

**BOROUGH OF NEWFIELD
County of Gloucester**

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

BOROUGH OF NEWFIELD
COUNTY OF GLOUCESTER

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BOROUGH OF NEWFIELD

PART I

Report of Audit of Financial Statements

For the Year Ended December 31, 2017

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Newfield
County of Gloucester
Newfield, New Jersey

Report on the Financial Statements

I have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Newfield, in the County of Gloucester, State of New Jersey, as of December 31, 2017 and 2016, 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 assets group of accounts for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Borough'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. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough 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 U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Newfield, in the County of Gloucester, State of New Jersey, as of December 31, 2017 and 2016, or the results of its operations and changes in fund balance for the years then ended.

Opinion on Regulatory Basis of Accounting

In my 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 Borough of Newfield, in the County of Gloucester, State of New Jersey, as of December 31, 2017 and 2016, 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, expenditures - regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2017 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Information

My audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplemental financial statements presented for the various funds 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 supplementary financial statements presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 my opinion, the information described in the previous paragraph is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 23, 2018 on my consideration of the Borough of Newfield's, in the County of Gloucester, State of New Jersey, internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Borough of Newfield's internal control over financial reporting.

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 23, 2018

INVERSO & STEWART, LLC

Certified Public Accountants

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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 Borough Council
Borough of Newfield
County of Gloucester
Newfield, New Jersey

I 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 Borough of Newfield, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued my report thereon dated May 23, 2018. That report indicated that the Borough of Newfield's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Newfield's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or audit requirements as prescribed by the Division of Local Governments Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

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

Respectfully submitted,

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

Marlton, New Jersey
May 23, 2018

BOROUGH OF NEWFIELD
Current Fund

Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Regular Fund:			
Cash--Treasurer	SA-1	\$ 1,037,220.21	\$ 716,412.81
Change Funds	SA-2	300.00	150.00
Due to State of New Jersey for Veterans' and Senior Citizens' Deductions	SA-9	-	-
		<u>1,037,520.21</u>	<u>716,562.81</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	99,797.39	98,307.42
Tax Title Liens Receivable	SA-4	101,723.75	77,875.92
Revenue Accounts Receivable	SA-5	3,810.19	10,175.77
Due from Animal Control Fund	SB-2	24.27	1,878.87
		<u>205,355.60</u>	<u>188,237.98</u>
Deferred Charges:			
Special Emergency Authorization (N.J.S. 40A:4-55)	SA-6	2,400.00	4,800.00
		<u>1,245,275.81</u>	<u>909,600.79</u>
Federal and State Grant Fund:			
Due From Current Fund	A	6,260.73	8,727.31
Federal and State Grants Receivable	SA-17	9,976.00	9,976.00
		<u>16,236.73</u>	<u>18,703.31</u>
		<u>\$ 1,261,512.54</u>	<u>\$ 928,304.10</u>

BOROUGH OF NEWFIELD
Current Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

	<u>Ref.</u>	<u>2017</u>	<u>2016</u> (Continued)
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3;SA-7	\$ 6,469.31	\$ 32,078.13
Reserve for Encumbrances	A-3;SA-7	-	311.09
Prepaid Taxes	SA-8	56,318.71	26,883.80
Due to State of New Jersey for Veterans' and Senior Citizens' Deductions	SA-9	-	250.00
Reserve for Special Emergency - Codification of Ordinances	SA-10	-	512.00
Tax Overpayments	SA-11	17,493.97	-
Due to State of New Jersey -- Marriage Licenses	SA-12	25.00	50.00
Due to Library	SA-13	-	179.00
Due County for Added and Omitted Taxes	SA-15	14,006.51	22,387.90
Local School Tax Payable	SA-16	449,270.40	176,214.48
Due to Federal and State Grant Fund	A	6,260.73	8,727.31
Due to Trust - Other Fund	SB-5	70,424.74	60,436.96
		<u>620,269.37</u>	<u>328,030.67</u>
Reserve for Receivables and Other Assets	A	205,355.60	188,237.98
Fund Balance	A-1	419,650.84	393,332.14
		<u>1,245,275.81</u>	<u>909,600.79</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants:			
Appropriated Reserves	SA-19	9,830.19	17,641.92
Unappropriated Reserves	SA-18	6,406.54	1,061.39
		<u>16,236.73</u>	<u>18,703.31</u>
		<u>\$ 1,261,512.54</u>	<u>\$ 928,304.10</u>

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

BOROUGH OF NEWFIELD
Current Fund

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 220,000.00	\$ 180,000.00
Miscellaneous Revenue Anticipated	313,103.56	402,030.02
Receipts from Delinquent Taxes	95,846.63	126,529.72
Receipts from Current Taxes	4,346,023.46	4,139,488.55
Non-Budget Revenues	52,463.92	80,410.21
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	4,134.97	6,878.90
Cancellation of Federal And State Grants Appropriated	4,888.03	-
Liquidation of Reserves for:		
Due from Animal Control Fund	1,878.87	
	5,038,339.44	4,935,337.40
Total Revenue and Other Income Realized		
<u>Expenditures</u>		
Operations Within "CAPS":		
Salaries and Wages	590,580.00	576,575.00
Other Expenses	543,490.00	469,583.00
Deferred Charges and Statutory Expenditures Within "CAPS"	176,283.43	165,072.00
Operations Excluded from "CAPS":		
Other Expenses	21,998.15	116,998.03
Capital Improvements Excluded from "CAPS"	5,000.00	10,000.00
Municipal Debt Service Excluded from "CAPS"	162,546.74	149,719.90
Deferred Charges - Municipal - Excluded from "CAPS"	9,326.50	2,400.00
County Taxes	861,794.41	829,868.43
Due County for Added and Omitted Taxes	14,006.51	22,387.90
Local District School Taxes	2,406,245.00	2,261,174.00
Senior Deductions Disallowed for 2016	750.00	

(Continued)

BOROUGH OF NEWFIELD
Current Fund

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2017 and 2016

<u>Expenditures (Cont'd)</u>	<u>2017</u>	<u>2016</u>
Reserve for Revenue Accounts Receivable	-	900.00
Reserve for Due from Animal Control Fund	-	1,875.40
Total Expenditures	<u>4,792,020.74</u>	<u>4,606,553.66</u>
Statutory Excess (Deficit) to Fund Balance	246,318.70	328,783.74
Fund Balance January 1	<u>393,332.14</u>	<u>244,548.40</u>
Total	639,650.84	573,332.14
Decreased by:		
Utilized as Revenue	<u>220,000.00</u>	<u>180,000.00</u>
Fund Balance December 31	<u>\$ 419,650.84</u>	<u>\$ 393,332.14</u>

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

BOROUGH OF NEWFIELD
Current Fund

Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Anticipated</u> <u>Budget</u>	<u>N.J.S.A.</u> <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 220,000.00		\$ 220,000.00	\$ -
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	1,000.00		1,152.00	\$ 152.00
Other	392.00		472.00	80.00
Fees and Permits	6,000.00		8,312.00	2,312.00
Fines and Costs:				
Municipal Court	36,000.00		33,070.08	(2,929.92)
Rental Registration Fees	6,500.00		8,150.00	1,650.00
Interest and Cost on Taxes	15,000.00		23,333.48	8,333.48
Interest on Investments and Deposits	3,000.00		5,382.25	2,382.25
Consolidated Municipal Property Tax Relief Aid	10,529.00		10,529.00	-
Energy Receipts Tax	119,179.00		119,179.00	-
Uniform Construction Code Fees	45,000.00		59,971.60	14,971.60
Public and Private Revenues Offset With Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	9,104.00		9,104.00	-
Clean Communities Program		4,237.13	4,237.13	-
Body Armor Fund	1,061.39		1,061.39	-
State Recycling Program	1,969.63		1,969.63	-
Other Special Items:				
Cell Tower Lease Agreement	22,000.00		25,530.00	3,530.00
Safety Incentive Program		1,650.00	1,650.00	-
Total Miscellaneous Revenues	276,735.02	5,887.13	313,103.56	30,481.41
Receipts from Delinquent Taxes	100,000.00		95,846.63	(4,153.37)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	1,128,479.93		1,285,401.54	156,921.61
Budget Totals	1,725,214.95	5,887.13	1,914,351.73	183,249.65
Non-Budget Revenues			52,463.92	52,463.92
	<u>\$ 1,725,214.95</u>	<u>\$ 5,887.13</u>	<u>\$ 1,966,815.65</u>	<u>\$ 235,713.57</u>

(Continued)

BOROUGH OF NEWFIELD
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2017

Analysis of Realized Revenues

Allocations of Current Tax Collections:		
Revenue from Collections		4,346,023.46
Allocated to:		
County Taxes	\$ 861,794.41	
Due County for Added and Omitted Taxes	14,006.51	
Local School District Taxes	<u>2,406,245.00</u>	
		<u>3,282,045.92</u>
Balance for Support of Municipal Budget Appropriations		1,063,977.54
Add: Appropriation "Reserve for Uncollected Taxes"		<u>221,424.00</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 1,285,401.54</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	\$ 95,846.63	
Tax Title Lien Collections	<u>-</u>	
		<u><u>\$ 95,846.63</u></u>
Licenses - Other:		
Marriage Licenses	\$ 417.00	
Mercantile Licenses	<u>55.00</u>	
		<u><u>\$ 472.00</u></u>
Fees and Permits - Other:		
Sewer Permits	\$ 2.00	
Certificate of Occupancy	1,650.00	
Street Openings	750.00	
Planning Board	3,525.00	
Zoning Board	2,375.00	
Tax Searches	<u>10.00</u>	
		<u><u>\$ 8,312.00</u></u>
Interest on Investments:		
Treasurer	\$ 5,199.01	
Animal Control Fund	24.27	
Trust - Other Funds	<u>158.97</u>	
		<u><u>\$ 5,382.25</u></u>

(Continued)

BOROUGH OF NEWFIELD
Current Fund
Statement of Revenues - Regulatory Basis (Cont'd)
For the Year Ended December 31, 2017

Uniform Construction Code Fees	60,033.60
Less: Refunds	<u>(62.00)</u>
	<u>59,971.60</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Revenue Accounts Receivable:

Police Department	\$ 212.25
-------------------	-----------

Treasurer:

Administrative Costs for Senior Citizens and Veterans	\$ 310.00	
Administration Fee - Police Outside Detail	27,444.14	
Cable TV Franchise Fee	7,555.53	
Photocopies	0.76	
Zoning Board Fees	1,350.00	
Recycling Fees	1,214.60	
Trash Can Rentals	2,435.00	
Bus Shelter Fees	130.00	
Prior Year Refunds	5,508.64	
Donations	900.00	
Abandonment of Vacant Property	3,300.00	
NJ Inspection Violations	400.39	
Cancellation of Old Outstanding Checks	629.76	
Rental Fees	<u>100.00</u>	
Total		51,278.82
Refund of prior year expense		<u>972.85</u>
		<u>\$ 52,463.92</u>

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

BOROUGH OF NEWFIELD
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve For Encumbrances</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 49,400.00	\$ 49,400.00	\$ 49,324.19		\$ 75.81	
Other Expenses	18,620.00	19,020.00	18,914.97		105.03	
Financial Administration						
Other Expenses	11,400.00	11,601.00	11,108.12		492.88	
Codification of Ordinances						
Other Expenses	6,500.00	500.00	483.00		17.00	
Annual Audit	7,300.00	7,300.00	7,300.00		-	
Collection of Taxes						
Salaries and Wages	11,000.00	11,000.00	10,999.94		0.06	
Other Expenses	4,200.00	1,200.00	1,199.66		0.34	
Legal Services and Costs						
Other Expenses	53,500.00	33,985.00	33,954.23		30.77	
Engineering Services and Costs						
Other Expenses	1,000.00	500.00	442.50		57.50	
Public Building and Grounds						
Other Expenses	8,800.00	9,100.00	8,914.70		185.30	
Natural Gas	11,000.00	8,185.00	8,007.67		177.33	
Electricity	16,000.00	17,330.00	16,152.98		1,177.02	
Telephone	16,000.00	16,850.00	16,827.72		22.28	
Elections						
Other Expenses	1,500.00	1,700.00	1,645.82		54.18	
Central Computer Operations						
Other Expenses	5,000.00	5,000.00	5,000.00		-	
Municipal Land Use Law (N.J.S.40:55D-1)						
Planning Board						
Other Expenses	6,850.00	5,999.00	5,875.05		123.95	

(Continued)

BOROUGH OF NEWFIELD
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve For Encumbrances</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>General Government (Cont'd)</u>						
<u>Insurance</u>						
Group Insurance Plan for Employees	\$ 60,500.00	52,250.00	\$ 51,159.29		\$ 1,090.71	
Health Benefit Waivers	24,000.00	24,000.00	24,000.00		-	
Liability Insurance	39,275.00	28,206.00	28,206.00		-	
Workers Compensation Insurance	21,000.00	21,000.00	21,000.00		-	
Aid to Public Library						
Other Expenses	19,000.00	19,000.00	19,000.00		-	
<u>Public Safety</u>						
<u>Police</u>						
Salaries and Wages	415,000.00	422,495.00	422,491.05		3.95	
Other Expenses	17,500.00	73,264.00	73,090.33		173.67	
<u>Municipal Court</u>						
Other Expenses	39,200.00	29,400.00	29,348.25		51.75	
<u>Fire</u>						
Other Expenses	8,000.00	8,000.00	8,000.00		-	
<u>Streets and Roads</u>						
<u>Road Repairs and Maintenance</u>						
Salaries and Wages	77,100.00	71,650.00	71,640.50		9.50	
Other Expenses	9,400.00	5,800.00	5,790.66		9.34	
Gasoline	20,000.00	18,000.00	17,615.27		384.73	
<u>Street Lighting</u>						
Other Expenses	41,000.00	46,550.00	46,500.88		49.12	
<u>Garbage and Trash</u>						
Other Expenses	78,500.00	78,500.00	77,022.10		1,477.90	

(Continued)

BOROUGH OF NEWFIELD
Current Fund
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve For Encumbrances</u>	<u>Reserved</u>	
<u>OPERATIONS--WITHIN "CAPS"</u>						
<u>Uniform Construction Code</u>						
Sub-Code Officials:						
Construction Code Official:						
Salaries and Wages	\$ 27,450.00	28,610.00	\$ 28,608.45		\$ 1.55	
Other Expenses	2,400.00	1,250.00	1,247.22		2.78	
Plumbing Inspector:						
Salaries and Wages	2,750.00	2,750.00	2,750.00		-	
Electrical Inspector:						
Salaries and Wages	2,200.00	2,200.00	2,200.00		-	
Fire Protection Official:						
Salaries and Wages	2,475.00	2,475.00	2,475.00		-	
Total Operations--Within "CAPS"	1,134,820.00	1,134,070.00	1,128,295.55	\$ -	5,774.45	
Detail:						
Salaries and Wages	587,375.00	590,580.00	590,489.13	-	90.87	-
Other Expenses (Including Contingent)	547,445.00	543,490.00	537,806.42	-	5,683.58	-
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
<u>MUNICIPAL--WITHIN "CAPS"</u>						
Statutory Expenditures:						
Contribution to:						
PERS	33,490.43	33,490.43	33,490.43		-	
PFRS	93,543.00	93,543.00	93,543.00		-	
Social Security System	46,000.00	46,750.00	46,350.22		399.78	
Unemployment Compensation Insurance	2,500.00	2,500.00	2,261.45		238.55	
Total Deferred Charges and Statutory Expenditures Municipal--Within "CAPS"	175,533.43	176,283.43	175,645.10	-	638.33	-
Total General Appropriations for Municipal Purposes--Within "CAPS"	1,310,353.43	1,310,353.43	1,303,940.65	-	6,412.78	

(Continued)

BOROUGH OF NEWFIELD
Current Fund
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve For Encumbrances</u>	<u>Reserved</u>	
<u>OPERATIONS--EXCLUDED FROM "CAPS"</u>						
<u>Mandated Expenditures per N.J.S. 40A:4-45.3g--Excluded from "CAPS"</u>						
Safety Incentive Program (NJSA 40A:4-87, \$1,650)		\$ 1,650.00	\$ 1,593.47		\$ 56.53	
Recycling Tax	1,700.00	1,700.00	1,700.00		-	
Public and Private Programs Offset by Revenues:						
Clean Communities Program (NJSA 40A:4-87, \$4,237.13)		4,237.13	4,237.13		-	
Municipal Drug Alliance Program	11,380.00	11,380.00	11,380.00		-	
Body Armor Fund	1,061.39	1,061.39	1,061.39		-	
State Recycling Program	1,969.63	1,969.63	1,969.63		-	
Total Operations--Excluded from "CAPS"	16,111.02	21,998.15	21,941.62	-	56.53	-
Detail:						
Salaries and Wages	-	-	-	-	-	-
Other Expenses (Including Contingent)	16,111.02	21,998.15	21,941.62	-	56.53	-
<u>CAPITAL IMPROVEMENTS--EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	5,000.00	5,000.00	5,000.00		-	

(Continued)

BOROUGH OF NEWFIELD
Current Fund
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserve For Encumbrances</u>	<u>Reserved</u>	
<u>MUNICIPAL DEBT SERVICE--EXCLUDED FROM "CAPS"</u>						
Payment of Bond Anticipation Notes	\$ 152,500.00	\$ 152,500.00	\$ 152,428.00		-	\$ 72.00
Interest on Notes	10,500.00	10,500.00	10,118.74		-	381.26
Total Municipal Debt Service--Excluded from "CAPS"	163,000.00	163,000.00	162,546.74	-	-	453.26
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>						
Unfunded General Capital Fund Ord. #04-09	6,926.50	\$ 6,926.50	\$ 6,926.50		-	\$ -
Special Emergency Authorization:						
Preparation of Master Plan	1,500.00	\$ 1,500.00	\$ 1,500.00		-	\$ -
Codification of Ordinances	900.00	900.00	900.00		-	-
Total Deferred Charges--Excluded from "CAPS"	9,326.50	9,326.50	9,326.50	-	-	-
Total General Appropriations--Excluded from "CAPS"	193,437.52	199,324.65	198,814.86	-	56.53	453.26
Subtotal General Appropriations	1,503,790.95	1,509,678.08	1,502,755.51	\$ -	6,469.31	453.26
Reserve for Uncollected Taxes	221,424.00	221,424.00	221,424.00		-	
	<u>\$ 1,725,214.95</u>	<u>\$ 1,731,102.08</u>	<u>\$ 1,724,179.51</u>	<u>\$ -</u>	<u>\$ 6,469.31</u>	<u>\$ 453.26</u>
Appropriation by N.J.S.A. 40A:4-87		\$ 5,887.13				
Original Budget		<u>1,725,214.95</u>				
		<u>\$ 1,731,102.08</u>				
Reserve for Federal and State Grants -- Appropriated			\$ 18,648.15			
Deferred Charges			2,400.00			
Reserve for Uncollected Taxes			221,424.00			
Disbursed			<u>1,481,707.36</u>			
			<u>\$ 1,724,179.51</u>			

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

BOROUGH OF NEWFIELD
Trust Fund
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2017 and 2016

<u>ASSETS</u>	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
Animal Control Fund:			
Cash	SB-1	\$ 2,803.27	\$ 4,875.87
Due from State of New Jersey	SB-3	-	-
		<u>2,803.27</u>	<u>4,875.87</u>
Other Funds:			
Cash	SB-1	48,171.40	39,057.42
Due from Current Fund	SB-5	70,424.74	60,436.96
		<u>118,596.14</u>	<u>99,494.38</u>
Total Other Funds		<u>118,596.14</u>	<u>99,494.38</u>
Total		<u>\$ 121,399.41</u>	<u>\$ 104,370.25</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	SB-2	\$ 24.27	\$ 1,878.87
Reserve for Animal Control Fund Expenditures	SB-4	2,779.00	2,997.00
		<u>2,803.27</u>	<u>4,875.87</u>
Total Animal Control Fund		<u>2,803.27</u>	<u>4,875.87</u>
Other Funds:			
Payroll Deductions Payable	SB-6	3,856.92	8,324.21
Reserve for Tax Title Lien Redemption - Tax Sale Premium	SB-7	44,099.79	30,674.61
Reserve for Escrow Deposits	SB-8	35,239.38	38,568.13
Reserve for Parking Offense Adjudication Act	SB-9	44.00	44.00
Reserve for Police Outside Detail	SB-10	35,356.05	21,883.43
		<u>118,596.14</u>	<u>99,494.38</u>
Total Other Funds		<u>118,596.14</u>	<u>99,494.38</u>
Total		<u>\$ 121,399.41</u>	<u>\$ 104,370.25</u>

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

BOROUGH OF NEWFIELD
General Capital Fund
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2017 and 2016

	<u>REFERENCE</u>	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Cash	SC-1 & SC-2	\$ 189,374.12	\$ 33,525.01
Grants Receivable	SC-3	143,836.68	176,926.50
Deferred Charges to Future Taxation:			
Unfunded	SC-4	<u>991,670.00</u>	<u>1,068,098.00</u>
 Total Assets		 <u><u>\$ 1,324,880.80</u></u>	 <u><u>\$ 1,278,549.51</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	SC-8	\$ 991,670.00	\$ 1,068,098.00
Improvement Authorizations:			
Funded	SC-5	2,843.08	153,979.00
Unfunded	SC-5	59,060.05	50,964.01
Capital Improvement Fund	SC-6	6,001.00	5,508.50
Contracts Payable	SC-7	265,069.58	
Reserve for Payment of Notes	SC-5	<u>237.09</u>	-
 Total Liabilities, Reserves and Fund Balance		 <u><u>\$ 1,324,880.80</u></u>	 <u><u>\$ 1,278,549.51</u></u>

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

BOROUGH OF NEWFIELD

Water Utility Fund

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

As of December 31, 2017 and 2016

	Ref.	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	SD-1	\$ 123,560.16	\$ 109,484.61
Cash--Change Fund	SD-3	<u>100.00</u>	<u>100.00</u>
		123,660.16	109,584.61
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	<u>42,842.60</u>	<u>43,305.59</u>
Total Operating Fund		<u>166,502.76</u>	<u>152,890.20</u>
Capital Fund:			
Cash	SD-1, SD-2	48,482.58	25,930.56
Fixed Capital	SD-5	1,761,277.35	1,761,277.35
Fixed Capital Authorized and Uncompleted	SD-6	<u>1,699,100.00</u>	<u>1,594,100.00</u>
Total Capital Fund		<u>3,508,859.93</u>	<u>3,381,307.91</u>
Total Assets		<u>\$ 3,675,362.69</u>	<u>\$ 3,534,198.11</u>

BOROUGH OF NEWFIELD

Water Utility Fund

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

As of December 31, 2017 and 2016

	Ref.	<u>2017</u>	<u>2016</u>
<u>LIABILITIES, RESERVES, AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves	D-3, SD-7	\$ 1,611.26	\$ 4,659.97
Reserve for Encumbrances	D-3, SD-7	-	-
Prepaid Rents	SD-8	1,345.67	1,327.18
Accrued Interest Payable	SD-9	4,163.09	4,071.10
		7,120.02	10,058.25
Reserve for Receivables	D	42,842.60	43,305.59
Fund Balance	D-1	116,540.14	99,526.36
Total Operating Fund		166,502.76	152,890.20
Capital Fund:			
New Jersey Environmental Infrastructure Trust			
Loan Payable	SD-14	503,281.05	532,550.58
Bond Anticipation Notes	SD-15	249,830.00	251,540.00
Improvement Authorizations:			
Unfunded	SD-10	103,436.23	21,244.26
Contracts Payable	SD-10	-	4,643.60
Capital Improvement Fund	SD-11	42.70	42.70
Reserve for Payment of Notes	SD-10	3.65	
Reserve for Amortization	SD-12	2,358,996.30	2,329,726.77
Deferred Reserve for Amortization	SD-13	293,270.00	241,560.00
Total Capital Fund		3,508,859.93	3,381,307.91
Total Liabilities, Reserves and Fund Balance		\$ 3,675,362.69	\$ 3,534,198.11

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

BOROUGH OF NEWFIELD
Water Utility Operating Fund
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>Revenue and Other Income Realized</u>		
Operating Fund Balance Utilized	\$ 50,000.00	\$ 40,000.00
Water Rents	415,613.13	421,355.74
Miscellaneous	46,386.06	38,727.99
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	938.17	172.59
	<hr/>	<hr/>
Total Revenue and Other Income Realized	512,937.36	500,256.32
<u>Expenditures</u>		
Budget Appropriations:		
Operations	346,115.00	338,990.00
Capital Improvements	-	-
Debt Service	89,433.58	83,435.77
Deferred Charges and Statutory Expenditures	10,375.00	10,400.00
Refund of Prior Year Revenue	-	10,329.76
	<hr/>	<hr/>
Total Expenditures	445,923.58	443,155.53
Excess (Deficit) in Revenue and Statutory Excess to Fund Balance	67,013.78	57,100.79
<u>Fund Balance</u>		
Balance, January 1	99,526.36	82,425.57
	<hr/>	<hr/>
	166,540.14	139,526.36
Decreased by:		
Utilization by Operating Budget	50,000.00	40,000.00
	<hr/>	<hr/>
Balance, December 31	\$ 116,540.14	\$ 99,526.36

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

BOROUGH OF NEWFIELD
Water Utility Operating Fund
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	\$ 50,000.00	\$ 50,000.00	\$ -
Rents	382,000.00	415,613.13	33,613.13
Miscellaneous	17,000.00	46,386.06	29,386.06
	\$ 449,000.00	\$ 511,999.19	\$ 62,999.19

Analysis of Realized Revenues

Utility Billings:

Consumer Accounts Receivable - Collected	\$ 414,365.95
Add: Prepaid Applied	1,247.18
	\$ 415,613.13

Miscellaneous:

Interest on Investments and Deposits	\$ 715.63
Penalty on Delinquent Accounts	7,056.11
Connection Fees	20,085.00
New Meters	325.00
Refund of Prior Year Expenses	18,087.30
Cancellation of Old Outstanding Check	117.02
	\$ 46,386.06

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

BOROUGH OF NEWFIELD
Water Utility Operating Fund
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2017

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 141,000.00	\$ 148,225.00	\$ 146,737.17		\$ 1,487.83	
Other Expenses	203,890.00	197,890.00	197,854.51		35.49	
Total Operating	344,890.00	346,115.00	344,591.68	-	1,523.32	-
Debt Service:						
Payment of Bonds/Loans	29,300.00	29,300.00	29,269.53		-	\$ 30.47
Payment of Bond Anticipation Notes	51,710.00	51,710.00	51,710.00		-	-
Interest on Bonds/Loans	6,000.00	6,000.00	5,945.72		-	54.28
Interest on Notes	5,500.00	5,500.00	2,508.33			2,991.67
Total Debt Service	92,510.00	92,510.00	89,433.58	-	-	3,076.42
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	11,000.00	9,775.00	9,760.10		14.90	
Unemployment Compensation Insurance	600.00	600.00	526.96		73.04	
Total Deferred Charges and Statutory Expenditures	11,600.00	10,375.00	10,287.06	-	87.94	-
	\$ 449,000.00	\$ 449,000.00	\$ 444,312.32	\$ -	\$ 1,611.26	\$ 3,076.42
Interest on Bonds/Loans			\$ 5,945.72			
Interest on Notes			2,508.33			
Disbursed			435,858.27			
			<u>\$ 444,312.32</u>			

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

BOROUGH OF NEWFIELD
Account Group
Statement of General Fixed Assets Group of Accounts
For The Year Ended December 31, 2017

	Balance December 31, 2016	Additions	Deletions	Balance December 31, 2017
General Fixed Assets:				
Land	\$ 217,600.00	\$ -	\$ -	\$ 217,600.00
Buildings	2,101,800.00			2,101,800.00
Machinery and Equipment	1,284,876.20		\$ 92,948.00	1,191,928.20
Total General Fixed Assets	<u>\$ 3,604,276.20</u>	<u>\$ -</u>	<u>\$ 92,948.00</u>	<u>\$ 3,511,328.20</u>
Total Investment in General Fixed Assets	<u>\$ 3,604,276.20</u>	<u>\$ -</u>	<u>\$ 92,948.00</u>	<u>\$ 3,511,328.20</u>

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

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Borough of Newfield (hereafter referred to as the "Borough") is located in Gloucester County, New Jersey. The population of the Borough, according to the 2010 Census is approximately 1,554.

The Borough of Newfield operates under 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 Borough Clerk.

Criteria for determining if other entities are potential component units which should be reported within the Borough's basic financial statements are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Section 2100 and 2600. The application of these criteria provides for identification of any entities for which the Borough is financially accountable and other organizations that the nature and significance of their relationship with the Borough are such that exclusion would cause the Borough's basic financial statements to be misleading or incomplete.

Based on the application of these criteria, there were no organizations that are considered to be component units

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" 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.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds which are described as follows.

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

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

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

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

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current and Water 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 Borough. 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 the 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 Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, 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. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 utilities and other state agencies.

N.J.S.A. 17:9-41et 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 Borough 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 balances.

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000 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. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. 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 Borough 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 Assets, reflecting the activity for the year, must be included in the Borough'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 includes 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. No depreciation of general fixed assets is recorded.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for dispositions 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, equipment and improvements and contributed capital. Depreciation is not recorded on these fixed assets.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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 Borough 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.

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance - Fund Balance included in the Current Fund and Utility Operating Fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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 fiscal year. Lapsed appropriation reserves are recorded as income.

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.

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 are realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough 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 Borough's annual budget, but also the amounts required in support of the budgets of the Newfield Borough School District and the County of Gloucester. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting and remitting school taxes for the Newfield Borough 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 and for the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2016 and decreased by the amount deferred at December 31, 2017.

County Taxes - The Borough is responsible for levying, collecting and remitting county taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 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.

Reserve for Uncollected Taxes - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough 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.

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Outstanding 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.

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.

Interest on Delinquent Taxes – It is the policy of the Borough to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500 becoming delinquent after the due date. The rate of interest charged on delinquencies sold at tax sale shall be and is fixed at no more than 18%. There is a ten (10) day grace period.

Comparative Data – Comparative total data for the prior year have been presented in the accompanying statements of assets, liabilities, reserves and fund balance and statement of operations in order to provide an understanding of changes in the Borough's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the statement of revenues – regulatory basis and the statement of expenditures – regulatory basis since their inclusion would make the statements unduly complex and difficult to read.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the Municipality's deposits may not be recovered. Although the Municipality 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 Unit. Under the Act, the first \$250,000 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 trust funds such as salary withholdings or funds that may pass to the Municipality relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized. Of the Municipality's amount on deposit of \$1,472,959 as of December 31, 2017, \$250,000 was insured under FDIC and the remaining balance of \$1,222,959 was collateralized under GUDPA.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

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 years.

<u>Comparative Schedule of Tax Rates</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Tax Rate	\$ 3.446	\$ 3.357	\$ 3.237	\$ 3.098	\$ 2.581
Apportionment of Tax Rate:					
Municipal	.884	.849	.785	.740	.619
County	.677	.674	.651	.684	.567
Local School	1.885	1.834	1.801	1.674	1.395

<u>Assessed Valuation</u>	<u>Amount</u>
2017	\$ 127,603,100
2016	123,275,635
2015	123,063,749
2014	124,201,458
2013	139,858,186

Comparison of Tax Levies and Collections

<u>Year Ended</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage Of Collections</u>
2017	\$ 4,469,813	\$ 4,346,023	97.23%
2016	4,249,857	4,139,489	97.40
2015	3,988,938	3,829,377	95.99
2014	3,852,148	3,700,419	96.06
2013	3,622,384	3,447,309	95.17

Delinquent Taxes and Tax Title Liens

<u>Year Ended</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	\$ 101,723	\$ 99,797	\$ 201,520	4.51%
2016	77,876	98,307	176,183	4.14
2015	59,527	140,896	200,423	5.02
2014	29,721	139,977	169,698	4.41
2013	23,206	138,340	161,546	4.47

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 3. PROPERTY TAXES (CONTINUED)

Delinquent Taxes and Tax Title Liens (Continued)

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

<u>Year Ended</u>	<u>Amount</u>
2017	17
2016	16
2015	16
2014	13
2013	12

NOTE 4. WATER UTILITY LEVY

Comparison of Tax Levies and Collections

<u>Year Ended</u>	<u>Water Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 415,150	\$ 415,613	100.11 %
2016	421,525	378,220	89.72
2015	417,761	374,625	89.67
2014	321,056	292,422	91.08
2013	269,542	246,618	91.49

NOTE 5. FUND BALANCES APPROPRIATED

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

Current Fund:

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 419,651	\$ 230,000	54.81 %
2016	393,332	220,000	55.93
2015	244,548	180,000	73.60
2014	259,904	170,000	65.41
2013	224,883	140,000	62.25

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 5. FUND BALANCES APPROPRIATED (CONTINUED)

Water Utility Fund:

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2017	\$ 116,540	\$ 58,000	49.77 %
2016	99,526	50,000	50.24
2015	82,426	40,000	48.53
2014	35,552	25,000	70.32
2013	77,507	45,000	58.06

NOTE 6. PENSION PLANS

Substantially all of the Borough's employees participate in one of the following pension plans which have been established by State statute, and are administered by the New Jersey Division of Pensions and Benefits (Division): the Police and Firemen's Retirement System (PFRS), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP). Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625-0295.

Police and Firemen's Retirement System (PFRS)

Plan Description - The Police and Firemen's Retirement System is a cost sharing multiple-employer defined benefit pension plan established in 1944. The PFRS provides retirement, death and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:16A and 43:3B.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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.

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 6. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Contributions - The contribution requirements of plan members are determined by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate is 10.0%. 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 record in the government-wide financial statements or to disclose in the notes to the financial statements of the local participating employer related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 32.07% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2017 is \$101,725 and is payable by April 1, 2018. 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, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$93,543, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$32,995.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2017 was 3.13% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2017 is \$9,939 and is payable by April 1, 2018. Based on the PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 was \$7,052, which was paid on April 1, 2017.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS) (Continued)

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by Borough</u>
2017	\$ 31,840	\$ 57,636	\$ 4,067	\$ 93,543
2016	30,468	54,759	3,938	89,165
2015	28,893	51,559	3,778	84,230

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – 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 fiduciary net position of the PFRS and additions to/deductions from PFRS fiduciary net position have been determined on the same basis as they are reported by PFRS. For this purpose, 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 the year ended December 31, 2017, the Borough’s proportionate share of pension expense is \$24,312. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1. At December 31, 2017, the Borough proportionate share of the net pension liability is \$1,774,468 and deferred outflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,512	\$ 10,415
Changes of assumptions	218,812	290,606
Net Difference between projected and actual earnings on pension plan investments	33,861	
Changes in proportion	70,134	
Borough contributions subsequent to the measurement date	101,725	
Total	\$ 436,044	\$ 301,021

\$101,725 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows of Resources
2018	\$ 22,657
2019	22,657
2020	22,657
2021	22,657
2022	(57,330)
Total	\$ 33,298

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<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	-	5.53
June 30, 2016	-	5.58
June 30, 2017	5.59	5.59
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.17	-
June 30, 2015	5.53	-
June 30, 2016	5.58	-
June 30, 2017		5.59
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	-
June 30, 2017	5.00	5.00
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	-	6.17
June 30, 2015	-	5.53
June 30, 2016	-	5.58

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS) (Continued)

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	6/30/2017	6/30/2016
Collective deferred outflows of resources	\$ 2,941,952,753	\$ 4,547,316,543
Collective deferred inflows of resources	\$ 3,262,432,093	\$ 688,197,590
Collective net pension liability	\$ 17,167,260,198	\$ 20,706,699,056
Borough’s Proportion	.0114941106%	.0114728741%

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

- Inflation rate: 2.25%
- Salary Increases:
 - Through 2026: 2.10-8.98% based on age
 - Thereafter: 3.10-9.98% based on age
- Investment Rate of Return: 7.00%

Additional Information

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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 n 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.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System (PFRS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. That state employer contributed 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's and State's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 6.14%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.14%) or 1 percentage point higher (7.14%) than the current rate:

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Police and Firemen’s Retirement System (PFRS) (Continued)

	<u>1% Decrease (5.14%)</u>	<u>Current Discount Rate (6.14%)</u>	<u>1% Increase (7.14%)</u>
Borough's proportionate share of the net pension liability	\$ 2,338,008	\$ 1,774,468	\$ 1,311,456
State's proportionate share of the net pension liability associated with the Borough	<u>235,226</u>	<u>198,755</u>	<u>168,859</u>
	<u>\$ 2,573,234</u>	<u>\$ 1,973,223</u>	<u>\$ 1,480,315</u>

Pension Plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Public Employees' Retirement System (PERS)

Plan Description - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established on January 1, 1955. The PERS provides retirement, death and disability, and medical benefits to certain qualified members. Vesting Membership in the PERS is mandatory for substantially all full-time employees of the Borough, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction’s pension fund. The PERS’s Board of Trustees is primarily responsible for the administration of the PERS.

Vesting and Benefit Provisions – The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except medical benefits, which vest after 25 years of service or under the disability provisions of PERS

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 22, 2010
4	Members who were eligible to enroll on or after May 22, 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 tier 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for their respective tier.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Contributions - The contribution requirements of plan members are determined by N.J.S.A 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, effective October 1, 2011, the active member contribution rate was increased to 6.5%. An additional 1.0% increase is being phased-in over seven years beginning on July 1, 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 336, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Borough's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2017 was 13.38% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the Borough's contractually required contribution to the pension plan for the fiscal year ended December 31 2017 was \$34,415 and is payable by April 1, 2018. Based on the PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 was \$32,863, which was paid by April 1, 2017. Employee contributions to the pension plan during the year ended December 31, 2017 were \$18,699.

The Borough is billed annually for its normal contributions plus any accrued liability. These contributions, equal to the required contributions are detailed below.

<u>Fiscal Year</u>	<u>Normal Contributions</u>	<u>Accrued Liability</u>	<u>Non Contributory Life</u>	<u>Total Liability Paid by Borough</u>
2017	\$ 5,140	\$ 26,161	\$ 1,562	\$ 32,863
2016	4,473	21,697	1,537	27,707
2015	4,767	22,049	1,816	28,632

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions – 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 fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, 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.

At December 31, 2017, the Borough's proportionate share of the PERS net pension liability was \$864,780. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Borough's proportion of the of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

For the year ended December 31, 2017, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2017 measurement date is \$104,677. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1. At December 31, 2017, the Borough proportionate share of the PERS net pension liability was \$864,780 and deferred outflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,363	\$ -
Changes of assumptions	174,223	173,585
Net Difference between projected and actual earnings on pension plan investments	5,889	
Changes in proportion	142,723	22,919
Borough contributions subsequent to the measurement date	34,415	
Total	\$ 377,613	\$ 196,504

\$34,415 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the year ended:	Net Deferred Outflows of Resources
2018	\$ 46,789
2019	46,789
2020	46,789
2021	54,625
2022	(48,298)
Total	\$ 146,694

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<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	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
Changes of assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
Net Difference between projected and actual earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
Changes in proportion		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57

Additional Information

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>6/30/2017</u>	<u>6/30/2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
Borough's Proportion	.0037149452%	.0036991815%

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Actuarial assumptions – The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate: 2.24%
Salary Increases:
 Through 2026: 1.65-4.15% based on age
 Thereafter: 2.65-5.15% based on age
Investment Rate of Return: 7.00%

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	05.00%	05.51%
Cash equivalents	05.50%	01.00%
U.S. Treasuries	03.00%	01.87%
Investment grade credit	10.00%	03.78%
Public high yield	02.50%	06.82%
Global diversified credit	05.00%	07.10%
Credit oriented hedge funds	01.00%	06.60%
Debt related private equity	02.00%	10.63%
Debt related real estate	01.00%	06.61%
Private real assets	02.50%	11.83%
Equity related real estate	06.25%	09.23%
U.S. Equity	30.00%	08.19%
Non-U.S. developed markets equity	11.50%	09.00%
Emerging markets equity	06.50%	11.64%
Buyouts/venture capital	08.25%	13.08%
	<u>100.00%</u>	

Discount rate. The discount rate used to measure the State's total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The state employer contributed 40% 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 6. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.00%) or 1 percentage point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
Borough's proportionate share of the net pension liability	\$ 1,072,818	\$ 864,780	\$ 691,458

Pension Plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program was established in 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), and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered by Prudential Financial on behalf of the Divisions of Pensions and Benefits. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. 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. Pursuant to the provisions of Chapter 78 P.L. 2011, the active member contribution rate was increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year. The State Treasurer has the right under the current law to make temporary reductions in rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. The employee contributions along with the Borough's contribution for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

There were no Borough employees enrolled in the DCRP for the years ended December 31, 2017, 2016 and 2015.

Related Party Investments – The Division of Pensions and Benefits does not invest in securities issued by the Borough.

NOTE 7. OTHER POST EMPLOYMENT BENEFITS

A calculation of the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of health, dental, and vision insurance coverage for certain Borough employees was not obtained.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 8. COMPENSATED ABSENCES

Full-time employees are entitled to be paid sick leave, vacation, and personal days, depending on job classification, length of service, and other factors. Vacation days not used during the year may be accumulated and carried forward to a maximum of one week. Sick days and personal days cannot be carried forward to the subsequent year.

The Borough does not record accrued expenses related to compensated absences. The Borough employees did not have any unused vacation time at December 31, 2017.

NOTE 9. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough of Newfield is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

- Property
- Liability
- Automobile
- Workers' Compensation
- Public Official Liability
- Police Professional Liability
- Employee Fidelity
- Employment Related Practices
- Surety Bonds

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 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.

Contributions to the Fund, are payable on a quarterly basis and is based on actuarial assumptions determined by the Fund's actuary. The Borough's agreement with the pool provides that the pool will be self-sustaining through members premiums and will reinsure through commercial insurance for claims in excess of \$500,000 for each insured event. The Fund publishes its own financial report for the year ended December 31, 2017 which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
P.O. Box 12
Hammonton, New Jersey 08037

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method", which requires the Borough to annually appropriate funds to pay projected costs of contributions at the rate determined by the Commissioner of Labor. The Borough is billed quarterly for amounts due to the State of New Jersey.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 9. RISK MANAGEMENT (CONTINUED)

The following is a summary of Borough contributions for the current and previous four years:

<u>Year</u>	<u>Borough Contributions</u>
2017	\$ 2,788
2016	2,597
2015	2,183
2014	2,119
2013	2,034

NOTE 10. CAPITAL DEBT

Summary of Municipal Debt

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
Issued:			
General Bonds and Notes	\$ 991,670	\$ 1,068,098	\$ 1,105,811
Water Utility Bonds and Notes	<u>753,111</u>	<u>784,091</u>	<u>784,521</u>
Total Issued	1,744,781	1,852,197	1,890,332
Authorized but not Issued:			
General Bonds and Notes	-	-	19,000
Water Utility Bonds and Notes	<u>55,000</u>	<u>-</u>	<u>-</u>
Gross Debt	<u>\$ 1,799,781</u>	<u>\$ 1,852,197</u>	<u>\$ 1,909,332</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.843 %.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water Utility Debt	\$ 808,111	\$ 808,111	\$ -
General Debt	<u>991,670</u>	<u>-</u>	<u>991,670</u>
Total	<u>\$ 1,799,781</u>	<u>\$ 808,111</u>	<u>\$ 991,670</u>

Net Debt, \$991,670 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, \$117,548,010 equals .843%.

Borough of Newfield
Notes to Financial Statements
December 31, 2017

NOTE 10. CAPITAL DEBT (CONTINUED)

Equalized Valuation Basis:

	2015	\$	114,139,725
	2016		114,905,798
	2017		<u>123,598,508</u>
	Average	\$	<u>117,548,010</u>

Borrowing Power under N.J.S.A. 40A:2-6

3-1/2% of Equalized Valuation Basis (Municipal)	\$	4,114,180
Net Debt		<u>991,670</u>
Remaining Borrowing Power	\$	<u>3,122,510</u>

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

Cash Receipts from Fees, Rents, Interest and Other Charges for the Year		\$	511,999
Deductions:			
Operating and Maintenance Costs	\$	356,490	
Debt Service Costs		<u>89,436</u>	445,926
Excess in Revenue		\$	<u>66,073</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Bond Anticipation Notes Payable

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the Notes can not exceed one year from the date of issuance, however the Notes may be renewed from time to time for a period not to exceed one year. Generally, such Notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original Notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original Note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such Notes were issued be paid or retired. A second and third legal installment must be paid if the Notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 10. CAPITAL DEBT (CONTINUED)

Bond Anticipation Notes Payable (Continued)

As of December 31, 2017, the Borough had outstanding bond anticipation notes as follows:

	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	4/26/2018	1.25%	\$ 991,670
Water Utility Capital Fund	4/26/2018	1.25%	<u>249,830</u>
Total			<u>\$ 1,241,500</u>

NJ Environmental Infrastructure Trust Loan Payable

The Borough received loan proceeds totaling \$1,102,010, with a loan forgiveness of \$500,000 for the State of New Jersey Environmental Infrastructure Trust Loan. The loan has a variable interest rate of 0.190% to 3.300% with a final maturity on August 1, 2033. As of December 31, 2017, the balance payable amounts to \$503,282.

Future principal and interest payments are as follows:

<u>Year</u>	<u>NANO Loan</u>			<u>Direct Loan</u>		
	<u>Fund Principal</u>	<u>Trust Principal</u>	<u>Trust Interest</u>	<u>Fund Principal</u>	<u>Trust Principal</u>	<u>Trust Interest</u>
2018	\$ 12,712	\$ 11,570	\$ 5,338	\$ 3,852	\$ 1,215	\$ 561
2019	12,712	11,683	5,225	3,852	1,227	549
2020	12,712	11,828	5,080	3,852	1,242	534
2021	12,712	12,009	4,899	3,852	1,262	515
2022	12,712	12,223	4,685	3,852	1,284	492
2023-27	63,559	65,264	19,276	19,258	6,856	2,025
2028-32	63,559	74,671	9,869	19,258	7,843	1,037
2033	<u>12,712</u>	<u>16,368</u>	<u>540</u>	<u>3,852</u>	<u>1,719</u>	<u>57</u>
Total	<u>\$ 203,390</u>	<u>\$ 215,616</u>	<u>\$ 54,912</u>	<u>\$ 61,628</u>	<u>\$ 22,648</u>	<u>\$ 5,770</u>

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 11. SCHOOL TAXES

Local District School Tax has been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund Liabilities as follows:

	Balance <u>Dec. 31, 2017</u>	Balance <u>Dec. 31, 2016</u>
Balance of Tax	\$ 1,403,641.40	\$ 1,130,585.48
Deferred	<u>954,371.00</u>	<u>954,371.00</u>
Tax Payable	<u>\$ 449,270.40</u>	<u>\$ 176,214.48</u>

NOTE 12. 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, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 24	\$ 76,685
Federal and State Grant Fund	6,261	-
Trust Fund – Animal Control Fund	-	24
Trust Fund - Other Funds	<u>70,424</u>	<u>-</u>
	<u>\$ 76,709</u>	<u>\$ 76,709</u>

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

	Balance <u>December 31, 2017</u>	2018 Budget <u>Appropriation</u>	Balance to <u>Succeeding Years</u>
<u>Current Fund:</u>			
Special Emergency Authorization	\$ 2,400.00	\$ 2,400.00	\$ -
Overexpenditure of Appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,400.00</u>	<u>\$ 2,400.00</u>	<u>\$ -</u>

The appropriations in the 2018 Budget as introduced are not less than that required by the statutes

**Borough of Newfield
Notes to Financial Statements
December 31, 2017**

NOTE 14. SUBSEQUENT EVENTS

Subsequent to December 31, 2017, the Borough of Newfield authorized additional Bonds and Notes as follows:

<u>Purpose</u>	<u>Date</u>	<u>Amount</u>
Various Street Repairs and Improvements to Municipal Building	3/24/2018	\$ <u>28,500</u>

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF NEWFIELD
Current Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
Balance December 31, 2016	\$ 716,412.81	\$ -
Increased by Receipts:		
Cell Tower Lease Agreement	\$ 25,530.00	
Miscellaneous Revenue not Anticipated	51,278.82	
Taxes Receivable	4,398,486.29	
Revenue Accounts Receivable	272,292.42	
Prepaid Taxes	56,318.71	
Due from State of New Jersey - Senior Citizens and Veterans Deductions	15,500.00	
Tax Overpayments	17,493.97	
Due to State of New Jersey - Marriage Licenses	175.00	
Due to Library	195.00	
Due from Animal Control -- Trust Fund	1,878.87	
Due from Trust -- Other Funds	137,915.89	
Election (Contra)	1,650.00	
Matching Funds for Grants		\$ 2,276.00
Federal and State Grants Receivable		21,717.30
Federal and State Grant Fund - Current Fund	<u>2,421.45</u>	
Total Receipts	<u>4,981,136.42</u>	<u>23,993.30</u>
	5,697,549.23	23,993.30
Decreased by Disbursements:		
Change Fund Issued for Municipal Court	150.00	
Refund Uniform Construction Code Fees	62.00	
2017 Appropriations	1,481,707.36	
2016 Appropriation Reserves	28,254.25	
Reserve for Codification of Ordinances	512.00	
Due to State of New Jersey - Marriage Licenses	200.00	
Due to Library	374.00	
County Taxes Payable	861,794.41	
Due County for Added and Omitted Taxes	22,387.90	
Local District School Taxes	2,133,189.08	
Due to Trust -- Other Funds	127,772.02	
Election (Contra)	1,650.00	
Matching Funds for Grants	2,276.00	
Reserve for Federal and State Grants - Appropriated		21,571.85
Reserve for Federal and State Grants - Encumbrances		
Federal and State Grant Fund -- Current Fund	<u>2,421.45</u>	
Total Disbursements	<u>4,660,329.02</u>	<u>23,993.30</u>
Balance December 31, 2017	<u>\$ 1,037,220.21</u>	<u>-</u>

BOROUGH OF NEWFIELD
Current Fund
Schedule of Cash - Treasurer (Cont'd)
For the Year Ended December 31, 2017

Reconciliation Dec. 31, 2017

Balance per Certification of: Newfield National Bank Newfield, New Jersey Account No. 0018124299	\$ 264,445.89	
Add: Deposits in Transit	<u>42,482.70</u>	306,928.59
Account No. 0001050830	975,397.83	
Less: Outstanding Checks per Permanent Record	<u>(55,732.09)</u>	<u>919,665.74</u>
Balance		<u><u>\$ 1,226,594.33</u></u>

Recapitulation of Balances Dec. 31, 2017

Current Fund	\$ 1,037,220.21
General Capital Fund	<u>189,374.12</u>
	<u><u>\$ 1,226,594.33</u></u>

BOROUGH OF NEWFIELD
Current Fund
 Schedule of Change Funds
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 150.00
Increased by:	
Change Fund Issued to Franklin Township for Municipal Court	150.00
Balance Dec. 31, 2017	\$ 300.00

<u>Office</u>	<u>Amount</u>
Borough Clerk	\$ 100.00
Municipal Court - Franklin Township	150.00
Municipal Court - Elk Township	50.00
	\$ 300.00

BOROUGH OF NEWFIELD
Current Fund
 Schedule of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2017

Year	Balance		Added Taxes	Collections		Due from State of New Jersey	Tax Overpayments Applied	Transferred to Tax Title Lien	Canceled	Balance Dec. 31, 2017
	Dec. 31, 2016	Levy		2016	2017					
2014	\$ 2,318.28	\$ -			\$ 2,318.28					\$ -
2015	12,503.50		2,151.91		12,042.11			1,433.99		1,179.31
2016	83,485.64		1,003.50		81,486.24			\$ 1,487.15		1,515.75
	98,307.42	-	3,155.41	-	95,846.63	-	-	2,921.14	-	2,695.06
2017		\$ 4,469,812.76		\$ 26,883.80	4,302,639.66	\$ 16,500.00	\$ -	20,362.43	6,324.54	97,102.33
	\$ 98,307.42	\$ 4,469,812.76	\$ 3,155.41	\$ 26,883.80	\$ 4,398,486.29	\$ 16,500.00	\$ -	\$ 23,283.57	\$ 6,324.54	\$ 99,797.39

Analysis of 2017 Property Tax Levy:

Tax Yield:

General Property Tax	\$ 4,397,202.80
Added Taxes (54:4-63.1 et seq.)	<u>72,609.96</u>
Total	<u>\$ 4,469,812.76</u>

Tax Levy:

Local District School Tax	\$ 2,406,245.00
County Tax	\$ 756,968.27
County Library	56,926.46
County Open Space Preservation	47,899.68
Due County for Added Taxes (54:4-63.1 et seq.)	<u>14,006.51</u>
Total County Taxes	875,800.92
Local Tax for Municipal Purposes Levied	1,128,479.93
Add: Additional Tax Levied	<u>59,286.91</u>
Local Tax for Municipal Purposes Levied	<u>1,187,766.84</u>
Total	<u>\$4,469,812.76</u>

BOROUGH OF NEWFIELD
Current Fund
 Schedule of Tax Title Liens Receivable
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 77,875.92
Increased by:		
Transfers from Taxes Receivable	\$ 23,283.57	
Interest and Costs at Tax Sale	564.26	
		23,847.83
		101,723.75
Decreased by:		
Collections		-
Balance Dec. 31, 2017		\$ 101,723.75

BOROUGH OF NEWFIELD
Current Fund

Schedule of Revenue Accounts Receivable
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u> <u>In 2017</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 1,152.00	\$ 1,152.00	\$ -
Marriage		417.00	417.00	
Mercantile		55.00	55.00	
Fees and Permits:				
Sewer		2.00	2.00	
Certificate of Occupancy		1,650.00	1,650.00	
Street Openings		750.00	750.00	
Planning Board		3,525.00	3,525.00	
Zoning Board		2,375.00	2,375.00	
Tax Searches		10.00	10.00	
Municipal Court:				
Fines and Costs	1,509.40	33,232.85	33,070.08	1,672.17
Rental Registration Fees		8,150.00	8,150.00	
Interest and Costs on Taxes		23,333.48	23,333.48	
Interest on Investments and Deposits		5,199.01	5,199.01	
Consolidated Municipal Property Tax Relief Aid		10,529.00	10,529.00	
Energy Receipts Tax		119,179.00	119,179.00	
Safety Incentive Program	2,650.00	1,650.00	2,650.00	1,650.00
Uniform Construction Code Fees	6,016.37	54,505.25	60,033.60	488.02
Police Department Fees		212.25	212.25	
	<u>\$ 10,175.77</u>	<u>\$ 265,926.84</u>	<u>\$ 272,292.42</u>	<u>\$ 3,810.19</u>

BOROUGH OF NEWFIELD
Current Fund
Schedule of Deferred Charges
N.J.S.A. 40A:4-55 Special Emergency
For the Year Ended December 31, 2017

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 Net Amount Authorized</u>	<u>Balance Dec. 31, 2016</u>	<u>Authorized In 2017</u>	<u>Raised in 2017 Budget</u>	<u>Balance Dec. 31, 2017</u>
6/13/13	Preparation of Master Plan	\$ 7,500.00	\$ 1,500.00	\$ 3,000.00	\$ -	\$ 1,500.00	\$ 1,500.00
6/13/13	Codification of Ordinances	4,500.00	900.00	1,800.00	-	900.00	900.00
				<u>\$ 4,800.00</u>	<u>\$ -</u>	<u>\$ 2,400.00</u>	<u>\$ 2,400.00</u>

BOROUGH OF NEWFIELD
Current Fund
Schedule of 2016 Appropriation Reserves
For the Year Ended December 31, 2017

	<u>Balance Dec. 31, 2016</u>		<u>Balance After</u>	<u>Expended</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Administrative and Executive:					
Salaries and Wages	\$ 3.07	\$ -	\$ 3.07	\$ -	\$ 3.07
Other Expenses	1,651.40		2,626.40	2,263.43	362.97
Financial Administration:					
Other Expenses	380.00		380.00	259.75	120.25
Collection of Taxes:					
Salaries and Wages	382.38		382.38	-	382.38
Other Expenses	200.00		200.00	-	200.00
Legal Services and Costs:					
Other Expenses	179.37		179.37	-	179.37
Public Buildings and Grounds:					
Other Expenses	23.93		23.93	-	23.93
Natural Gas	166.02		166.02	-	166.02
Electricity	1,165.71		1,165.71	798.46	367.25
Telephone	953.22		253.22		253.22
Central Computer Operations:					
Other Expenses	-		-	-	-
Municipal Land Use Law:					
Planning Board:					
Other Expenses	1,209.74		209.74	137.50	72.24
Group Insurance	102.65		102.65	95.89	6.76
Liability Insurance	0.11		0.11	-	0.11
Police:					
Salaries and Wages	732.26		2.26	-	2.26
Other Expenses	77.87		197.87	132.97	64.90
Municipal Court:					
Other Expenses	19,392.00		19,392.00	19,182.00	210.00
Road Repairs and Maintenance:					
Salaries and Wages	1,207.27		7.27	-	7.27
Gasoline	2,159.31	311.09	1,970.40	1,587.09	383.31
Street Lighting:					
Other Expenses	9.49		9.49	-	9.49
Garbage and Trash:					
Other Expenses	167.83		4,117.83	3,797.16	320.67
Construction Code Official:					
Salaries and Wages	251.65		251.65	-	251.65
Other Expenses	399.50		399.50	-	399.50
Plumbing Inspector:					
Salaries and Wages	14.50		14.50	-	14.50
Electrical Inspector:					
Salaries and Wages	18.00		18.00	-	18.00
Fire Protection Official:					
Salaries and Wages	60.50		60.50	-	60.50
Social Security	927.01		12.01	-	12.01
Unemployment Compensation Insurance	158.92		158.92	-	158.92
Recycling Tax	84.42		84.42	-	84.42
Other Accounts -- No Change					
	<u>\$ 32,078.13</u>	<u>\$ 311.09</u>	<u>\$ 32,389.22</u>	<u>\$ 28,254.25</u>	<u>\$ 4,134.97</u>

BOROUGH OF NEWFIELD
Current Fund
Schedule of Prepaid Taxes
For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$ 26,883.80
Increased by:	
Receipts	<u>56,318.71</u>
	83,202.51
Decreased by:	
Applied to 2017 Taxes Receivable	<u>26,883.80</u>
Balance Dec. 31, 2017	<u><u>\$ 56,318.71</u></u>

BOROUGH OF NEWFIELD
Current Fund

Schedule of Due To/From State of New Jersey - Senior Citizen and Veterans' Deductions
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016 (Due To)		\$ 250.00
Increased by:		
Receipts		<u>15,500.00</u>
		15,750.00
Decreased by:		
Accrued in 2017:		
Senior Citizens' and Veterans' Deductions per Tax Billing	\$ 16,750.00	
Senior Citizens' Disallowed by Tax Collector for 2017	(250.00)	
Senior Citizens' Disallowed by Tax Collector for 2016	<u>(750.00)</u>	
		<u>15,750.00</u>
Balance Dec. 31, 2017 (Due From)		<u><u>\$ -</u></u>

EXHIBIT SA-10

Statement of Reserve for Special Emergency - Codification of Ordinances
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 512.00
Decreased by:		
Expended		<u>512.00</u>
Balance Dec. 31, 2017		<u><u>\$ -</u></u>

BOROUGH OF NEWFIELD
Current Fund
 Schedule of Tax Overpayments
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ -
Increased by:		
Overpayments in 2017		17,493.97
		17,493.97
Decreased by:		
Refunded	\$ -	
Applied to Taxes Receivable	-	
Canceled	-	
		-
Balance Dec. 31, 2017		\$ 17,493.97

BOROUGH OF NEWFIELD
Current Fund
 Schedule of Due State of New Jersey -- Marriage License Fees
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	50.00
Increased by:		
Fees Collected		175.00
		225.00
Decreased by:		
Payments		200.00
Balance Dec. 31, 2017	\$	25.00

Schedule of Due to Library
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	179.00
Increased by:		
Received in 2017		195.00
		374.00
Decreased by:		
Payments		374.00
Balance Dec. 31, 2017	\$	-

BOROUGH OF NEWFIELD
Current Fund
 Schedule of County Taxes Payable
 For the Year Ended December 31, 2017

County Taxes	\$ 756,968.27	
County Library Taxes	56,926.46	
County Open Space Preservation	<u>47,899.68</u>	
		\$ 861,794.41
Decreased by:		
Disbursements		<u>861,794.41</u>
Balance Dec. 31, 2017		<u><u>\$ -</u></u>

Schedule of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 22,387.90
Increased by County Share of 2017 Levy:		
Added Taxes (R.S.54:4-63.1 et seq.)		<u>14,006.51</u>
		36,394.41
Decreased by:		
Disbursements		<u>22,387.90</u>
Balance Dec. 31, 2017		<u><u>\$ 14,006.51</u></u>

BOROUGH OF NEWFIELD
Current Fund
Schedule of Local District School Tax
For the Year Ended December 31, 2017

<hr/>		
Balance Dec. 31, 2016:		
School Tax Payable	\$ 176,214.48	
School Tax Deferred	<u>954,371.00</u>	
		\$ 1,130,585.48
Decreased by:		
Levy for School Year--July 1, 2017 to June 30, 2018		<u>2,406,245.00</u>
		3,536,830.48
Decreased by:		
Payments		<u>2,133,189.08</u>
Balance Dec. 31, 2017:		
School Tax Payable	449,270.40	
School Tax Deferred	<u>954,371.00</u>	
		<u>\$ 1,403,641.40</u>
<u>2017 Liability for School Tax</u>		
Taxes Paid		\$ 2,133,189.08
Tax Payable--Dec. 31, 2017		<u>449,270.40</u>
		2,582,459.48
Less: Tax Payable--Dec. 31, 2016		<u>176,214.48</u>
Amount Charged to 2017 Operations		<u>\$ 2,406,245.00</u>

BOROUGH OF NEWFIELD
Federal and State Grant Fund
Schedule of Federal and State Grants Receivable
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Federal Grants:				
Bulletproof Vest Partnership Program	\$ 872.00	\$ -	\$ -	\$ 872.00
Total Federal Grants	872.00	-	-	872.00
State Grants:				
Municipal Alliance for Drug and Alcohol Abuse	9,104.00	9,104.00	9,104.00	9,104.00
Clean Communities Program		4,237.13	4,237.13	-
State Recycling Program		6,233.41	6,233.41	-
Body Armor Fund		1,142.76	1,142.76	-
Total State Grants	9,104.00	20,717.30	20,717.30	9,104.00
Local Grants:				
Atlantic County Municipal JIF - Safety Award		1,000.00	1,000.00	
Total Local Grants	-	1,000.00	1,000.00	-
Total	\$ 9,976.00	\$ 21,717.30	\$ 21,717.30	\$ 9,976.00

BOROUGH OF NEWFIELD
Federal and State Grant Fund
 Schedule of Reserve for Federal and State Grants -- Unappropriated
 For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Federal and</u> <u>State Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Miscellaneous</u> <u>Revenue in</u> <u>2017 Budget</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
State Grants:				
Municipal Alliance for Drug and Alcohol Abuse		\$ 9,104.00	\$ 9,104.00	-
Clean Communities Program		4,237.13	4,237.13	-
State Recycling Program		6,233.41	1,969.63	\$ 4,263.78
Body Armor Fund	\$ 1,061.39	1,142.76	1,061.39	1,142.76
	1,061.39	20,717.30	16,372.15	5,406.54
Local Grants:				
Atlantic County Municipal JIF - Safety Award		1,000.00		1,000.00
	-	1,000.00	-	1,000.00
Total	\$ 1,061.39	\$ 21,717.30	\$ 16,372.15	\$ 6,406.54

BOROUGH OF NEWFIELD
Federal and State Grant Fund
Schedule of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Transferred</u> <u>from 2017</u> <u>Budget</u> <u>Appropriation</u>	<u>Canceled</u>	<u>Disbursed</u>	<u>Encumbered</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Federal Grants:						
Bulletproof Vest Partnership Program	\$ 1,178.18			\$ -		\$ 1,178.18
Total Federal Grants	1,178.18	-	-	-	-	1,178.18
State Grants:						
2014 Municipal Drug Alliance:						
Grant	3,191.57		\$ (3,191.57)	-		-
Borough Share				-		-
2015 Municipal Drug Alliance:						
Grant	1,696.46		(1,696.46)	-		-
Borough Share				-		-
2016 Municipal Drug Alliance:						
Grant	2,042.36			2,042.36		-
Borough Share	2,276.00			1,525.84		750.16
2017 Municipal Drug Alliance:						
Grant		\$ 9,104.00		9,020.32		83.68
Borough Share		2,276.00		-		2,276.00
Clean Communities Grant	300.00	4,237.13		4,537.13		-
Body Armor Fund		1,061.39		872.00		189.39
State Recycling Program		1,969.63		1,969.63		-
Drunk Driving Enforcement Fund	6,888.65			1,604.57		5,284.08
Total State Grants	16,395.04	18,648.15	(4,888.03)	21,571.85	-	8,583.31
Local Grants:						
Atlantic County Municipal JIF - Safety Award				-		-
Edgarton Academy Donation - Police Equipment	68.70			-		68.70
Total Local Grants	68.70	-	-	-	-	68.70
Total	\$ 17,641.92	\$ 18,648.15	\$ (4,888.03)	\$ 21,571.85	\$ -	\$ 9,830.19

TRUST FUND

BOROUGH OF NEWFIELD
Trust Fund
 Schedule of Cash - Treasurer
 For the Year Ended December 31, 2017

	<u>ANIMAL CONTROL</u> <u>TRUST</u>	<u>TRUST</u> <u>OTHER</u>
Balance Dec. 31, 2016	\$ 4,875.87	\$ 39,057.42
Increased by Receipts:		
Dog License Fees	1,513.00	
Fees Due to State Board of Health	156.60	
Due to Current Fund	24.27	156.09
Payroll Deposits		880,230.89
Reserve for Tax Title Lien Redemption-Tax Premium		82,725.87
Total Receipts	1,693.87	963,112.85
Decreased by Disbursements:		
Fees Paid to State Board of Health	156.60	
Reserve for Animal Control Expenditures	1,731.00	
Due to Current Fund	1,878.87	
Payroll Payments		884,698.18
Reserve for Tax Title Lien Redemption-Tax Premium		69,300.69
Total Disbursements	3,766.47	953,998.87
Balance Dec. 31, 2017	\$ 2,803.27	\$ 48,171.40
 <u>Reconciliation Dec. 31, 2017</u>		
Newfield National Bank		
Account No. 0001050863	\$ 2,803.27	
Account No. 0001757731		\$ 45,611.66
Account No. 0001001940		8,586.59
Less: Outstanding Checks per Permanent Record		(6,026.85)
Balance	\$ 2,803.27	\$ 48,171.40

BOROUGH OF NEWFIELD
Animal Control Fund
 Schedule of Due to/from Current Fund
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016 (Due to)		\$ 1,878.87
Increased by:		
Interest Received	\$ 24.27	
Statutory Excess Due to Current Fund	-	
		24.27
		1,903.14
Decreased by:		
Paid to Current Fund		1,878.87
Balance Dec. 31, 2017 (Due to)		\$ 24.27

EXHIBIT SB-3

Schedule of Due from/to State of New Jersey
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ -
Increased by:		
2017 Fees Collected and Due to State Board of Health		156.60
		156.60
Decreased by:		
Fees Paid to State Board of Health		156.60
Balance Dec. 31, 2017		\$ -

BOROUGH OF NEWFIELD
Animal Control Fund
 Schedule of Reserve For Animal Control Fund Expenditures
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 2,997.00
Increased by:		
2017 Dog License Fees Collected		1,513.00
		4,510.00
Decreased by:		
Expenditures Under R.S. 4:19-15.11	1,731.00	
Statutory Excess Due to Current Fund	-	
		1,731.00
Balance Dec. 31, 2017		\$ 2,779.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2015	\$ 1,306.00
2016	1,653.40
Total	\$ 2,959.40

BOROUGH OF NEWFIELD
Trust Other Funds
 Schedule of Due From Current Fund
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$	60,436.96
Increased by:			
Received by Current Fund:			
Escrow Deposits	\$ 30,849.75		
Police Outside Detail	107,066.14		
	<u>137,915.89</u>		
Disbursed to Current Fund	<u>-</u>		<u>137,915.89</u>
			198,352.85
Decreased by:			
Disbursed by Current Fund:			
Escrow Deposits	34,178.50		
Police Outside Detail	93,593.52		
	<u>127,772.02</u>		
Interest Received	<u>156.09</u>		<u>127,928.11</u>
Balance Dec. 31, 2017		\$	<u><u>70,424.74</u></u>

Schedule of Payroll Deductions Payable
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$	8,324.21
Increased by:			
Payroll Deposits			<u>880,230.89</u>
			888,555.10
Decreased by:			
Payroll Disbursements			<u>884,698.18</u>
Balance Dec. 31, 2017		\$	<u><u>3,856.92</u></u>

BOROUGH OF NEWFIELD
Trust Other Funds
 Schedule of Reserve Tax Title Lien Redemption - Tax Sale Premium
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	30,674.61
Increased by:		
Receipts:		
TTL Redemption and Tax Sale Premiums		82,725.87
		113,400.48
Decreased by:		
Payments		
		69,300.69
Balance Dec. 31, 2017	\$	44,099.79

Schedule of Reserve for Escrow Deposits
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	38,568.13
Increased by:		
Received in Current Fund		
		30,849.75
		69,417.88
Decreased by:		
Disbursed by Current Fund		
		34,178.50
Balance Dec. 31, 2017	\$	35,239.38

BOROUGH OF NEWFIELD
Trust Other Funds
 Schedule for Parking Offenses Adjudication Act
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	44.00
Increased by:		
Received in Current Fund		-
		44.00
Decreased by:		
Payments		-
Balance Dec. 31, 2017	\$	44.00

EXHIBIT SB-10

Schedule for Reserve for Police Outside Detail
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	21,883.43
Increased by:		
Received in Current Fund		107,066.14
		128,949.57
Decreased by:		
Payments in Current Fund		93,593.52
Balance Dec. 31, 2017	\$	35,356.05

GENERAL CAPITAL FUND

BOROUGH OF NEWFIELD
General Capital Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 33,525.01
Increased by Receipts:		
Grants Receivable	\$ 245,163.32	
Deferred Charge Raised in 2017 Current Fund Budget	6,926.50	
Capital Improvement Fund	5,000.00	
Bond Anticipation Notes	76,000.00	
		333,089.82
		366,614.83
Decreased by Disbursements:		
Improvement Authorizations	85,945.87	
Contracts Payable	91,294.84	
		177,240.71
Balance Dec. 31, 2017		\$ 189,374.12

BOROUGH OF NEWFIELD
General Capital Fund
 Analysis of General Capital Cash
 For the Year Ended December 31, 2017

	Balance December 31, 2016	Received		Disbursed		Transfers		Balance December 31, 2017
		Bond Anticipation Notes Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Capital Improvement Fund	\$ 5,508.50		\$ 5,000.00			\$ 7,250.00	\$ 2,742.50	\$ 6,001.00
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
10-05 Various Capital Improvements	1.91					1.91		-
11-13/15-4 Purchase of a Fire Truck and Turn-Out Gear	206.39					206.39		-
12-11 Various Capital Improvements	6.19					6.19		-
12-16 Acquisition of Capital Equipment	14.40					14.40		-
13-03 Improvement to Municipal Buildings and Computer Improvements	-							-
13-05 Gorgo Lane Roadway Restoration	-							-
14-3a Reconstruction and/or Repaving of Gorgo Lane	0.04					0.04		-
14-5 Purchase of Two All-Wheel Drive Police Vehicles and All Appurtances	8.16					8.16		-
15-7 Various Improvements and Capital Purchases of Equipment	5,177.42			\$ 4,947.13				230.29
15-10 Helena Street Roadway Reconstruction	158,512.80			4,533.80		153,979.00		-
16-1 Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	41,015.70			25,272.13				15,743.57
17-2a Purchase of Two All-Wheel Drive Police Vehicles with Appurtances				507.50		2,742.50	3,250.00	-
17-2b Purchase of Fire Department Equipment		\$ 38,000.00		13,264.30			2,000.00	26,735.70
17-5 Helena Street Roadway Reconstruction		38,000.00		37,421.01		202,385.42	221,000.00	19,193.57
Grants Receivable	(176,926.50)		252,089.82			219,000.00		(143,836.68)
Contracts Payable	-				\$ 91,294.84		356,364.42	265,069.58
Reserve for Payment of Notes							237.09	237.09
	\$ 33,525.01	\$ 76,000.00	\$ 257,089.82	\$ 85,945.87	\$ 91,294.84	\$ 585,594.01	\$ 585,594.01	\$ 189,374.12

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Grants Receivable
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 176,926.50
Increased by:		
New Jersey Department of Transportation Grant		219,000.00
		395,926.50
Decreased by:		
Raised in 2017 Current Fund Budget	\$ 6,926.50	
Grant Received	245,163.32	
		252,089.82
Balance Dec. 31, 2017		\$ 143,836.68

<u>Agency</u>	<u>Ordinance No.</u>	<u>Amount</u>
New Jersey Department of Transportation	17-5	\$ 143,836.68

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Deferred Charges To Future Taxation - Unfunded
 For the Year Ended December 31, 2017

Ordinance Number	Description	Balance December 31, 2016	2017 Authorizations	Notes Paid by Budget Appropriation	Canceled	Balance December 31, 2017	Analysis of Balance		
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
06-09	Reconstruction of Rena Street	\$ 1,090.00		\$ (1,090.00)		\$ -	\$ -		
06-13	Purchase of Police Four-Wheel Drive Vehicle	2,905.00		(2,905.00)		-	-		
07-03	Improvements to Oakland Ave.	4,150.00		(3,000.00)		1,150.00	1,150.00		
08-02	Improvements to Municipal Building & Purchase of Equipment	11,400.00		(5,700.00)		5,700.00	5,700.00		
10-05	Various Capital Improvements	50,540.00		(12,640.00)		37,900.00	37,900.00		
11-6/									
11-11	Improvements to Catwba Avenue	28,500.00		(5,700.00)		22,800.00	22,800.00		
11-13/ 15-4	Purchase of a Fire Truck and Turn-Out Gear	342,000.00		(38,000.00)		304,000.00	304,000.00		
12-05	Various Improvements to Newfield Public Library	41,040.00		(6,840.00)		34,200.00	34,200.00		
12-11	Various Capital Improvements	31,063.00		(5,178.00)		25,885.00	25,885.00		
12-13	Various Capital Improvements	39,900.00		(6,650.00)		33,250.00	33,250.00		
12-16	Acquisition of Capital Equipment	15,960.00		(2,280.00)		13,680.00	13,680.00		
13-03	Improvement to Municipal Buildings and Computer Improvements	53,200.00		(7,600.00)		45,600.00	45,600.00		
13-04	Purchase of a Trash Truck and All Apputenances	152,950.00		(21,850.00)		131,100.00	131,100.00		(Continued)

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BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Deferred Charges To Future Taxation - Unfunded
 For the Year Ended December 31, 2017

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Ordinance Number		Balance December 31, 2016	2017 Authorizations	Notes Paid by Budget Appropriation	Canceled	Balance December 31, 2017	Analysis of Balance			
							Funded by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations	
13-05	Gorgo Lane Roadway Restoration	\$ 34,200.00		\$ (4,275.00)		\$ 29,925.00	\$ 29,925.00			
14-3a	Reconstructionand/or Repaving of Gorgo Lane	30,400.00		(3,800.00)		26,600.00	26,600.00			
14-3b	Various Improvements to Public Works Garage	15,200.00		(1,900.00)		13,300.00	13,300.00			
14-5	Purchase of Two All-Wheel Drive Police Vehicles and All Appurtances	32,240.00		(4,030.00)		28,210.00	28,210.00			
15-7	Various Improvements and Capital Purchases of Equipment	76,860.00		(8,540.00)		68,320.00	68,320.00			
15-10	Helena Street RoadwayReconstruction	19,000.00		(1,900.00)		17,100.00	17,100.00			
16-1	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	85,500.00		(8,550.00)		76,950.00	76,950.00			
17-2a	Purchase of Two All-Wheel Drive Police Vehicles with Appurtances		\$ 61,750.00		\$ 61,750.00	-				
17-2b	Purchase of Fire Department Equipment		38,000.00			38,000.00	38,000.00			
17-5	Helena Street RoadwayReconstruction		38,000.00			38,000.00	38,000.00			
		<u>\$ 1,068,098.00</u>	<u>\$ 137,750.00</u>	<u>\$ (152,428.00)</u>	<u>\$ 61,750.00</u>	<u>\$ 991,670.00</u>	<u>\$ 991,670.00</u>	<u>\$ -</u>	<u>\$ -</u>	
		Improvement Authotizations - Unfunded							\$ 59,060.05	
		Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
		Ordinance No. 15-7							\$ 230.29	
		Ordinance No. 16-1							15,743.57	
		Ordinance No. 17-2b							26,735.70	
		Ordinance No. 17-3							16,350.49	
									<u>59,060.05</u>	

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Ordinance		2017 Authorizations						Balance							
			Amount	Balance Dec. 31, 2016		Capital Improvement Fund	Grants	Deferred Charges to Future Taxation - Unfunded	Paid or Charged	Canceled	Dec. 31, 2017							
				Funded	Unfunded						Funded	Unfunded						
10-05	Various Capital Improvements	2010	133,000.00	\$	1.91				\$	-	\$	1.91	\$	-				
11-13/ 15-04	Purchase of a Fire Truck and Turn-Out Gear	2011 2015	400,000.00							-		206.39		-				
12-11	Various Capital Improvements	2012	54,500.00							-		6.19		-				
12-16	Acquisition of Capital Equipment	2012	24,000.00							-		14.40		-				
14-3a	Reconstructionand/or Repaving of Gorgo Lane	2014	40,000.00							-		0.04		-				
14-5	Purchase of Two All-Wheel Drive Police Vehicles and All Appurtances	2014	76,000.00							-		8.16		-				
15-7	Various Improvements and Capital Purchases of Equipment	2015	90,950.00							4,947.13		5,177.42		230.29				
15-10	Helena Street RoadwayReconstruction	2015	190,000.00	\$	153,979.00					158,512.80		4,533.80		-				
16-1	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	2016	90,000.00							25,272.13		41,015.70		15,743.57				
17-2a	Purchase of Two All-Wheel Drive Police Vehicles with Appurtances	2017	65,000.00			\$	3,250.00		\$	61,750.00	507.50	64,492.50		-				
17-2b	Purchase of Fire Department Equipment	2017	40,000.00				2,000.00			38,000.00	13,264.30	40,000.00		26,735.70				
17-5	Helena Street RoadwayReconstruction	2017	259,000.00				2,000.00	\$	219,000.00	38,000.00	239,806.43	259,000.00	\$	2,843.08				
Total						\$	153,979.00	\$	50,964.01	\$	7,250.00	\$	219,000.00	\$	137,750.00			
											\$	442,310.29	\$	64,729.59	\$	2,843.08	\$	59,060.05
											\$	237.09		61,750.00		2,742.50		
											\$	64,729.59						
											\$	356,364.42						
												85,945.87						
											\$	442,310.29						

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 5,508.50
Increased by:		
2017 Budget Appropriation Received from Current Fund	\$ 5,000.00	
Funded Improvement Authorizations - Canceled	<u>2,742.50</u>	
		<u>7,742.50</u>
		13,251.00
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>7,250.00</u>
Balance Dec. 31, 2017		<u><u>\$ 6,001.00</u></u>

EXHIBIT SC-7

Schedule of Contracts Payable
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ -
Increased by:		
Charged to Improvement Authorizations		<u>356,364.42</u>
		356,364.42
Decreased by:		
Payments	\$ 91,294.84	
Canceled	<u>-</u>	
		<u>91,294.84</u>
Balance Dec. 31, 2017		<u><u>\$ 265,069.58</u></u>

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
06-09	Reconstruction of Rena Street	5/24/07	5/2/16	5/1/17	.95%	\$ 1,090.00		\$ 1,090.00	-
06-13	Purchase of Police Four-Wheel Drive Vehicle	5/24/07	5/2/16	5/1/17	.95%	2,905.00		2,905.00	-
07-03	Improvements to Oakland Ave.	5/24/07	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	4,150.00	1,150.00	4,150.00	- 1,150.00
87 08-02	Improvements to Municipal Building & Purchase of Equipment	5/20/08	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	11,400.00	5,700.00	11,400.00	- 5,700.00
10-05	Various Capital Improvements	5/12/10	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	50,540.00	37,900.00	50,540.00	- 37,900.00
11-6/11-11	Improvements to Catwba Avenue	5/11/11	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	28,500.00	22,800.00	28,500.00	- 22,800.00
12-05	Various Improvements to Newfield Public Library	5/10/12	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	41,040.00	34,200.00	41,040.00	- 34,200.00
12-11	Various Capital Improvements	8/16/12	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	31,063.00	25,885.00	31,063.00	- 25,885.00
12-13	Various Capital Improvements	8/16/12	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	39,900.00	33,250.00	39,900.00	- 33,250.00

(Continued)

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
12-16	Acquisition of Capital Equipment	5/8/13	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	\$ 15,960.00	\$ 13,680.00	\$ 15,960.00	- \$ 13,680.00
13-03	Improvement to Municipal Buildings and Computer Improvements	5/8/13	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	53,200.00	45,600.00	53,200.00	- 45,600.00
88 13-04	Purchase of a Trash Truck and All Apputenances	5/8/13	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	152,950.00	131,100.00	152,950.00	- 131,100.00
13-05	Gorgo Lane Roadway Restoration	5/6/14	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	34,200.00	29,925.00	34,200.00	- 29,925.00
14-3a	Reconstructionand/or Repaving of Gorgo Lane	12/16/14	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	30,400.00	26,600.00	30,400.00	- 26,600.00
14-3b	Various Improvements to Public Works Garage	12/16/14	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	15,200.00	13,300.00	15,200.00	- 13,300.00
14-5	Purchase of Two All-Wheel Drive Police Vehicles and All Appurtances	12/16/14	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	32,240.00	28,210.00	32,240.00	- 28,210.00
11-13/ 15-4	Purchase of a Fire Truck and Turn-Out Gear	5/4/15 10/13/15	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	342,000.00	304,000.00	342,000.00	- 304,000.00

(Continued)

BOROUGH OF NEWFIELD
General Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
15-7	Various Improvements and Capital Purchases of Equipment	7/15/15	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	\$ 76,860.00	\$ 68,320.00	\$ 76,860.00	-
15-10	Helena Street Roadway Reconstruction	5/2/16	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	19,000.00	17,100.00	19,000.00	-
16-1	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	5/2/16	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	85,500.00	76,950.00	85,500.00	-
17-2b	Purchase of Fire Department Equipment	12/19/17	12/19/17	4/26/18	1.25%		38,000.00		38,000.00
17-5	Helena Street Roadway Reconstruction	12/19/17	12/19/17	4/26/18	1.25%		38,000.00		38,000.00
Total						<u>\$ 1,068,098.00</u>	<u>\$ 991,670.00</u>	<u>\$ 1,068,098.00</u>	<u>\$ 991,670.00</u>
							\$ 915,670.00	\$ 915,670.00	
							76,000.00		
								152,428.00	
							<u>\$ 991,670.00</u>	<u>\$ 1,068,098.00</u>	

BOROUGH OF NEWFIELD
General Capital Fund
 Statement of Bonds And Notes Authorized But Not Issued
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Canceled</u>	<u>Balance December 31, 2017</u>
17-2a	Purchase of Two All-Wheel Drive Police Vehicles with Appurtances		\$ 61,750.00		\$ 61,750.00	\$ -
17-2b	Purchase of Fire Department Equipment		38,000.00	\$ 38,000.00		-
17-5	Helena Street Roadway Reconstruction		38,000.00	38,000.00		-
		<u>\$ -</u>	<u>\$ 137,750.00</u>	<u>\$ 76,000.00</u>	<u>\$ 61,750.00</u>	<u>\$ -</u>

WATER UTILITY FUND

BOROUGH OF NEWFIELD
Water Utility Fund
Schedule of Cash - Treasurer
For the Year Ended December 31, 2017

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance Dec. 31, 2016	\$ 109,484.61	\$ 25,930.56
Increased by Receipts:		
Consumer Accounts Receivable	\$ 414,365.95	
Prepaid Rents	1,345.67	
Miscellaneous Revenues	46,386.06	
Bond Anticipation Notes		<u>\$ 50,000.00</u>
	<u>462,097.68</u>	<u>50,000.00</u>
	571,582.29	75,930.56
Decreased by Disbursements:		
2017 Appropriations	435,858.27	
2016 Appropriation Reserves	3,721.80	
Refund of Prepaid Rents	80.00	
Accrued Interest Payable	8,362.06	
Improvement Authorizations		<u>27,447.98</u>
	<u>448,022.13</u>	<u>27,447.98</u>
Balance Dec. 31, 2017	<u><u>\$ 123,560.16</u></u>	<u><u>\$ 48,482.58</u></u>
 <u>Reconciliation Dec. 31, 2017</u>		
Newfield National Bank		
Account No.:		
0018132011		\$ 68,215.92
Add: Deposits in Transit		<u>107.77</u>
		\$ 68,323.69
 Account No.:		
0001050897		106,966.05
Less: Outstanding Checks		<u>(3,247.00)</u>
		<u>103,719.05</u>
		<u><u>\$ 172,042.74</u></u>
 <u>Recapitulation of Balances Dec. 31, 2017</u>		
Operating Fund		\$ 123,560.16
Capital Fund		<u>48,482.58</u>
		<u><u>\$ 172,042.74</u></u>

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Analysis of Cash
 For the Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Received</u>		<u>Disbursed</u>		<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2017</u>
		<u>Bond</u> <u>Anticipation</u> <u>Notes Issued</u>	<u>Miscellaneous</u>	<u>Improvement</u> <u>Authorizations</u>	<u>Miscellaneous</u>	<u>From</u>	<u>To</u>	
Fund Balance	\$ -							\$ -
Capital Improvement Fund	42.70							42.70
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
10-04 Improvements to Water Utility System	3.65					\$ 3.65		-
15-8 Various Improvements and Capital Purchases of Equipment	5,617.71			\$ 4,418.48				1,199.23
16-3 Acquisition of Equipment for and Various Improvements to the Water Utility System	15,622.90						\$ 4,643.60	20,266.50
17-3 Purchase of a Utility Dump Truck				793.50				(793.50)
17-6 Installation of Water Valves - Helena Street		\$ 50,000.00		22,236.00				27,764.00
Resrve for Payment of Notes							3.65	3.65
Contracts Payable	4,643.60					4,643.60		-
	<u>\$ 25,930.56</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>	<u>\$ 27,447.98</u>	<u>\$ -</u>	<u>\$ 4,647.25</u>	<u>\$ 4,647.25</u>	<u>\$ 48,482.58</u>

BOROUGH OF NEWFIELD
Water Utility Operating Fund
Schedule of Change Funds
December 31, 2017

<u>Office</u>	<u>Amount</u>
Utility Collector	<u>\$ 100.00</u>

BOROUGH OF NEWFIELD
Water Utility Operating Fund
 Schedule of Consumer Accounts Receivable
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 43,305.59
Increased by:		
Water Rents Levied in 2017		415,150.14
		458,455.73
Decreased by:		
Collection	\$ 414,365.95	
Prepaid Applied	1,247.18	
		415,613.13
Balance Dec. 31, 2017		\$ 42,842.60

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of Fixed Capital
 For the Year Ended December 31, 2017

	Balance December 31, <u>2016</u>	<u>Additions</u>	Balance December 31, <u>2017</u>
Distribution Mains	\$ 425,414.95		\$ 425,414.95
Meters, Meter Boxes and Values	108,399.73		108,399.73
General Equipment	96,205.15		96,205.15
Pumping Equipment	29,329.79		29,329.79
Fire Hydrants	6,253.85		6,253.85
Chlorination Equipment	14,156.80		14,156.80
Water Wells	338,501.97		338,501.97
Volumetric Hydrated Line Feeder	12,674.29		12,674.29
Water Supply System Project	3,499.75		3,499.75
Storage Tank, Pumping House Well and Mains	726,841.07		726,841.07
	<u>\$ 1,761,277.35</u>	<u>\$ -</u>	<u>\$ 1,761,277.35</u>

BOROUGH OF NEWFIELD
Water Utility Capital Fund
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>	<u>2017 Authorizations</u>	<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>December 31, 2016</u>		<u>December 31, 2017</u>
6-14	Improvements to Water Utility System	11-14-06	25,000.00	\$ 25,000.00		\$ 25,000.00
7-01	Purchase of Equipment and Improvements to Water Utility System	3-13-07	150,000.00	150,000.00		150,000.00
10-01	Improvements to Water Utility System	3-9-10	19,000.00	20,000.00		20,000.00
10-04	Improvements to Water Utility System	5-11-10	66,500.00	70,000.00		70,000.00
12-07	Acquisition of Equipment and Related Improvements	4-10-12	55,000.00	55,000.00		55,000.00
12-12	Preliminary Well #5 Remediation Fees	6-12-12		110,000.00		110,000.00
13-01	Construction of a Radium Removal Treatment Facility for Well #5	2-14-13	1,015,000.00	1,015,000.00		1,015,000.00
15-8	Various Improvements and Capital Purchases of Equipment	5-14-15	78,000.00	74,100.00		74,100.00
16-3	Acquisition of Equipment for and Various Improvements to the Water Utility System	4-14-16	75,000.00	75,000.00		75,000.00
17-3	Purchase of a Utility Dump Truck	5-11-17	55,000.00		\$ 55,000.00	55,000.00
17-6	Installation of Water Valves - Helena Street	8-10-17	50,000.00		50,000.00	50,000.00
				<u>\$ 1,594,100.00</u>	<u>\$ 105,000.00</u>	<u>\$ 1,699,100.00</u>

BOROUGH OF NEWFIELD
Water Utility Operating Fund
 Schedule of 2016 Appropriation Reserves
 For the Year Ended December 31, 2017

	Balance		Transfers	Balance		Disbursed	Balance
	<u>Dec. 31, 2016</u>			<u>After</u>			
	<u>Reserved</u>	<u>Encumbered</u>		<u>Transfers</u>			
Operating:							
Salaries & Wages	\$ 997.98		\$ (360.00)	\$ 637.98	\$ -		\$ 637.98
Other Expenses	3,361.80		360.00	3,721.80	3,721.80		-
Statutory Expenditures:							
Social Security System (O.A.S.I.)	256.25			256.25	-		256.25
Unemployment Compensation Insurance	43.94			43.94	-		43.94
	<u>\$ 4,659.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,659.97</u>	<u>\$ 3,721.80</u>		<u>\$ 938.17</u>

BOROUGH OF NEWFIELD
Water Utility Operating Fund
 Schedule of Prepaid Water Rents
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016		\$ 1,327.18
Increased by:		
Prepaid Rents		1,345.67
		2,672.85
Decreased by:		
Applied to Consumer Accounts Receivable	\$ 1,247.18	
Refunded	80.00	
		1,327.18
Balance Dec. 31, 2017		\$ 1,345.67

BOROUGH OF NEWFIELD
Water Utility Operating Fund
 Schedule of Accrued Interest Payable
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	4,071.10
Increased by:		
2017 Budget Appropriations for:		
Interest on Bonds and Loans	\$	5,945.72
Interest on Notes		<u>2,508.33</u>
		<u>8,454.05</u>
		12,525.15
Decreased by:		
Interest Paid		<u>8,362.06</u>
Balance Dec. 31, 2017	\$	<u><u>4,163.09</u></u>

Analysis of Accrued Interest December 31, 2017

	Principal Outstanding Dec. 31, 2017	Interest Rate	From	To	Period	Amount
NJEIT Trust/Fund Loan of 2014:						
Trust Fund	\$ 23,856.00	Various	8/1/17	12/31/17	5 Months	\$ 233.70
NANO Trust Fund	227,114.00	Various	8/1/17	12/31/17	5 Months	2,224.23
Bond Anticipation Notes:						
	199,830.00	1.25	4/27/17	12/31/17	243 Days	1,686.06
	50,000.00	1.25	12/19/17	12/31/17	11 Days	<u>19.10</u>
						<u><u>\$ 4,163.09</u></u>

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of Improvement Authorizations
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Date	Ordinance		Balance Dec. 31, 2016		2017 Authorizations		Paid or Charged	Canceled	Balance Dec. 31, 2017	
			Amount		Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Revenue			Funded	Unfunded
10-04	Improvements to Water Utility System	5-11-10	\$ 70,000.00		\$	3.65			-	\$ 3.65	\$	-
15-8	Various Improvements and Capital Purchases of Equipment	5-14-15	78,000.00			5,617.71			\$ 4,418.48			1,199.23
16-3	Acquisition of Equipment for and Various Improvements to the Water Utility System	4-14-16	75,000.00			15,622.90	\$ -		(4,643.60)			20,266.50
17-3 ¹⁰¹	Purchase of a Utility Dump Truck	5-11-17	55,000.00					\$ 55,000.00	793.50			54,206.50
17-6	Installation of Water Valves - Helena Street	8-10-17	50,000.00					50,000.00	22,236.00			27,764.00
					\$ -	\$ 21,244.26	\$ -	\$ 105,000.00	\$ 22,804.38	\$ 3.65	\$ -	\$ 103,436.23
										Reserve for Payment of Notes	\$ 3.65	
										Contracts Payable Canceled	\$ (4,643.60)	
										Disbursed	27,447.98	
											\$ 22,804.38	

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of Capital Improvement Fund
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	42.70
Increased by:		
2017 Budget Appropriation Received from Operating Fund		-
		42.70
Decreased by:		
Appropriations to Finance Improvement Authorizations		-
		-
Balance Dec. 31, 2017	\$	42.70

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of Reserve for Amortization
 For the Year Ended December 31, 2017

Balance Dec. 31, 2016	\$	2,329,726.77
Increased by:		
2017 Budget Appropriations:		
NJEIT Loans		29,269.53
Balance Dec. 31, 2017	\$	2,358,996.30

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of Deferred Reserve for Amortization
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Balance Dec. 31, 2017</u>
<i>General Improvements:</i>					
6-14	Improvements to Water Utility System	11-14-06	\$ 25,000.00	\$ -	\$ 25,000.00
7-01	Purchase of Equipment and Improvements to Water Utility System	3-13-07	133,200.00	16,800.00	150,000.00
10-01	Improvements to Water Utility System	3-9-10	12,400.00	3,800.00	16,200.00
10-04	Improvements to Water Utility System	5-11-10	36,750.00	8,300.00	45,050.00
12-07	Acquisition of Equipment and Related Improvements	4-10-12	22,000.00	5,500.00	27,500.00
12-12	Preliminary Well #5 Remediation Fees	6-12-12	1,800.00	900.00	2,700.00
13-01	Construction of a Radium Removal Treatment Facility for Well #5	2-14-13	3,000.00	1,500.00	4,500.00
15-8	Various Improvements and Capital Purchases of Equipment	5-14-15	7,410.00	7,410.00	14,820.00
16-3	Acquisition of Equipment for and Various Improvements to the Water Utility System	4-14-16		7,500.00	7,500.00
	Total		<u>\$ 241,560.00</u>	<u>\$ 51,710.00</u>	<u>\$ 293,270.00</u>

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of New Jersey Environmental Infrastructure Trust Loans Payable
 For the Year Ended December 31, 2017

Balance December 31, 2016	\$ 532,550.58
Decreased by:	
Paid by 2017 Budget Appropriation	29,269.53
Balance December 31, 2017	\$ 503,281.05

Analysis of Balance Dec. 31, 2017

<u>Payment Date</u>	<u>NANO Loan</u>		<u>Direct Loan</u>		<u>Total</u>
	<u>Trust</u>	<u>Fund</u>	<u>Trust</u>	<u>Fund</u>	
2/1/18		\$ 4,237.28		\$ 1,283.89	\$ 5,521.17
8/1/18	\$ 11,570.00	8,474.57	\$ 1,215.00	2,567.79	23,827.36
2/1/19		4,237.28		1,283.89	5,521.17
8/1/19	11,683.00	8,474.57	1,227.00	2,567.79	23,952.36
2/1/20		4,237.28		1,283.89	5,521.17
8/1/20	11,828.00	8,474.57	1,242.00	2,567.79	24,112.36
2/1/21		4,237.28		1,283.89	5,521.17
8/1/21	12,009.00	8,474.57	1,262.00	2,567.79	24,313.36
2/1/22		4,237.28		1,283.89	5,521.17
8/1/22	12,223.00	8,474.57	1,284.00	2,567.79	24,549.36
2023 through 2033	156,303.00	139,830.63	16,418.00	42,368.77	354,920.40
	\$ 215,616.00	\$ 203,389.88	\$ 22,648.00	\$ 61,627.17	\$ 503,281.05

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Schedule of Bond Anticipation Notes
 For the Year Ended December 31, 2017

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
7-01	Purchase of Equipment and Improvements to Water Utility System	5/24/07	5/2/16	5/1/17	.95%	\$ 16,800.00		\$ 16,800.00	-
10-01	Improvements to Water Utility System	5/12/10	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	7,600.00	\$ 3,800.00	7,600.00	- \$ 3,800.00
10-04	Improvements to Water Utility System	5/12/10	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	33,250.00	24,950.00	33,250.00	- 24,950.00
12-07	Acquisition of Equipment and Related Improvements	5/10/12	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	33,000.00	27,500.00	33,000.00	- 27,500.00
12-12	Preliminary Well #5 Remediation Fees	8/16/12 12/16/14	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	7,200.00	6,300.00	7,200.00	- 6,300.00
13-01	Construction of a Radium Removal Treatment Facility for Well #5	10/16/13 1/9/14 12/16/14	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	12,000.00	10,500.00	12,000.00	- 10,500.00
15-8	Various Improvements and Capital Purchases of Equipment	7/15/15	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	66,690.00	59,280.00	66,690.00	- 59,280.00
16-3	Acquisition of Equipment for and Various Improvements to the Water Utility System	5/2/16	5/2/16 4/27/17	5/1/17 4/26/18	.95% 1.25%	75,000.00	67,500.00	75,000.00	- 67,500.00
17-6	Installation of Water Valves - Helena Street	12/19/17	12/19/17	4/26/18	1.25%		50,000.00		50,000.00
Total						<u>\$ 251,540.00</u>	<u>\$ 249,830.00</u>	<u>\$ 251,540.00</u>	<u>\$ 249,830.00</u>
							\$ 199,830.00	\$ 199,830.00	
							50,000.00		
								51,710.00	
							<u>\$ 249,830.00</u>	<u>\$ 251,540.00</u>	

Renewals
 Issued for Cash
 Paid by Budget Appropriation

BOROUGH OF NEWFIELD
Water Utility Capital Fund
 Statement of Bonds And Notes Authorized But Not Issued
 For the Year Ended December 31, 2017

Ordinance Number	Improvement Description	Balance December 31, 2016	2017 Authorizations	Bond Anticipation Notes Issued	Balance December 31, 2017
17-3	Purchase of a Utility Dump Truck		\$ 55,000.00		\$ 55,000.00
17-6	Installation of Water Valves - Helena Street		50,000.00	\$ 50,000.00	-
		<u>\$ -</u>	<u>\$ 105,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 55,000.00</u>

BOROUGH OF NEWFIELD

PART II

Schedule of Findings and Recommendations

For the Year Ended December 31, 2017

BOROUGH OF NEWFIELD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Schedule of Financial Statement Findings

This section identifies the reportable conditions, 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 requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Findings Identified

BOROUGH OF NEWFIELD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2017

Schedule of Federal Awards and 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 federal and state programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.

BOROUGH OF NEWFIELD
Summary Schedule of Prior Year Audit Findings
And Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal and state grant awards that are required to be reported in accordance with *Government Auditing Standards* and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

Finding #2017-1

Condition:

A calculation of the actuarially calculated Other Post Employment Benefits (OPEB) obligation for the future cost of health care, dental and prescription benefit insurance coverage to be funded by the Borough for certain employees was not obtained.

Current Status:

The condition has been corrected.

FEDERAL AWARDS

A Federal Single Audit was not required.

STATE AWARDS

A State Single Audit was not required.

BOROUGH OF NEWFIELD

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 Bond</u>	<u>Name Of Surety</u>
Donald Sullivan	Mayor		(A)
Michael Carrow	Council President		(A)
Stephen Boyle	Councilperson		(A)
Luanne Fries	Councilperson		(A)
Scott Miller	Councilperson		(A)
Patricia Purdy	Councilperson		(A)
Rachel Zaccaria	Councilperson		(A)
Toni VanCamp	Borough Administrator, Borough Clerk, Construction Code Clerk, Registrar of Vital Statistics, Municipal Improvement Search Officer, Dog License Official		(A)
Robert E. Scharle'	Chief Financial Officer		(A)
Maria Branson	Tax Collector		(A)
John Eastlack, Esq. 1/1/17-6/30/17	Solicitor		
Daniel Rybeck, Esq 7/13/17 to present	Solicitor		
Debra Perrone-Hyder	Water Clerk, Deputy Borough Clerk, Deputy Register of Vital Statistics		(A)
John M. Eckler, Jr. 1/1/17-10/9/17	Construction Code Official, Zoning Officer		(A)
Donald Champion 10/10/17-12/31/17	Interim Construction Code Official, Zoning Officer		(A)

(A) Employees are covered by the public employees honesty Blanket Bond with the Atlantic County Municipal Joint Insurance Fund in the amount of \$50,000 and an excess liability bond in the amount of \$950,000 with the Municipal Excess Liability Fund.

ACKNOWLEDGMENT

I express my appreciation for the assistance and courtesies extended to the audit team by the Borough Officials during the course of the audit.

Respectfully submitted,

INVERSO & STEWART, LLC

A handwritten signature in black ink, appearing to read 'R. P. Inverso', written in a cursive style.

Robert P. Inverso
Certified Public Accountant
Registered Municipal Accountant

May 23, 2018