

WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 88,803.60
Increased by:	
Charged to Improvement Authorizations	<u>505.79</u>
	89,309.39
Decreased by:	
Reserve for Encumbrances Canceled	<u>88,803.60</u>
Balance Dec. 31, 2018	<u><u>\$ 505.79</u></u>

Exhibit SD-18

WATER & SEWER UTILITY CAPITAL FUND
Statement of Due General Capital Fund
For the Year Ended December 31, 2018

Balance Dec. 31, 2017	\$ 300,000.00
Increased by:	
Receipts	<u>106,074.44</u>
	406,074.44
Decreased by:	
Disbursements	<u>300,000.00</u>
Balance Dec. 31, 2018	<u><u>\$ 106,074.44</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2018

Balance Dec. 31, 2017		\$ 22,550,328.43
Increased by:		
Paid by Budget Appropriation:		
NJ Environmental Infrastructure Trust	\$ 680,682.27	
Serial Bonds	350,000.00	
Budget Appropriation	598.00	
Loans Canceled	<u>406,369.30</u>	
		<u>1,437,649.57</u>
Balance Dec. 31, 2018		<u><u>\$ 23,987,978.00</u></u>

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Schedule of Deferred Reserve for Amortization
As of December 31, 2018

	<u>Ordinance Number</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2018</u>
WATER:			
Various Improvements	21-05	08-04-05	\$ 305,000.00
Preliminary Design Costs for Water Treatment Plant	02-07	02-22-07	99,617.00
Replacement of Water Treatment Plant	09-07	05-24-07	23,000.00
Water Plant Supplement	03-09	02-19-09	1,500,000.00
Acquisition of Utility Vehicle	24-10	10-21-10	3,900.00
Improvements to the Broadway Water Tank	07-11	06-16-11	20,074.00
Replacement of Water Valves	11-12	06-28-12	1,850.00
Acquisition of Various Equipment	11-12	06-28-12	4,040.00
Well No. 42 Upgrades	13-11b	07-25-13	4,500.00
Upgrades to Wells 42 and 43	14-15b	07-25-13	4,775.00
Replacement of Water Mains	15-20a	06-25-15	4,400.00
Acquisition of SCADA System	15-20c	06-25-15	2,500.00
Acquisition of Equipment and Various Improvements	16-18b	07-21-16	2,600.00
Various Utility Improvements on 5th Street	16-27c	12-05-16	11,176.00
SEWER:			
Various Improvements	25-06	11-20-06	383.00
Improvements to Chestnut Street Pumping Station	07-11	06-16-11	14,000.00
Improvements to Gravity Sewers	11-12	06-28-12	3,250.00
Pump Station Improvements	13-11a	07-25-13	2,100.00
SCADA Sewer System Upgrades	13-11d	07-25-13	1,050.00
Improvements to Wet Wells and Gravity Sewers	14-15a	07-25-13	2,200.00
Pump Station Improvements	15-20b	06-25-15	3,750.00
Various Improvements to Goldy Street Pump Station	16-18b	07-21-16	992.00
EQUIPMENT:			
Back Hoe and Various Equipment	13-11c	07-25-13	4,250.00
Calcium Hypo Chlorine System and Various Equipment	14-15c	07-24-14	2,800.00
Pole Barn	14-15d	07-24-14	2,000.00
Various Vehicles	14-15e	07-24-14	9,000.00
			<u>\$ 2,033,207.00</u>

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

Improvement Description	Ordinance			Balance Dec. 31, 2017		Reserve For Encumbrances Canceled	Paid or Charged	Reclassification of Prior Year Expenditures	Improvement Authorizations Reappropriated	Balance Dec. 31, 2018	
	Number	Date	Amount	Funded	Unfunded					Funded	Unfunded
General Improvements:											
WATER:											
Replacement of Water Treatment Plant	09-07	05-24-07	\$ 9,445,000.00	\$ 101,230.98	\$ 117,262.00					\$ 101,230.98	\$ 117,262.00
Water Plant Supplement	03-09	02-19-09	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	06-16-11	401,481.00			\$ 2,000.00				2,000.00	
Replacement of Water Valves	11-12a	06-28-12	37,000.00		18,252.40		\$ 4,000.00			14,252.40	
Acquisition of Various Equipment	11-12c	06-28-12	80,800.00		5,638.06		2,772.00			2,866.06	
Water Mains	13-09a	05-23-13	1,155,774.00	166,536.61	453,531.00					166,536.61	453,531.00
Automatic Water Meter Reading System	13-09b	05-23-13	936,923.00	120,704.52	56,440.00					120,704.52	56,440.00
Well No. 42 Upgrades	13-11b	07-25-13	90,000.00		80,920.80		1,200.00			79,720.80	
Upgrades to Wells 42 and 43	14-15b	07-24-14	95,000.00		74,265.92					74,265.92	
Replacement of Water Mains	15-20a	06-25-15	88,000.00		1,130.86		1,130.86				
Acquisition of SCADA System	15-20c	06-25-15	50,000.00	2,500.00	47,500.00					50,000.00	
Water Main Improvements to Freedom Pier	16-11b	06-06-16	310,000.00	108,266.22	8,342.00	54,710.51				162,976.73	8,342.00
Acquisition of Equipment and Various Improvements	16-18b	07-21-16	52,000.00	2,600.00	49,400.00					52,000.00	
Removal and Replacement of Water Mains	16-24	10-20-16	1,100,000.00		846,935.11		15,984.87	\$ (264,595.21)			566,355.03
SEWER:											
Improvements to Gravity Sewers	11-12b	06-28-12	65,000.00		1,115.12					1,115.12	
Main Systems - Cumberland, Monmouth and Hudson	13-08a	05-23-13	1,468,921.00	3,775.47	231,874.00				\$ 100,000.00	103,775.47	231,874.00
Sewer System - Water Street	13-08b	05-23-13	688,596.00	252,231.07	90,970.00				(100,000.00)	152,231.07	90,970.00
Pump Station Improvements	13-11a	07-25-13	42,000.00		1,338.08		1,338.08				
SCADA Sewer System Upgrades	13-11d	07-25-13	21,000.00	1,050.00	19,950.00					21,000.00	
King Street Pumping Station	07-11;13-13	07-25-13	163,817.07	135,770.47						135,770.47	
Improvements to Wet Wells and Gravity Sewers	14-15a	07-24-14	44,000.00	2,200.00	41,800.00					44,000.00	
Pump Station Improvements	15-20b	06-25-15	75,000.00		15,322.50		1,300.00			14,022.50	
Sanitary Sewer Main Improvements to Freedom Pier	16-11a	06-06-16	210,000.00		81,541.22	32,093.09				3,634.31	110,000.00
Various Improvements to Goldy Street Pump Station	16-18a	07-21-16	19,840.00	992.00	18,848.00					19,840.00	
Various Improvements to Sanitary Sewer System	16-23	10-20-16	2,150,000.00		1,025,787.40		22,010.60	264,595.21			1,268,372.01
EQUIPMENT:											
Back Hoe and Various Equipment	13-11c	07-25-13	85,000.00		34,129.00					34,129.00	
Calcium Hypo Chlorine System and Various Equipment	14-15c	07-24-14	56,000.00		3,744.29		3,744.29				
Pole Barn	14-15d	07-24-14	40,000.00	2,000.00	38,000.00					40,000.00	
Various Vehicles	14-15e	07-24-14	180,000.00		69,089.19					69,089.19	
				\$ 965,656.24	\$ 3,433,126.95	\$ 88,803.60	\$ 53,480.70	\$ -	\$ -	\$ 1,530,960.05	\$ 2,903,146.04
Disbursed							\$ 52,974.91				
Reserve for Encumbrances							505.79				
							<u>\$ 53,480.70</u>				

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2018

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
			<u>Year</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan	2001	\$ 645,000.00	2019	\$ 30,967.80	4.830%			
			2020	35,284.05	4.750%			
			2021	35,110.61	4.630%	\$ 190,000.00	\$ 88,637.54	\$ 101,362.46
NJ Environmental Infrastructure Fund Loan	2001	678,128.00	2019	33,715.04				
			2020	35,498.03				
			2021	33,958.38		138,345.31	35,173.86	103,171.45
NJ Environmental Infrastructure Trust Loan	2002	275,000.00	2019	19,035.49	4.940%			
			2020	19,038.81	4.920%			
			2021	19,041.94	4.880%			
			2022	19,049.66	4.750%	100,000.00	23,834.10	76,165.90
NJ Environmental Infrastructure Fund Loan	2002	274,572.00	2019	15,282.80				
			2020	14,644.68				
			2021	14,006.57				
			2022	13,368.63		73,223.58	15,920.90	57,302.68

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2018

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
			<u>Year</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan	2008	\$ 4,765,000.00	2019	\$ 219,000.00	5.250%			
			2020	228,000.00	5.500%			
			2021	240,000.00	5.500%			
			2022	253,000.00	5.500%			
			2023	265,000.00	5.500%			
			2024	277,000.00	5.000%			
			2025	295,000.00	5.000%			
			2026	309,000.00	5.000%			
			2027	320,000.00	5.000%			
			2028	337,000.00	5.000%	\$ 3,285,000.00	\$ 542,000.00	\$ 2,743,000.00
NJ Environmental Infrastructure Loan	2008	4,562,738.00	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		2,638,728.64	241,141.23	2,397,587.41
NJ Environmental Infrastructure Fund Loan	2014	901,614.00	2019-2031	45,844.77				
			2032	29,424.73		671,251.51	45,844.77	625,406.74

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2018

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
			<u>Year</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan	2014	\$ 295,000.00	2019	\$ 10,000.00	5.000%	\$ 265,000.00	\$ 10,000.00	\$ 255,000.00
			2020-2026	15,000.00	3.000%			
			2027-2032	20,000.00	3.125%			
			2033	20,000.00	3.250%			
NJ Environmental Infrastructure Fund Loan	2014	1,005,218.00	2019-2031	17,037.60		239,877.80	17,037.60	222,840.20
			2032	1,351.40				
NJ Environmental Infrastructure Trust Loan	2014	330,000.00	2019-2024	15,000.00	5.000%	295,000.00	15,000.00	280,000.00
			2025-2031	20,000.00	3.000%			
			2032	25,000.00	3.125%			
			2033	25,000.00	3.250%			
NJ Environmental Infrastructure Fund Loan	2016	338,377.00	2019-2034	17,205.60		309,701.00	17,205.60	292,495.40
			2035	17,205.80				
NJ Environmental Infrastructure Trust Loan	2016	110,000.00	2019-2023	5,000.00	5.000%	105,000.00	5,000.00	100,000.00
			2024-2027	5,000.00	4.000%			
			2028-2031	5,000.00	2.000%			
			2032	5,000.00	2.125%			
			2033-2035	10,000.00	3.000%			
NJ Environmental Infrastructure Fund Loan	2016	452,626.00	2019-2030	23,014.87		414,267.88	124,389.87	289,878.01
			2031	23,015.09				

(Continued)

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of NJ Environmental Infrastructure Trust Loans
For the Year Ended December 31, 2018

	<u>Year Issued</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
			<u>Year</u>	<u>Amount</u>				
NJ Environmental Infrastructure Trust Loan	2016	\$ 145,000.00	2019-2023	\$ 5,000.00	5.000%			
			2024	5,000.00	4.000%			
			2025-2027	10,000.00	4.000%			
			2028-2030	10,000.00	2.000%			
			2031	5,000.00	2.125%			
			2032-2035	10,000.00	3.000%	\$ 140,000.00	\$ 5,000.00	\$ 135,000.00
NJ Environmental Infrastructure Fund Loan - Sewer Series 2017A-2 CW	2017	136,874.00	2019-23	14,159.37				
			2024	4,283.57		136,874.00	61,793.58	75,080.42
Infrastructure Trust Loan - Sewer Series 2017A-2 CW	2017	45,000.00	2019-2026	5,000.00	5.000%			
			2027	5,000.00	2.125%	45,000.00		45,000.00
Infrastructure Fund Loan - Water Series 2017A-2 DW	2017	164,784.00	2019-27	14,124.33				
			2028	333.81		164,784.00	37,331.22	127,452.78
Infrastructure Trust Loan - Water Series 2017A-2 DW	2017	55,000.00	2019-2026	5,000.00	5.000%			
			2027	5,000.00	2.125%			
			2028	5,000.00	2.375%			
			2029	5,000.00	2.500%	55,000.00		55,000.00
						<u>\$ 9,267,053.72</u>	<u>\$ 1,285,310.27</u>	<u>\$ 7,981,743.45</u>
Budget Appropriation							\$ 680,682.27	
Loan Canceled							406,369.30	
Loan Principal Deobligated							198,258.70	
							<u>\$ 1,285,310.27</u>	

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Water & Sewer Capital Serial Bonds Payable
For the Year Ended December 31, 2018

	<u>Date Issued</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Bonds Issued</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Year</u>	<u>Amount</u>					
Water and Sewer Obligation Bond Non Callable	08-31-11	\$ 2,935,000.00	2019	\$ 350,000.00	2.50%				
			2020	350,000.00	2.50%				
			2021	350,000.00	2.75%	\$ 1,400,000.00		\$ 350,000.00	\$ 1,050,000.00
Water and Sewer Obligation Bond	04-11-18	904,000.00	02-15-19	34,000.00	3.000%				
			02-15-20	30,000.00	3.000%				
			02-15-21	30,000.00	3.000%				
			02-15-22	35,000.00	3.000%				
			02-15-23	35,000.00	3.000%				
			02-15-24	35,000.00	3.000%				
			02-15-25	35,000.00	3.125%				
			02-15-26	35,000.00	3.125%				
			02-15-27	40,000.00	3.125%				
			02-15-28	40,000.00	3.125%				
			02-15-29	40,000.00	3.125%				
			02-15-30	45,000.00	3.125%				
			02-15-31	45,000.00	3.125%				
			02-15-32	45,000.00	3.125%				
			02-15-33	50,000.00	3.125%				
			02-15-34	50,000.00	3.125%				
			02-15-35	50,000.00	3.250%				
			02-15-36	55,000.00	3.250%				
			02-15-37	55,000.00	3.250%				
			02-15-38	60,000.00	3.375%				
			02-15-39	60,000.00	3.500%				
						\$ 904,000.00		904,000.00	
						\$ 1,400,000.00	\$ 904,000.00	\$ 350,000.00	\$ 1,954,000.00

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2018

<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, 2017</u>	<u>Increased</u>	<u>Decreased</u>
Various Improvements to the Sewer and Water Utility Systems	11-12	10-02-13	09-25-17	03-07-18	1.246%	\$ 105,000.00		\$ 105,000.00
	11-12	10-02-13	03-05-18	04-27-18	1.250%		\$ 105,000.00	105,000.00
Various Improvements to the Sewer and Water Utility Systems	11-13	10-02-13	09-25-17	03-07-18	1.246%	175,000.00		175,000.00
	11-13	10-02-13	03-05-18	04-27-18	1.250%		175,000.00	175,000.00
Various Improvements to the Sewer and Water Utility Systems	15-14	09-30-14	09-25-17	03-07-18	1.246%	354,000.00		354,000.00
	15-14	09-30-14	03-05-18	04-27-18	1.250%		354,000.00	354,000.00
Various Improvements to the Sewer and Water Utility Systems	20-15	09-28-15	09-25-17	03-07-18	1.246%	202,350.00		202,350.00
	20-15	09-28-15	03-05-18	04-27-18	1.250%		202,350.00	202,350.00
Various Improvements to the Sewer and Water Utility Systems	18-16	09-26-16	09-25-17	03-07-18	1.246%	68,248.00		68,248.00
	18-16	09-26-16	03-05-18	04-27-18	1.250%		68,248.00	68,248.00
						<u>\$ 904,598.00</u>	<u>\$ 904,598.00</u>	<u>\$ 1,809,196.00</u>
Renewals							\$ 904,598.00	\$ 904,598.00
Utility Bonds Issued								904,000.00
Paid by Budget Appropriation								598.00
						<u>\$ 904,598.00</u>	<u>\$ 1,809,196.00</u>	

CITY OF GLOUCESTER CITY
WATER & SEWER UTILITY CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2018

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2017</u>	<u>Notes Paid From Bond Funds</u>	<u>Bonds Issued</u>	<u>Loans Cancelled</u>	<u>Loans Issued</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
General Improvements:								
WATER:								
Replacement of Water Treatment Plant	09-07	\$ 117,262.00						\$ 117,262.00
Replacement of Water Valves	11-12a		\$ 20,000.00	\$ 20,000.00				
Acquisition of Various Equipment	11-12c		45,000.00	45,000.00				
Water Mains	13-09a	453,531.00						453,531.00
Automatic Water Meter Reading System	13-09b	56,440.00			\$ 9,386.49			65,826.49
Well No. 42 Upgrades	13-11b		34,400.00	34,400.00				
Upgrades to Wells 42 and 43	14-15b		50,000.00	50,000.00				
Replacement of Water Mains	15-20a		83,600.00	83,600.00				
Acquisition of SCADA System	15-20c		47,500.00	47,500.00				
Water Main Improvements to Freedom Pier	16-11b	8,342.00			25,195.00			33,537.00
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				\$ 532,025.00		567,975.00
SEWER:								
Improvements to Gravity Sewers	11-12b		40,000.00	40,000.00				
Main Systems - Cumberland, Monmouth and Hudson	13-08a	231,874.00			27,652.00			259,526.00
Sewer System - Water Street	13-08b	90,970.00			102,879.65			193,849.65
Pump Station Improvements	13-11a		39,900.00	39,900.00				
SCADA Sewer System Upgrades	13-11d		19,950.00	19,950.00				
Improvements to Wet Wells & Gravity Sewers	14-15a		41,800.00	41,800.00				
Pump Station Improvements	15-20b		71,250.00	71,250.00				
Sanitary Sewer Main Improvements to Freedom Pier	16-11a	110,000.00			33,145.56			143,145.56
Various Improvements to Goldy Street Pump Station	16-18a		18,848.00	18,250.00			\$ 598.00	
Various Improvements to Sanitary Sewer System	16-23	2,150,000.00				880,360.00		1,269,640.00
EQUIPMENT:								
Back Hoe & Various Equipment	13-11c		80,750.00	80,750.00				
Calcium Hypo Chlorine System and Various Equipment	14-15c		53,200.00	53,200.00				
Pole Barn	14-15d		38,000.00	38,000.00				
Various Vehicles	14-15e		171,000.00	171,000.00				
		<u>\$ 4,318,419.00</u>	<u>\$ 904,598.00</u>	<u>\$ 904,000.00</u>	<u>\$ 198,258.70</u>	<u>\$ 1,412,385.00</u>	<u>\$ 598.00</u>	<u>\$ 3,104,292.70</u>

PART II

SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

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 State 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 *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the City of Gloucester City's major state programs for the year ended December 31, 2018. The City of Gloucester City's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Gloucester City's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and State of New Jersey Circular 15-08-OMB require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of 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 state program. However, our audit does not provide a legal determination of the City of Gloucester City's compliance.

Opinion on Each Major State 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 state programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

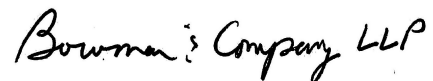
Management of the City of Gloucester City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Gloucester City's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of New Jersey Circular 15-08-OMB, 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of New Jersey Circular 15-08-OMB. Accordingly, this report 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
August 28, 2019

GLOUCESTER CITY
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

State Grantor/ Program Title	State GMIS Number	Program or Award Amount	Match	Grant Period		December 31, 2017		Revenue Recognized
				From	To	Accounts Receivable	Deferred Revenue	
Federal, State and Local Grant Fund								
Department of the Attorney General								
Body Armor Replacement Fund	718-066-1020-001	\$ 2,665.36	N/A	Unavailable		\$	2,665.36	
Body Armor Replacement Fund	718-066-1020-001	2,910.35	N/A	Unavailable			2,910.35	
Total Body Armor Replacement Fund						-	5,575.71	-
Drunk Driving Enforcement Fund	100-066-6400-XXXX	12,927.52	N/A	Unavailable			3,777.81	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	2,105.31	N/A	Unavailable			2,105.31	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	7,335.04	N/A	Unavailable			7,335.04	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	2,281.43	N/A	Unavailable			1,906.43	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	1,736.86	N/A	Unavailable			1,736.86	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	2,500.00	N/A	Unavailable			2,500.00	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	2,830.96	N/A	Unavailable			2,796.89	
Drunk Driving Enforcement Fund	100-066-6400-XXXX	2,000.00	N/A	Unavailable				\$ 2,000.00
Total Drunk Driving Enforcement Fund						-	22,158.34	2,000.00
Total Department of the Attorney General						-	27,734.05	2,000.00
Department of Environmental Protection								
Clean Communities Program	765-042-4900-004	25,560.19	N/A	Unavailable			1,041.61	
Clean Communities Program	765-042-4900-004	21,714.99	N/A	Unavailable			19,676.10	
Clean Communities Program	765-042-4900-004	20,780.21	N/A	Unavailable				20,780.21
Total Clean Communities Program						-	20,717.71	20,780.21
Hazardous Discharge Site Remediation Grants:								
Sewer Treatment Plan	516-042-4815-003	Unavailable	N/A	Unavailable			9,920.32	
Empire Vending INC Site	516-042-4815-003	Unavailable	N/A	Unavailable			29,593.20	
Railroad & VA Property Site	516-042-4815-003	Unavailable	N/A	Unavailable		\$ 114,923.00	122,798.00	
Former Amspec Chemical Site	516-042-4815-003	Unavailable	N/A	Unavailable		17,646.00	36,714.75	
Gloucester Point Site	516-042-4815-003	Unavailable	N/A	Unavailable		370.06	370.06	
BP/ARCO Site	516-042-4815-003	Unavailable	N/A	Unavailable		40,169.98	38,564.23	
Total Hazardous Discharge Site Remediation Grants:						173,109.04	237,960.56	-
Recycling Tonnage Grant	752-042-4900-001	Unavailable	N/A	Unavailable			39,870.09	
Recycling Tonnage Grant	752-042-4900-001	14,813.94	N/A	Unavailable			14,813.94	
Recycling Tonnage Grant	752-042-4900-001	13,838.10	N/A	Unavailable			13,838.10	
Recycling Tonnage Grant	752-042-4900-001	13,767.63	N/A	Unavailable			13,767.63	
Recycling Tonnage Grant	752-042-4900-001	13,465.80	N/A	Unavailable			13,465.80	
Recycling Tonnage Grant	752-042-4900-001	2,500.00	N/A	Unavailable			2,500.00	
Recycling Tonnage Grant	752-042-4900-001	13,892.88	N/A	Unavailable			13,892.88	
Recycling Tonnage Grant	752-042-4900-001	13,687.63	N/A	Unavailable			13,687.41	0.22
Total Hazardous Discharge Site Remediation Grants:						-	125,835.85	0.22
Total Department of Environmental Protection						173,109.04	384,514.12	20,780.43
Department of Treasury								
Governor's Council on Alcoholism and Drug Abuse								
Municipal Alliance	100-082-2000-044	Unavailable	N/A	Unavailable		22,417.73	17,704.69	
Municipal Alliance	100-082-2000-044	10,602.79	3,938.21	Unavailable		3,635.25	14,541.00	
Municipal Alliance	100-082-2000-044	14,104.77	3,526.19	Unavailable			17,630.96	
Municipal Alliance	100-082-2000-044	14,104.77	3,526.19	Unavailable				17,630.96
Municipal Alliance	100-082-2000-044	Unavailable	N/A	Unavailable		26,052.98	49,876.65	17,630.96

GLOUCESTER CITY
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

<u>Cash Receipts</u>	<u>Canceled</u>	<u>Adjustments</u>	<u>Disbursements or Expenditures</u>	<u>Encumbrances</u>	<u>December 31, 2018</u>		<u>(Memo Only)</u>	
					<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Cash Received 2018</u>	<u>Accumulated Expenditures</u>
			\$ 2,665.36					\$ 2,665.36
			2,910.35					2,910.35
-	-	-	5,575.71	-	-	-	-	5,575.71
			884.50			\$ 2,893.31		10,034.21
			521.40			1,583.91		521.40
			250.00			7,085.04		250.00
			750.00			1,156.43		750.00
						1,736.86		
						2,500.00		
						2,796.89		
\$ 2,000.00						2,000.00	\$ 2,000.00	
2,000.00	-	-	2,405.90	-	-	21,752.44	2,000.00	11,555.61
2,000.00	-	-	7,981.61	-	-	21,752.44	2,000.00	17,131.32
						1,041.61		24,518.58
20,780.21		\$ 200.00 (a)	18,958.45	\$ 100.00		817.65		
						20,780.21	20,780.21	
20,780.21	-	200.00	18,958.45	100.00	-	22,639.47	20,780.21	24,518.58
						9,920.32		Unavailable
						29,593.20		Unavailable
					\$ 114,923.00	122,798.00		Unavailable
					17,646.00	36,714.75		Unavailable
					370.06	370.06		Unavailable
					40,169.98	38,564.23		Unavailable
-	-	-	-	-	173,109.04	237,960.56	-	-
			14,090.90	1,787.05		23,992.14		15,877.95
						14,813.94		
						13,838.10		
						13,767.63		
						13,465.80		
						2,500.00		
						13,892.88		
0.22						13,687.63	0.22	
0.22	-	-	14,090.90	1,787.05	-	109,958.12	0.22	15,877.95
20,780.43	-	200.00	33,049.35	1,887.05	173,109.04	370,558.15	20,780.43	40,396.53
		526.50 (a)	13,176.00	1,591.00	22,417.73	3,464.19		14,767.00
					3,635.25	14,541.00		
						17,630.96		
9,873.19					7,757.77	17,630.96	9,873.19	
9,873.19	-	526.50	13,176.00	1,591.00	33,810.75	53,267.11	9,873.19	14,767.00

(Continued)

GLOUCESTER CITY
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

State Grantor/ Program Title	State GMIS Number	Program or Award Amount	Match	Grant Period		December 31, 2017		Revenue Recognized
				From	To	Accounts Receivable	Deferred Revenue	
Federal, State and Local Grant Fund (Cont'd)								
Department of Health and Senior Services								
Alcohol, Education, Rehabilitation and Enforcement Trust Fund								
Alcohol Education Rehabilitation Fund	760-098-9735-001	\$ 4,774.08	N/A	Unavailable		\$ 4,556.55		
Alcohol Education Rehabilitation Fund	760-098-9735-001	2,830.96	N/A	Unavailable		2,830.96		
Alcohol Education Rehabilitation Fund	760-098-9735-001	1,611.11	N/A	Unavailable				\$ 1,611.11
Total Alcohol, Education, Rehabilitation and Enforcement Trust Fund						-	7,387.51	1,611.11
Department of Transportation								
Municipal Aid Program:								
Centers of Place - Broadway Decorative								
Str Street Lighting	480-078-6320-AM		N/A	Unavailable	\$ 38,759.49	24,787.22		
Broadway Lighting Phase II	480-078-6320-AM		N/A	Unavailable		17,612.63		
Monmouth Street - Phase II	480-078-6320-AM		N/A	Unavailable	124,096.76	131,492.76		
Cumberland Street	480-078-6320-AM		N/A	Unavailable	20,469.30	43,027.30		
Chestnut Avenue and Walnut Avenue	480-078-6320-AM		N/A	Unavailable	24,303.77	21,920.25		
Miller Avenue	480-078-6320-AM	122,455.00	N/A	Unavailable				122,455.00
Champion Road	480-078-6320-AM	150,965.00	N/A	Unavailable				150,965.00
Safe Routes to Schools	480-078-6320-AM		N/A	Unavailable	343,000.00	442,776.00		
Fifth Street Reconstruction	480-078-6320-AM		N/A	Unavailable	53,727.00			
Total Department of Transportation						604,356.32	681,616.16	273,420.00
Other State Grants								
Urban Enterprise Zone - Administration	N/A	Unavailable	N/A	Unavailable		23,163.47		
Economic Development Site Fund	N/A	Unavailable	N/A	Unavailable	825,130.42	478,360.68		
Total Other State Grants						825,130.42	501,524.15	-
Total Federal and State Grant Fund						1,628,648.76	1,652,652.64	315,442.50
General Capital Fund								
State Department of Community Affairs:								
Demolition Loan Program	N/A	856,329.53	N/A	Open				856,329.53
Water and Sewer Utility Fund								
Department of Environmental Protection:								
Division of Water Quality:								
Environmental Infrastructure Trust	N/A		N/A	Open	24,860.00	24,860.00		
Environmental Infrastructure Trust	N/A		N/A	Open	15,219.00	15,219.00		
Environmental Infrastructure Trust	N/A		N/A	Open	101,375.00	101,375.00		
Environmental Infrastructure Trust	N/A		N/A	Open	27,916.00	27,916.00		
Environmental Infrastructure Trust	N/A		N/A	Open	86,024.00	86,024.00		
Environmental Infrastructure Trust	N/A		N/A	Open	28,674.00	28,674.00		
Environmental Infrastructure Trust	N/A	84,549.00	N/A	Open	84,549.00	52,354.00		
Environmental Infrastructure Trust	N/A	45,000.00	N/A	Open	45,000.00	16,826.00		
Environmental Infrastructure Trust	N/A	164,784.00	N/A	Open	164,784.00	27,915.00		
Environmental Infrastructure Trust	N/A	55,000.00	N/A	Open	55,000.00	9,377.00		
Environmental Infrastructure Trust	N/A	1,250,262.00	N/A	Open				1,250,262.00
Environmental Infrastructure Trust	N/A	589,136.00	N/A	Open				589,136.00
Total Water and Sewer Utility Fund						633,401.00	390,540.00	1,839,398.00
Total State Financial Assistance						\$ 2,262,049.76	\$ 2,043,192.64	\$ 3,011,170.03

(a) Prior year encumbrances cancelled

(b) Amounts that were expended in the previous year before the grant was awarded and reimbursed with grant funds.

The accompanying Notes to Financial Statements and Notes to Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

GLOUCESTER CITY
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

<u>Cash Receipts</u>	<u>Canceled</u>	<u>Adjustments</u>	<u>Disbursements or Expenditures</u>	<u>Encumbrances</u>	<u>December 31, 2018</u>		<u>(Memo Only)</u>	
					<u>Accounts Receivable</u>	<u>Deferred Revenue</u>	<u>Cash Received 2018</u>	<u>Accumulated Expenditures</u>
						\$ 4,556.55		\$ 217.53
						2,830.96		
\$ 1,611.11						1,611.11	\$ 1,611.11	
1,611.11	-	-	-	-	-	8,998.62	1,611.11	217.53
					\$ 38,759.49	24,787.22		
						17,612.63		
					124,096.76	131,492.76		
					20,469.30	43,027.30		
					24,303.77	21,920.25		
80,985.00			\$ 12,941.00		41,470.00	109,514.00	80,985.00	12,941.00
106,905.00			19,748.30	\$ 118,647.00	44,060.00	12,569.70	106,905.00	138,395.30
					343,000.00	442,776.00		
53,727.00							53,727.00	
241,617.00	-	-	32,689.30	118,647.00	636,159.32	803,699.86	241,617.00	151,336.30
						23,163.47		
					825,130.42	478,360.68		
-	-	-	-	-	825,130.42	501,524.15	-	-
275,881.73		\$ 726.50	86,896.26	122,125.05	1,668,209.53	1,759,800.33	275,881.73	223,848.68
430,948.18		31,329.15 (b)	431,656.63	17,227.33	425,381.35	376,116.42	430,948.18	480,213.11
	\$ 24,860.00							
	9,386.49				5,832.51	5,832.51		
	101,375.00				26,411.35	26,411.35		
	1,504.65				86,024.00	86,024.00		
					28,674.00	28,674.00		
32,195.00	52,354.00	32,195.00 (b)					32,195.00	32,195.00
28,174.00	1,013.17	28,174.00 (b)			15,812.83	15,812.83	28,174.00	28,174.00
136,869.00	27,915.00	136,869.00 (b)					136,869.00	136,869.00
45,623.00	72.00	45,623.00 (b)			9,305.00	9,305.00	45,623.00	45,623.00
880,360.00		873,495.68 (b)	6,864.32		369,902.00	369,902.00	880,360.00	880,360.00
532,025.00		500,893.85 (b)	31,131.15		57,111.00	57,111.00	532,025.00	532,025.00
1,655,246.00	218,480.31	1,617,250.53	37,995.47		599,072.69	599,072.69	1,655,246.00	1,655,246.00
\$ 2,362,075.91	\$ 218,480.31	\$ 1,649,306.18	\$ 556,548.36	\$ 139,352.38	\$ 2,692,663.57	\$ 2,734,989.44	\$ 2,362,075.91	\$ 2,359,307.79

CITY OF GLOUCESTER CITY
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2018

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of state financial assistance (the "schedule") include state award activity of the City of Gloucester City (hereafter referred to as the "City") under programs of the state government for the year ended December 31, 2018. The City is defined in note 1 to the financial statements. The information in these schedules is presented in accordance with the requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies, are included on the schedule. 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 on 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: RELATIONSHIP TO STATE FINANCIAL REPORTS

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

Note 4: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent the cancelation of encumbrances or amounts that were expended in the previous year before the grant was awarded and reimbursed with grant funds as noted on the schedule.

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, 2018

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

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?	<u> X </u> yes _____ none reported
Noncompliance material to financial statements noted?	<u> X </u> yes _____ no

Federal Awards - 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 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 _____ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

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, 2018

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

_____ N/A

_____ Environmental Infrastructure Trust

Dollar threshold used to determine Type A programs _____ \$ _____ 750,000.00

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

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

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.

Finding No. 2018-001

Criteria or Specific Requirement

As a function of effective internal controls, interfunds should be liquidated within a reasonable period of time.

Condition

The City had several interfunds as of December 31, 2018.

Context

Significant interfund transactions occurred during the year that were not liquidated by December 31, 2018. These transaction resulted in interfunds totaling \$809,006.31 as of December 31, 2018.

Effect

In addition, as of December 31, 2017, current fund operations and fund balance were reduced by \$575,122.37 due to the creation of an offsetting reserve for interfunds receivable in 2017. The liquidation of the offsetting reserve was realized in 2018. As a result, the current fund balance statutory excess for the year ended December 31, 2018 was overstated and the amount for the year ended December 31, 2017 was understated. In addition there are additional interfunds between the State and Federal Grant fund, Trust funds and the Capital and Utility funds.

Cause

During the year there were several transactions that occurred in the Trust, State and Federal Grant, Capital and Utility funds that were not liquidated at year end. This appears to be an oversight of the responsible official.

Recommendation

That all transactions and balances between funds of the City be liquidated by the end of the calendar year.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-002

Criteria or Specific Requirement

N.J.S.A. 40A:5-15 requires that all moneys received shall be deposited or turned over to the Treasurer within forty-eight hours of receipt.

Condition

Construction office receipts were not deposited within forty-eight hours and monthly revenues were not turned over timely to the Treasurer.

Context

One of five construction receipts tested was not deposited within 48 hours. The deposit was received September 17, 2018 and was not deposited until September 27, 2018. In addition, revenues collected for the months of January, February and, August 2018 were not timely turned over to the City Treasurer.

Effect

The City was not in compliance with N.J.S.A. 40A:5-15 and current fund revenues and fund balance did not include approximately \$86,720.24.

Cause

There was an oversight by the responsible official.

Recommendation

That the construction code office deposit all receipts within forty-eight hours and turn over to the City Treasurer monthly revenues on a timely basis.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-003

Criteria or Specific Requirement

Internal controls with respect to the expenditure of funds should be designed for effectiveness and efficiency. The Local Public Contracts Law requires that quotes be obtained for expenditures that exceed 15% of the entity's bid threshold.

Condition

There were several instances of noncompliance with the expenditure of funds and the Local Public Contracts Law, relating to the obtaining of written quotes.

Context

The following items were found with respect to the expenditure of funds:

1. Quotes were not obtained for five expenditures that exceeded the statutory quote threshold of 15% of the bid threshold.
2. Supporting documentation was not available for inspection for nine expenditures tested and supporting documentation did not agree to the expenditure in four of the expenditures tested.
3. Claimant certifications were not obtained for seven expenditures tested.
4. Three expenditures tested were either charged to the incorrect budget year or incorrect budget account.
5. The City failed to make one loan payment in accordance with the loan schedule. However, this payment was made in the subsequent year.
6. One expenditure was paid twice.
7. Sales tax was paid on two expenditures tested.

Effect

The City did not fully comply with their internal control procedures related to the expenditure of funds and did not fully comply with the Local Public Contracts Law.

Cause

During the calendar year there were several individuals that were responsible for compliance with the City's procedures related to the expenditure of funds and the Local Public Contracts Law.

Recommendation

That greater care be exercised in complying with the expenditure of funds and the Local Public Contracts Law.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 2 - Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-004

Criteria or Specific Requirement

N.J.A.C. 5:30-5.6 requires the City to maintain an accurate record of general fixed assets. Good internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of financial statements including the related footnotes.

Condition

The City's record of general fixed assets was not updated in a timely fashion.

Context

Although the City identified several fixed assets acquired and deleted during the year, the update of the fixed asset ledger was not performed in a timely manner.

Effect

There is an increased risk that the City's general fixed assets could have material errors if the report is not thoroughly compared or reviewed.

Cause

The City engaged an independent appraisal company to update the existing records of general fixed assets and sewer utility fixed capital during the year. However, the report was not requested nor received in a timely manner.

Recommendation

The City should maintain, request and receive an update of their general fixed assets in a timely fashion.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

CITY OF GLOUCESTER CITY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2018

Section 3 - Schedule of State Financial Assistance 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 State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Questioned Costs 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*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

Condition

The general ledger did not reconcile to subsidiary records, including bank reconciliations as of December 31, 2017 and the City had several interfunds as of December 31, 2017.

Current Status

The finding improved with the exception of interfunds. See Finding No. 2018-001.

Planned Corrective Action

The City will address this finding in the corrective action plan.

Finding No. 2017-002

Condition

There were several instances of noncompliance with the Local Public Contracts Law, relating to the obtaining of written quotes.

Current Status

The condition still exists. See Finding No. 2018-003.

Planned Corrective Action

The City has taken steps to resolve this finding in 2019 with the hiring of a qualified purchasing agent.

Finding No. 2017-003

Condition

Construction office receipts were not deposited within forty-eight hours and monthly revenues were not turned over timely to the Treasurer.

Current Status

The condition still exists. See Finding No. 2018-002.

Planned Corrective Action

The City has taken steps to resolve this finding in 2019 with the hiring of additional personnel.

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CITY OF GLOUCESTER CITY
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management (Cont'd)

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>Amount of 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	
James V. Davis	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)
Michael Hagan	Fire Chief	(A)
Vanessa Parent	Asst. Municipal Clerk	(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.

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Nolant L. Maunre

Certified Public Accountant
Registered Municipal Accountant