

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER 6, 2018

New Issue (Book-Entry Only)

Ratings: (See "RATINGS" herein)

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel ("Bond Counsel") to the City (as hereinafter defined), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as defined herein) (i) is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) will not be treated as a preference item under Section 57 of the Code for purposes of calculating the Federal alternative minimum tax. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

**CITY OF TRENTON,
In the County of Mercer, State of New Jersey**

**\$32,489,000 GENERAL OBLIGATION BONDS, SERIES 2018
(QUALIFIED PURSUANT TO THE MUNICIPAL QUALIFIED
BOND ACT CONSTITUTING P.L. 1976, c.38, AS AMENDED)**

**CONSISTING OF
\$10,648,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
\$19,791,000 WATER UTILITY BONDS, SERIES 2018
AND
\$2,050,000 SEWER UTILITY BONDS, SERIES 2018
(CALLABLE)/(BOOK-ENTRY ONLY)**

**\$362,000 SCHOOL BONDS, SERIES 2018
(SECURED BY THE NEW JERSEY SCHOOL BOND
RESERVE ACT, N.J.S.A. 18A:56-17 ET SEQ. (P.L. 1980, c. 72,
APPROVED JULY 16, 1980, AS AMENDED BY P.L. 2003, c. 118,
APPROVED JULY 1, 2003))
(NONCALLABLE)/(BOOK-ENTRY ONLY)**

Dated: Date of Delivery

Due: August 1, as shown on the inside front cover

The (i) \$32,489,000 aggregate principal amount of General Obligation Bonds, Series 2018 (Qualified Pursuant to the Municipal Qualified Bond Act Constituting P.L. 1976, c.38, as Amended), consisting of \$10,648,000 aggregate principal amount of General Improvement Bonds, Series 2018 (the "General Improvement Bonds"), \$19,791,000 aggregate principal amount of Water Utility Bonds, Series 2018 (the "Water Utility Bonds"), and \$2,050,000 aggregate principal amount of Sewer Utility Bonds, Series 2018 (the "Sewer Utility Bonds" and together with the General Improvement Bonds and the Water Utility Bonds, the "General Obligation Bonds"), and (ii) \$362,000 aggregate principal amount of School Bonds, Series 2018 (Secured by the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003)) (the "School Bonds" and together with the General Obligation Bonds, the "Bonds") of the City of Trenton, in the County of Mercer, State of New Jersey (the "City"), will be issued in the form of one certificate for the aggregate principal amount of each series of Bonds maturing in each year and when issued will be registered in the name of CEDE & CO., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as Securities Depository (the "Securities Depository") for the Bonds. See "THE BONDS – Book-Entry Only System" herein.

Interest on the Bonds will be payable semiannually on the first (1st) day of February and August (each an "Interest Payment Date") in each year until maturity or earlier redemption, as applicable, commencing August 1, 2019. The principal of and the interest on the Bonds will be paid to the Securities Depository by a duly designated paying agent. Interest on the Bonds will be credited to the Participants of DTC (as defined herein) as listed on the records of DTC as of each January 15 and July 15 (the "Record Dates" for the payment of interest on the Bonds) preceding an Interest Payment Date.

The General Obligation Bonds are subject to optional redemption prior to their stated maturity dates. The School Bonds are not subject to optional redemption prior to their stated maturity dates. See "THE BONDS – Optional Redemption" herein.

The Bonds are valid and legally binding general obligations of the City and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable property within the City for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement, including the Appendices, to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and delivered to the Underwriter (as defined herein), subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, and certain other conditions described herein. Certain legal matters will be passed upon for the City by its Director of Law, John Morelli, Esq., Trenton, New Jersey. GB Associates, LLC, Livingston, New Jersey, served as Financial Advisor to the City in connection with the sale and issuance of the Bonds. The Bonds are expected to be available for delivery in definitive form to the Securities Depository in New York, New York on or about December 21, 2018.

Electronic submissions for the General Obligation Bonds and the School Bonds, in accordance with the full Notices of Sale, must be made via PARITY until 11:00 a.m. prevailing New Jersey time on December 13, 2018. For more details on how to bid electronically, view the full Notices of Sale posted at www.MuniHub.com.

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In the County of Mercer, State of New Jersey**

**\$32,489,000 GENERAL OBLIGATION BONDS, SERIES 2018
(QUALIFIED PURSUANT TO THE MUNICIPAL QUALIFIED BOND ACT CONSTITUTING P.L. 1976, c.38, AS
AMENDED)**

**CONSISTING OF
\$10,648,000 GENERAL IMPROVEMENT BONDS, SERIES 2018
\$19,791,000 WATER UTILITY BONDS, SERIES 2018
AND
\$2,050,000 SEWER UTILITY BONDS, SERIES 2018**

**(CALLABLE)/(BOOK-ENTRY ONLY)
(NOT BANK QUALIFIED)**

**MATURITIES, AMOUNTS,
INTEREST RATES, YIELDS AND CUSIP NUMBERS**

<u>Year</u>	<u>General Improvement Bonds</u>	<u>Water Utility Bonds</u>	<u>Sewer Utility Bonds</u>	<u>Combined Amounts</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number¹</u>
2019	\$ 703,000	\$601,000	\$50,000	\$1,354,000			
2020	700,000	600,000	50,000	1,350,000			
2021	700,000	600,000	50,000	1,350,000			
2022	700,000	600,000	50,000	1,350,000			
2023	700,000	600,000	50,000	1,350,000			
2024	745,000	600,000	50,000	1,395,000			
2025	1,200,000	600,000	50,000	1,850,000			
2026	1,200,000	625,000	50,000	1,875,000			
2027	1,250,000	625,000	50,000	1,925,000			
2028	1,350,000	650,000	50,000	2,050,000			
2029	<u>1,400,000</u>	650,000	60,000	2,110,000			
2030		675,000	60,000	735,000			
2031		700,000	65,000	765,000			
2032		725,000	65,000	790,000			
2033		750,000	70,000	820,000			
2034		800,000	70,000	870,000			
2035		850,000	75,000	925,000			
2036		900,000	75,000	975,000			
2037		950,000	80,000	1,030,000			
2038		990,000	80,000	1,070,000			
2039		1,050,000	85,000	1,135,000			
2040		1,050,000	85,000	1,135,000			
2041		1,200,000	90,000	1,290,000			
2042		1,200,000	90,000	1,290,000			
2043		<u>1,200,000</u>	100,000	1,300,000			
2044			100,000	100,000			
2045			100,000	100,000			
2046			100,000	100,000			
2047			<u>100,000</u>	<u>100,000</u>			
	<u>\$10,648,000</u>	<u>\$19,791,000</u>	<u>\$2,050,000</u>	<u>\$32,489,000</u>			

1. "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP Numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the General Obligation Bonds and the City does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the General Obligation Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the General Obligation Bonds.

\$362,000 SCHOOL BONDS, SERIES 2018
(SECURED BY THE NEW JERSEY SCHOOL BOND RESERVE ACT,
N.J.S.A. 18A:56-17 ET SEQ. (P.L. 1980, c. 72, APPROVED JULY 16, 1980,
AS AMENDED BY P.L. 2003, c. 118, APPROVED JULY 1, 2003))

(NONCALLABLE)/(BOOK-ENTRY ONLY)/(NOT BANK QUALIFIED)

MATURITIES, AMOUNTS,
INTEREST RATES, YIELDS AND CUSIP NUMBERS

Year	Principal Amount	Interest Rate	Yield	CUSIP Number ¹
2019	\$ 32,000			
2020	30,000			
2021	30,000			
2022	30,000			
2023	30,000			
2024	30,000			
2025	30,000			
2026	30,000			
2027	30,000			
2028	30,000			
2029	<u>60,000</u>			
	<u>\$362,000</u>			

¹ "CUSIP" is a registered trademark of the American Bankers Association. CUSIP numbers are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP Numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the School Bonds and the City does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specified maturity is subject to being changed after the issuance of the School Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the School Bonds.

**CITY OF TRENTON
IN THE COUNTY OF MERCER
STATE OF NEW JERSEY**

MAYOR

W. Reed Gusciora, Esq.

COUNCIL MEMBERS

Kathy McBride, Council President
George Muschal
Santiago Rodriguez
Jerell Blakeley
Marge Caldwell-Wilson
Joseph Harrison
Robin Vaughn

CLERK

Dwayne M. Harris

CHIEF FINANCIAL OFFICER

Janet Schoenhaar

DIRECTOR OF LAW

John Morelli, Esq.
Trenton, New Jersey

AUDITOR

Mercadien P.C., Certified Public Accountants
Hamilton, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

FINANCIAL ADVISOR

GB Associates, LLC
Livingston, New Jersey

No broker, dealer, salesperson or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the City and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the City. The information and the expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder under any circumstances shall create any implication that there has been no change in any of the information herein since the date hereof or since the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the City during normal business hours.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the City from time to time (collectively, the "Official Statement"), may be treated as a "Final Official Statement" with respect to the Bonds described herein that is deemed final as of the date hereof (or of any such supplement or amendment) by the City.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City since the date hereof or any earlier date as of which any information contained herein is given. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be used, in whole or in part, for any other purpose.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If

given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriter.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

Wilentz, Goldman & Spitzer, P.A. has not participated in the preparation of the financial or statistical information contained in this Official Statement nor have they verified the accuracy or completeness thereof, and, accordingly, they express no opinion with respect thereto.

The Underwriter has reviewed the information in this Official Statement in accordance with and as part of its responsibilities to investors under the Federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guaranty the accuracy or completeness of such information.

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OFFICIAL STATEMENT Relating to

**\$32,489,000 GENERAL OBLIGATION BONDS, SERIES 2018
(QUALIFIED PURSUANT TO THE MUNICIPAL QUALIFIED
BOND ACT CONSTITUTING P.L. 1976, c.38, AS AMENDED)
CONSISTING OF
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72, APPROVED JULY 16, 1980, AS AMENDED BY P.L.
2003, c. 118, APPROVED JULY 1, 2003))
(NONCALLABLE) (BOOK-ENTRY ONLY)**

INTRODUCTION

This Official Statement, which includes the cover page, the inside front cover page and the Appendices attached hereto, has been prepared by the City of Trenton (the "City"), in the County of Mercer (the "County"), State of New Jersey (the "State") in connection with the sale and issuance by the City of:

- (i) \$32,489,000 aggregate principal amount of General Obligation Bonds, Series 2018 (Qualified Pursuant to the Municipal Qualified Bond Act Constituting P.L. 1976, c.38, as Amended), consisting of \$10,648,000 aggregate principal amount of General Improvement Bonds, Series 2018 (the "General Improvement Bonds"), \$19,791,000 aggregate principal amount of Water Utility Bonds, Series 2018 (the "Water Utility Bonds"), and \$2,050,000 aggregate principal amount of Sewer Utility Bonds, Series 2018 (the "Sewer Utility Bonds" and together with the General Improvement Bonds and the Water Utility Bonds, the "General Obligation Bonds"), and
- (ii) \$362,000 aggregate principal amount of School Bonds, Series 2018 (Secured by the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003)) (the "School Bonds" and together with the General Obligation Bonds, the "Bonds").

The Bonds are dated their date of delivery and maturing as shown on the inside front cover page of this Official Statement. This Official Statement has been executed by and on behalf of the City by its Chief Financial Officer and may be distributed in connection with the marketing and sale of the Bonds described herein.

THE BONDS

General Description

The Bonds will be issued in the form of one certificate for the aggregate principal amount of each series of Bonds maturing in each year and when issued will be registered in the name of CEDE & CO., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository ("DTC" or the "Securities Depository") for the Bonds. The certificates will be on deposit with the Securities

Depository. The Securities Depository will be responsible for maintaining a book-entry system for recording the interest of its participants or the transfers of interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the amount of any integral multiple of \$5,000 or any integral multiple thereof (with a minimum purchase of \$5,000 (except that any bonds in excess of the largest principal amount equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof) through book entries made on the books and records of the Securities Depository and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial interests in the Bonds, but each book-entry Bond owner will receive a credit balance on the books of its nominees, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased.

Interest on the Bonds will be payable semiannually on the first (1st) day of February and August (each an "Interest Payment Date") in each year until maturity or earlier redemption, as applicable, commencing August 1, 2019. The principal of and the interest on the Bonds will be paid to the Securities Depository by a duly designated paying agent. Interest on the Bonds will be credited to the Participants of DTC (as defined herein) as listed on the records of DTC as of each January 15 and July 15 (the "Record Dates" for the payment of interest on the Bonds) preceding an Interest Payment Date.

Optional Redemption

The General Obligation Bonds of this issue maturing prior to August 1, 2028 are not subject to redemption prior to their stated maturities. The General Obligation Bonds of this issue maturing on or after August 1, 2028 are subject to redemption, at the option of the City, in whole or in part, on any date on or after August 1, 2027, upon notice as required herein, at a redemption price equal to one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

The School Bonds of this issue are not subject to redemption prior to their stated maturities.

Notice of Redemption

Notice of Redemption ("Notice of Redemption") shall be given by mailing by first class mail, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption, in a sealed envelope with postage prepaid to the owners of the General Obligation Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the City or a duly appointed bond registrar. If the City determines to redeem a portion of the General Obligation Bonds prior to maturity, such General Obligation Bonds shall be selected by the City in its sole discretion. Any General Obligation Bonds to be redeemed having the same maturity shall be selected by lot within each maturity by the City. So long as DTC (or any successor thereto) acts as Securities

Depository for the General Obligation Bonds, Notice of Redemption shall be sent to DTC and shall not be sent to the beneficial owners of the General Obligation Bonds. Any General Obligation Bonds selected by the City to be redeemed having the same maturity that are held by the Securities Depository shall be selected by the Securities Depository in accordance with its regulations. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings.

If Notice of Redemption has been given as provided herein, the General Obligation Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the General Obligation Bonds after the date fixed for redemption and no further interest shall accrue beyond the redemption date. Payment shall be made upon surrender of the General Obligation Bonds being redeemed.

So long as CEDE & CO., as nominee of DTC, is the registered owner of the General Obligation Bonds, the City shall send redemption notices only to CEDE & CO. See "Book-Entry Only System" herein for further information regarding conveyance of notices and Beneficial Owners.

Book-Entry Only System

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest and other payments on the Bonds to Direct and Indirect Participants (each as defined below) or Beneficial Owners (defined below), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, Direct Participants and Beneficial Owners, is based on certain information furnished by DTC to the City. Accordingly, the City does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of CEDE & CO. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each year of maturity of the Bonds of each series, in the aggregate principal amount of each maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct

Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, CEDE & CO., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of CEDE & CO. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor CEDE & CO. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the Record Date. The Omnibus Proxy assigns CEDE & CO.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to CEDE & CO., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to CEDE & CO. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

THE PAYING AGENT WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED OWNERS OF THE BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

Discontinuation of Book-Entry Only System

If the City, in its sole discretion, determines that DTC is not capable of discharging its duties, or if DTC discontinues providing its services with respect to the Bonds at any time, the City will attempt to locate another qualified securities depository. If the City fails to find such a securities depository, or if the City determines, in its sole discretion, that it is in the best interest of the City or that the interest of the Beneficial Owners might be adversely affected if the book-entry only system of transfer is continued (the City undertakes no obligation to make an investigation to determine the occurrence of any events that would permit it to make such determination), the City shall notify DTC of the termination of the book-entry only system.

AUTHORIZATION AND PURPOSE

General Improvement Bonds

The General Improvement Bonds are issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), the Municipal Qualified Bond Act, N.J.S.A. 40A:3-1 et seq. (the "Municipal Qualified Bond Act"), the bond ordinances of the City set forth below and the applicable resolutions of the City duly adopted on December 4, 2018 (the "Resolutions"):

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
01-101	Various capital improvements, finally adopted November 19, 2001	\$ 216,034
03-94	Various capital improvements, finally adopted September 4, 2003	182,000
04-68	Various capital improvements, finally adopted August 5, 2004	206,800
05-86	Various capital improvements, finally adopted July 19, 2005	215,000
06-102	Various capital improvements, finally adopted December 21, 2006	630,000

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
07-079	Various capital improvements, finally adopted December 6, 2007	260,500
10-35	Various capital improvements, finally adopted June 17, 2010	1,100,000
13-18	Various capital improvements, finally adopted June 18, 2013	2,986,000
14-40	Various capital improvements, finally adopted September 4, 2014	3,851,666
16-35	Various capital improvements, finally adopted July 21, 2016	<u>1,000,000</u>
	TOTAL	<u>\$10,648,000</u>

The proceeds of the General Improvement Bonds are being issued to: (i) currently refund \$10,648,000 of the City's \$10,667,251 General Improvement Bond Anticipation Notes, Series 2018A dated and issued June 11, 2018 and maturing January 15, 2019 (the "Prior General Improvement Bond Anticipation Notes") (the remaining portion of the Prior General Improvement Bond Anticipation Notes is being paid with a budget appropriation in the amount of \$19,251), and (ii) pay costs and expenses incidental to the issuance and delivery of the General Improvement Bonds.

Water Utility Bonds

The Water Utility Bonds are issued pursuant to the Local Bond Law, the Municipal Qualified Bond Act, the bond ordinances of the City set forth below and the applicable Resolutions:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
06-103	Various improvements to the water lines and delivery system, finally adopted December 21, 2006	\$ 580,000
12-20	Various improvements to the water utility, finally adopted May 17, 2012	812,000

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
13-19	Various improvements to the water utility, finally adopted June 18, 2013	10,200,000
14-39	Various improvements to the water utility, finally adopted September 4, 2014	7,899,000
16-37	Various improvements to the water utility, finally adopted June 16, 2016	<u>300,000</u>
TOTAL		<u>\$19,791,000</u>

The proceeds of the Water Utility Bonds are being issued to: (i) currently refund \$19,791,000 of the \$19,800,000 Water Utility Bond Anticipation Notes, Series 2018A, dated and issued June 11, 2018 and maturing January 16, 2019 (the "Prior Water Utility Bond Anticipation Notes") (the remaining portion of the Prior Water Utility Bond Anticipation Notes is being paid with a budget appropriation in the amount of \$9,000), and (ii) pay costs and expenses incidental to the issuance and delivery of the Water Utility Bonds.

Sewer Utility Bonds

The Sewer Utility Bonds are issued pursuant to the Local Bond Law, the Municipal Qualified Bond Act, the bond ordinances of the City set forth below and the applicable Resolutions:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
01-002	Improvements to the sewer disposal system, finally adopted January 18, 2001	\$ 100,000
06-101	Various improvements to the sewer utility, finally adopted December 21, 2006	500,000
12-21	Various Improvements to the sewer utility, finally adopted May 17, 2012	215,000
13-20	Various improvements to the sewer utility, finally adopted June 18, 2013	1,025,000

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
14-41	Various improvements to the sewer utility, finally adopted September 4, 2014	<u>210,000</u>
TOTAL		<u>\$2,050,000</u>

The proceeds of the Sewer Utility Bonds are being issued to: (i) currently refund \$2,050,000 of the \$2,050,000 Sewer Utility Bond Anticipation Notes, Series 2018A, dated and issued June 11, 2018 and maturing January 16, 2019 (the "Prior Sewer Utility Bond Anticipation Notes"), and (ii) pay costs and expenses incidental to the issuance and delivery of the Sewer Utility Bonds.

School Bonds

The School Bonds are issued pursuant to Title 18A, Education, Chapter 24 of the New Jersey Statutes (the "School Bond Law") and the Local Bond Law, the bond ordinance of the City set forth below and the applicable Resolutions:

<u>Ordinance Number</u>	<u>Description and Date of Final Adoption</u>	<u>Amount</u>
12-004	Improvements to various school buildings and grounds, finally adopted February 16, 2012	<u>\$362,000</u>
TOTAL		<u>\$362,000</u>

The proceeds of the School Bonds are being issued to: (i) currently refund \$362,000 of the \$362,000 Temporary Notes, Series 2018A, dated and issued June 11, 2018 and maturing January 16, 2019 (the "Prior Temporary Notes"), and (iii) pay costs and expenses incidental to the issuance and delivery of the School Bonds.

SECURITY AND SOURCE OF PAYMENT

The Bonds are valid and legally binding general obligations of the City, and the City has pledged its full faith and credit for the payment of the principal of and the interest on the Bonds. The City is required by law to levy *ad valorem* taxes upon all the taxable property within the City for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

The General Obligation Bonds

The General Obligation Bonds are further secured as “Qualified Bonds” under the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended and supplemented (the “Municipal Qualified Bond Act”). Pursuant to the Municipal Qualified Bond Act, a portion of State aid (the “Municipal Qualified Revenues”) allocated to the City in amounts sufficient to pay debt service on its Qualified Bonds is to be withheld by the State Treasurer and forwarded to the Paying Agent for such Qualified Bonds on or before the principal and interest payment dates for such Qualified Bonds for deposit into accounts established for the purpose of paying debt service on such Qualified Bonds.

The Municipal Qualified Bond Act provides that the Municipal Qualified Revenues so withheld and paid or to be paid and held by the Paying Agent are deemed to be held in trust and exempt from being levied upon, taken, sequestered, or applied toward paying the debts of the City other than the payment of debt service on such Qualified Bonds of the City issued for municipal purposes, water utility purposes, sewer utility purposes, or parking utility purposes entitled to the benefits of the Municipal Qualified Bond Act.

Notwithstanding any other provision of law to the contrary, a statutory lien and trust is automatically and without further act or filing created and impressed upon the Municipal Qualified Revenues and not otherwise dedicated to specific municipal programs so payable to the City that are withheld or are required to be withheld by the State Treasurer under the Municipal Qualified Bond Act, which statutory lien and trust shall be paramount and superior to all other liens and interests of any kind in favor of the holders of qualified bonds, for the sole purpose of paying debt service on the qualified bonds issued pursuant to the Municipal Qualified Bond Act. The lien created under the Municipal Qualified Bond Act is for the benefit of bondholders is perfected without delivery, recording, or notice.

The Municipal Qualified Bond Act does not relieve the City of the obligation to include in its annual budget amounts necessary to pay, in each year, the principal of and interest on any such Qualified Bonds. Such budgeted amounts must be used to pay debt service on any such Qualified Bonds of the City in any year in which sufficient Municipal Qualified Revenues are not appropriated by the State. The State has covenanted in the Municipal Qualified Bond Act with the holders of Qualified Bonds that it will not repeal, revoke, rescind, modify, or amend the provisions of such act providing for the withholding of Municipal Qualified Revenues and payment of such revenues to the Paying Agent for such bonds so as to create any lien or charge on or pledge, assignment, diversion, withholding, payment or other use of or deduction from such revenues which is prior or superior in right to the payment of debt service on such bonds.

The Municipal Qualified Bond Act does not contain a pledge or guarantee that any amounts payable to the Paying Agent will, in fact, be made or continued. Each such annual amount is subject to appropriation by the State. Moreover, the State is not required to continue to make appropriations of such amounts, nor is the State limited or

prohibited from repealing or amending any law heretofore enacted for the payment of apportionment of such amounts or in the manner, time, or amount thereof. Further, the amount payable to the Paying Agent does not constitute an additional source of revenue available to the City.

For Fiscal Year 2018, excluding the Transition Aid, total Municipal Qualified Revenues were \$58,963,855. Total debt service on Municipal Qualified Bonds in Fiscal Year 2018 was \$23,558,241. After the issuance of the Bonds, the highest annual debt service on Municipal Qualified Bonds is projected to be \$25,289,704 (in Fiscal Year 2020). If the City's issues bonds to permanently finance all currently-outstanding Notes, the maximum annual Qualified Debt Service may increase by approximately \$1 million.

Note, that these figures include Municipal Utility Debt Service, which historically has been (and is expected to be) funded from revenues of the respective utilities; utility debt service for Fiscal Year 2019 is approximately \$5.8 million.

The School Bonds

The School Bonds are secured by the School Bond Reserve established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). Amendments to the School Bond Reserve Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued prior to July 1, 2003 (the "Old School Bond Reserve Account") and all bonds, including the School Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes issued on or after July 1, 2003 (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the Reserve at the required levels,

the State agrees that the State Treasurer shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the district, county or municipality and shall not obligate the State to make, nor entitle the district, county or municipality to receive any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the City are general full faith and credit obligations.

The authorized bonded indebtedness of the City for municipal purposes is limited by statute, subject to the exceptions noted below, to an amount equal to 31/2% of its average equalized valuation basis. The average for the last three years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the boundaries of City, as annually determined by the State Director of Taxation is \$2,338,337,273.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating. As

of June 30, 2018, after taking into account the deductions referred to in the previous sentence, the statutory net debt as a percentage of average equalized valuation was 6.61%. As noted above, the statutory limit is 3-1/2%. Since the City exceeded the statutory net debt, it was required to obtain approval from the Local Finance Board for approval of all bond indebtedness that exceeded the 3-1/2%. It has obtained approval of the Local Finance Board. In obtaining that approval, the City identified a number of properties that are exempt from taxation and therefore does not count toward the average equalized valuation referred to above, but which nevertheless make payments in lieu of taxation. The Local Finance Board took this into account when it provided its approval.

The City may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the City may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the City or substantially reduce the ability of the City to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the City to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

The City may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus 4 months (May 1) in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient

funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

The local unit is authorized to issue Emergency Notes and Special Emergency Notes pursuant to the Local Budget Law.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects (“special emergencies”) such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation and drainage map preparation for flood control purposes, which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also be transferred during the first three (3) months of the year, to the previous year’s budget. Both types of transfers require a 2/3 vote of the full membership of the governing body; however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to internal review and approval. In a “CAP” budget, no transfers may be made from excluded “CAP” appropriations to within “CAPS” appropriations nor can transfers be made between excluded from “CAP” appropriations.

A provision of law known as the New Jersey “Cap Law” (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the “Index Rate” if the index rate is greater than 2.5%. The “Index Rate” is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year’s appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years’ tax levy in years when the Index Rate is 2.5% or less.

Additionally, new legislation constituting P.L. 2007, c.62, effective April 3, 2007, imposes a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost state aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board may approve waivers for certain extraordinary costs

identified by the statute, and voters may approve increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

This legislation was amended by P.L. 2010, c. 44, approved July 13, 2010 and applicable to the next local budget year following enactment to limit tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election. Chapter 44 eliminates the process for obtaining waivers for additional spending under the tax levy limitation.

Neither the tax levy limitation nor the “Cap Law” limits the obligation of the City to levy *ad valorem* taxes upon all taxable real property within the City to pay debt service on its bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the three years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. But it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values. A re-evaluation of all property in the City was last completed in 2017.

Upon the filing of certified adopted budgets by the City's Local School District and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the City. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00. These interest rates and penalties are the highest permitted under New Jersey Statutes. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes. The liens of the City for the past 5 years are shown in Appendix A.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the City must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review and by May 1 for municipalities that have undergone a revaluation. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for the year ended June 30, 2017 for the City is on file with the Clerk and is available for review during business hours.

THE STATE'S ROLE IN PUBLIC EDUCATION

The constitution of the State of New Jersey provides that the legislature of the State shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all children in the State between the ages of 5

and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, inter alia, to adopt rules and regulations that have the effect of law and that are binding upon school districts.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been adopted by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner and with the advice and consent of the State Senate. The County Superintendent reports to the Commissioner or a person designated by the Commissioner. The County Superintendent is responsible for the supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63 approved April 3, 2007 (A4), the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally categorized in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate, which board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, approves all fiscal matters;

(2) Type II, in which the registered voters in a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters, or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the district and the president of and one member of the board of education, approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters in the school district elect members of the board of education and vote upon all fiscal matters. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters;

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The City's school district is a Type I school district.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes.

In a Type II district, the elected board of education develops the budget proposal and, at or after a public hearing, submits it for voter approval. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

The New Budget Election Law (P.L. 2011, c. 202, effective January 17, 2012) establishes procedures that allow the date of the annual school election of a Type II district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least 15% of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four years.

School districts that opt to move the annual school election to November would no longer be required to submit the budget to the voters for approval if the budget is at or below the two-percent property tax levy cap as provided for the New Cap Law. For school districts that opt to change the annual school election date to November, proposals to spend above the two-percent property tax levy cap would be presented to voters at the annual school election in November.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts that are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the district has adequately implemented within the budget the Core Curriculum Content Standards required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (amended and partially repealed) (the "QEA") first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitation was known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 ("QEA") (now repealed) also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by Chapter 62 of the Laws of New Jersey of 1991, and further amended by Chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 732, effective July 1, 2004 and P.L. 2010, c. 44, effective July 13, 2010, which followed

QEA, also limits the annual increase in a school district's general fund tax levy which does not exceed the school district's adjusted tax levy, defined as the amount raised by property taxation for the purposes of the school district, excluding any debt service payments (the "Adjusted Tax Levy"). The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the "Spending Growth Limitations"). Generally, budgets could increase either by two and one-half percent (2.5%) or the consumer price index, whichever is greater. Prior amendments to the CEIFA decreased the budget cap to two and one-half percent (2.5%) from three percent (3%). As a result of recent amendments to CEIFA, the budget presented to the voters may not have an increase in the Adjusted Tax Levy that exceeds the pre-budget year Adjusted Tax Levy and an adjustment for enrollment by two percent (2%). See the description of the New Cap Law (as defined herein) below. A school district is required to submit, as applicable, to the board of school estimate or to the voters of the district at the annual school budget election, a general fund tax levy if it exceeds the school district's Adjusted Tax Levy as calculated by N.J.S.A. 18A:7F-38 and 39. Any school district may also submit at the annual school budget election, a separate proposal or proposals for additional funds, including interpretive statements, specifically identifying the program purposes for which the proposed funds shall be used. The Executive County Superintendent may prohibit the submission of such a separate proposal if he or she determines that the district has not implemented all potential efficiencies in the administrative operations of the district, which efficiencies would eliminate the need for such additional funds. Parts of the CEIFA have been found to be unconstitutional. See "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein.

P.L. 2010, c. 44, effective July 13, 2010 (the "New Cap Law"), further provides limitations on school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2%) over the prior year's tax levy. See "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, health care cost increases and increases in amounts for certain normal and accrued liability pension contributions.

The New Cap Law provides that school districts may submit to voters during April school elections or on other dates set by regulation of the Commissioner, a proposal or proposals to increase the Adjusted Tax Levy by more than the allowable amount authorized pursuant to N.J.S.A. 18A:7F-38. The proposal or proposals to increase the Adjusted Tax Levy shall be approved if a majority of the people voting shall vote affirmatively. For school districts with boards of school estimate, the additional Adjusted Tax Levy shall be authorized only if a quorum is present for the vote and a majority of those board members who are present vote affirmatively to authorize the Adjusted Tax Levy.

Debt service on bonds, such as the Bonds, is not limited either by the two percent (2%) cap on the tax levy increase imposed by the New Cap Law.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Annual Audit (N.J.S.A. 18A:23-1 et seq.)

Every board is required to provide an annual audit of the school district's accounts and financial transactions. Beginning with the year ended June 30, 2010, a licensed public school accountant must complete the annual audit no later than five (5) months after the end of the fiscal year. P.L. 2010, c. 49 amended N.J.S.A. 18A:23-1 provides an additional month for the completion of a school district's audit. Previously the audit was required to be completed within four months. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts may not capitalize interest on temporary notes, but must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a pre-kindergarten (pre-K) through grade twelve (12) school district, the School District can borrow up to 4.0% of the average equalized valuation of taxable property in

the School District. The City's school district has not exceeded the 4.0% debt limit. See "APPENDIX A" attached hereto.

Exceptions to Debt Limitation

A Type II school district, (other than a regional district), may also utilize its constituent municipality's remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 ("EFCFA"), repealed the authorization to enter into facilities leases in excess of five years. The payment of rent on an equipment lease and on a five year and under facilities lease is treated as a current expense and within the school district's Spending Growth Limitation and tax levy cap. Lease purchase payments on leases in excess of five years entered into under prior law (CEIFA) are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district's Spending Growth Limitation and tax levy cap.

Energy Saving Obligations

Under P.L. 2009, c. 4, approved January 21, 2009 and effective 60 days thereafter, districts may issue energy savings obligations without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the value of the savings will cover the cost of the measures.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") first ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the State Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., (P.L. 1975, c. 212) (the "Public School Education Act") (since amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P. L. 1976, c. 47, since amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The

Court found that poorer urban school districts were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

The legislative response to *Abbott v. Burke* was the passage of the QEA (now repealed). The QEA established a new formula for the distribution of State aid for public education, beginning with the 1991-92 fiscal year. The QEA provided a formula that took into account property values and personal income to determine a school district's capacity to raise money for public education. A budgetary limitation, or "CAP" on expenditures, was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

On July 12, 1994, the Court declared the school aid formula under the QEA unconstitutional on several grounds as it applied to the 28 SDA Districts in the ongoing litigation commonly known as *Abbott v. Burke II*. No specific remediation was ordered, but the Court ultimately held that the Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996 so that any new formula would be implemented during the 1997-1998 fiscal period and thereafter.

In keeping with the Court's deadline, the Governor signed the CEIFA into law on December 20, 1996. The CEIFA departed from other funding formulas adopted in the State by defining what constituted a "thorough and efficient" education, as is required by the Constitution of the State. The CEIFA further established the costs necessary provide each student with such an education.

In defining what constitutes a "thorough" education, the State Board adopted a set of Core Curriculum Content Standards (the "Core Curriculum Content Standards"). The purpose of the Core Curriculum Content Standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any State high school, regardless of the school's location or socioeconomic condition. The CEIFA provided State funding assistance in the form of Core Curriculum Content Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Content Standards.

On May 14, 1997, the Court held that the CEIFA was unconstitutional as applied to the SDA Districts because (1) its funding provisions failed to assure that students in such districts would receive a thorough and efficient education and (2) supplemental programs to increase student performance in such districts were neither adequately identified nor funded. The Court recognized the Core Curriculum Content Standards as a valid means of identifying a "thorough and efficient" education under the State Constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the SDA Districts. To bridge the gap between SDA Districts and non-special needs districts, the Court

ordered the parity remedy, designed as an interim remedy whereby the State would provide parity aid and supplemental funding to SDA Districts. The CEIFA has not been used to calculate State aid for public schools since the 2001-2002 school year.

Pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the “EFCFA”), which became law on July 18, 2000, the State provides aid to school facilities projects. Under the EFCFA, the State provides one hundred percent (100%) State funding for school facilities projects undertaken by SDA Districts; for non-SDA Districts, the State provides aid in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of the aid is established prior to the authorization of the project.

Since the 2010-2011 fiscal year, the State has funded debt service aid at eighty-five (85%) of the amount that school districts were entitled to receive under the EFCFA. See “Recent Developments in the Reduction of State Aid” herein.

The School Funding Reform Act of 2008

The School Funding Reform Act of 2008 (the “SFRA”) was signed into law in January 2008 and is a five-year product of the State’s latest effort to craft a redesigned school funding formula that satisfies the constitutional standard. While the SFRA maintains the Core Curriculum Content Standards established by the CEIFA, it repeals the provisions of the CEIFA which established State aid formulas for programs to support the Core Curriculum Content Standards and has established new formulas. Essentially, the SFRA provides State aid to school districts while also requiring certain levels of local funding. It is a weighted school funding formula which identifies a base cost associated with the education of an elementary pupil without any particular special needs. Once the per-pupil amount is identified, the amount is increased to reflect factors that increase the cost of education, such as (i) grade level, and whether the pupil is (ii) an at-risk pupil (eligible for free or reduced-price lunch), (iii) a Limited English Proficiency (“LEP”) pupil, or (iv) a special education student of mild, moderate or severe classification.

The formula is further comprised of several funding mechanisms, the central component being the Adequacy Budget, a wealth equalized budget based on the school district’s ability to provide funding through local resources (the “Adequacy Budget”). The Adequacy Report (the “Adequacy Report”) establishes the base pupil cost necessary to provide the thorough and efficient education for an elementary school student. Such amount will be adjusted to reflect the differing cost of education a student at the middle and high school levels and various other factors as set forth in the SFRA. Based upon the school district’s property and personal income wealth, a local share of such Adequacy Budget is determined. State aid will be provided for that portion of the Adequacy Budget which cannot be supported locally. The SFRA guarantees a minimum two percent (2%) increase in State aid for each school district.

The Department must provide an Adequacy Report every three (3) years addressing the weighted factors that comprise the Adequacy Budget and the various additional components of the SFRA: equalization aid, categorical aid, preschool aid, extraordinary aid, adjustment aid and education adequacy aid.

The constitutionality of the SFRA was challenged and was held to be constitutional by the Court on May 28, 2009.

Recent Developments in the Reduction of State Aid

The State provides aid to school districts in accordance with amounts provided annually in the State budget. Such aid includes equalization aid, special education categorical aid, transportation aid, preschool education aid, supplemental core curriculum standards aid, choice aid, education adequacy aid, security aid, adjustment aid and other aid as determined in the discretion of the Commissioner.

The State has reduced debt service aid by fifteen percent (15%) since fiscal year 2011. As a result of the debt service aid reduction for such years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, for such years, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in such years' budgets representing fifteen percent (15%) of the school district's proportionate share of such respective years' principal and interest payments on the outstanding EDA bonds issued to fund such grants.

Pursuant to Public Law 2018, c.67, signed into law by the Governor of the State on July 24, 2018, the School Funding Reform Act has been modified to adjust the distribution of State aid to school districts in the State ("SFRA Modification Legislation"). In particular, the SFRA Modification Legislation revises the School Funding Reform Act so that, after calculating the amount of State aid available per pupil, State aid will be distributed to each school district based on student enrollment. The SFRA Modification Legislation also eliminates the application of the State aid growth limit and adjustment aid, but includes a transition period for school districts that will receive less State aid. Under the SFRA Modification Legislation, most school districts that will receive reduced State aid resulting from the revised funding formula will be provided a six-year transition period during which funding will be reduced. For those school districts where State aid will increase under the SFRA Modification Legislation, the transition period to increase funding will be one year.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under

Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

TAX MATTERS

Federal Income Taxation

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest on the Bonds to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause the interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The City will represent in its tax certificate relating to the Bonds that it expects and intends to comply and will comply, to the extent permitted by law, with such requirements.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the City with the requirements of the Code described above, interest on the Bonds is not includable in gross income for Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of calculating the Federal alternative minimum tax.

[Original Issue Premium

The Bonds maturing on August 1 in the years ____ through ____ (the "Premium Bonds") were purchased at a premium ("original issue premium") over the stated principal amounts of the Bonds. For federal income tax purposes, original issue premium generally must be amortized over the term of the Premium Bonds. Amortizable bond premium is accounted for as reducing the tax-exempt interest on the Premium Bonds rather than creating a deductible expense or loss. Under Section 171(a)(2) of the Code, no deduction is allowed for the amortizable bond premium (determined in accordance with Section 171(b) of the Code) on tax-exempt bonds. Under Section 1016(a)(5) of the Code, however, an adjustment must be made to the purchaser's basis in the Premium Bonds to the extent of any amortizable bond premium that is disallowable as a deduction under Section 171(a)(2) of the Code. Holders of the Premium Bonds should consult their tax advisors for an explanation of the bond premium amortization rules.]

[Original Issue Discount

Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 1 in the years ____ through ____ (the "Discount Bonds") and their respective initial public offering prices to the public

(excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.]

Additional Federal Income Tax Consequences

In the case of certain corporate holders of the Bonds, interest on the Bonds will be included in adjusted current earnings for purposes of the alternative minimum tax applicable to taxable years beginning January 1, 2018.

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is further of the opinion that, under existing laws of the State, interest on the Bonds and any gain realized on the sale of the Bonds are not includable in gross income under the New Jersey Gross Income Tax Act, N.J.S.A. 54A:1-1 et seq., as amended.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisers regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, state, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of delivery of the Bonds and assumes no obligation to update its opinion after such date to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest paid or to be paid on the Bonds as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See Appendix C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City has NOT designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

COMPLIANCE WITH SECONDARY MARKET DISCLOSURE REQUIREMENTS FOR THE BONDS

In accordance with the requirements of Rule 15-c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"), the City (being an "obligated person" with respect to the Bonds, within the meaning of the Rule) will agree to provide certain financial and operating information to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, either directly or indirectly through a designated agent as set forth in its Continuing Disclosure Certificate (the "Bond Disclosure Certificate"), substantially in the form attached hereto as Appendix D. Such Bond Disclosure Certificate shall be delivered concurrently with the delivery of the Bonds.

The City previously failed to file its 2012 through 2016 annual financial and operating data as required in accordance with the Rule. In addition, the City failed to timely file notices with respect to such late filings and event notices with respect to certain underlying and insured rating changes. The City subsequently filed all required annual financial information and operating data for the years ended June 30, 2012 through 2017, and event notices with respect to the certain underlying and insured rating changes for that period, along with the required failure to file notices with respect to such late filings.

The Chief Financial Officer has committed to comply with all continuing disclosure requirements of the City in the future and has implemented procedures toward that commitment. In 2017, the City retained Digital Assurance Corp to provide Dissemination Agent services.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the City, including the Bonds, and such Bonds are authorized security for any and all public deposits.

RISK TO HOLDERS OF BONDS

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

MUNICIPAL BANKRUPTCY

The undertakings of the City should be considered with reference to 11 U.S.C. § 101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed; and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after

commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit, including the City, has the power to file a petition in bankruptcy with any United States court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

Notwithstanding any other provision of law to the contrary, a statutory lien and trust is automatically and without further act or filing created and impressed upon the Municipal Qualified Revenues, and not otherwise dedicated to specific municipal programs, so payable to the City that are withheld or are required to be withheld by the State Treasurer under the Municipal Qualified Bond Act, which statutory lien and trust shall be paramount and superior to all other liens and interests of any kind in favor of the holders of qualified bonds, for the sole purpose of paying debt service on the qualified bonds issued pursuant to the Municipal Qualified Bond Act. The lien created under the Municipal Qualified Bond Act is for the benefit of bondholders is perfected without delivery, recording, or notice.

The City has not authorized the filing of a bankruptcy petition. This reference to the Bankruptcy Code or the State statute should not create any implication that the City expects to utilize the benefits of their provisions, or that if utilized, such action would be approved by the Local Finance Board, or that any proposed plan would include a dilution of the source of payment of and security for the Bonds, or that the Bankruptcy Code could not be amended after the date hereof.

Remedies of Holders of Bonds or Notes (N.J.S.A. 52:27-1 et seq.)

If the City defaults for over sixty (60) days in the payment of the principal of or interest on any bonds or notes outstanding, any holder of such bonds or notes may bring an action against the City in the Superior Court of New Jersey (the "Superior Court") to obtain a judgment that the City is so in default. Once a judgment is entered by the Superior Court to the effect that the City is in default, the Municipal Finance Commission (the "Commission") would become operative in the City. The Commission was created in 1931 to assist in the financial rehabilitation of municipalities which were in default in their obligations. The powers and duties of the Commission are exercised within the Local Finance Board, which constitutes the Commission.

The Commission exercises direct supervision over the finances and accounts of any municipality which has been adjudged by the Superior Court to be in default of its obligations. The Commission continues in force in such municipalities until all bonds,

notes or other indebtedness of the municipality which have fallen due, and all bonds or notes which will fall due within one (1) year (except tax anticipation or revenue anticipation notes), and the interest thereon, have been paid, funded or refunded, or the payment thereof has been adequately provided for by a cash reserve, at which time the Commission's authority over such municipality ceases. The Commission is authorized to supervise tax collections and assessments, to approve the funding or refunding of bonds, notes or other indebtedness of the municipality which the Commission has found to be outstanding and unpaid, and to approve the adjustment or composition of claims of creditors and the readjustment of debts under the Bankruptcy Code.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the City, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as Appendix "C". Certain legal matters will be passed upon for the City by its Director of Law.

NO DEFAULT

There is no report of any default in the payment of the principal of, redemption premium, if any, and interest on the bonds, notes or other obligations of the City as of the date hereof.

LITIGATION

To the knowledge of the Director of Law, John Morelli, Esq., Trenton, New Jersey, there is no litigation of any nature now pending or threatened, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the City or the title of any of the present officers. Moreover, to the knowledge of the Director of Law, no litigation is presently pending or threatened that, in the opinion of the Director of Law, would have a material adverse impact on the financial condition of the City if adversely decided. A certificate to such effect will be executed by the Director of Law and delivered to the Underwriter (as defined herein) at the closing.

UNDERWRITING

The General Obligation Bonds have been purchased from the City at a public sale by _____, _____, _____ (the "General Obligation Bonds Underwriter"), at a price of \$_____. The General Obligation Bonds Underwriter has purchased the General Obligation Bonds in accordance with the Notice of Sale. The General Obligation Bonds are being offered for sale at the yields set forth on the inside front cover of this Official Statement.

The School Bonds have been purchased from the City at a public sale by _____, _____, _____ (the "School Bonds Underwriter" and together with the General Obligation Bonds Underwriter, the "Underwriters") at a price of \$_____. The School Bonds Underwriter has purchased the School Bonds in accordance with the Notice of Sale. The School Bonds are being offered for sale at the yields set forth on the inside front cover of this Official Statement.

RATINGS

Moody's Investors Service, Inc. (the "Rating Agency") has assigned an underlying rating of "Baa1" to the Bonds, an enhanced rating of "Baa1" to the General Obligation Bonds recognizing their qualification pursuant to the Municipal Qualified Bond Act, and an enhanced rating of "A3" to the School Bonds based on the New Jersey School Bond Reserve Act. The ratings reflects only the views of the Rating Agency and an explanation of the significance of such ratings may only be obtained from Moody's at the following address: 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007. The City furnished the Rating Agency certain information and materials concerning the Bonds and the City. There can be no assurance that such ratings will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downgrade change in or withdrawal of such ratings may have an adverse effect on the marketability or market price of the Bonds.

FINANCIAL ADVISOR

GB Associates, LLC, Livingston, New Jersey has served as financial advisor to the City with respect to the issuance of the Bonds (the "Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto. The Financial Advisor is a financial advisory firm, and is not engaged in the business of underwriting, marketing or trading municipal securities or any other negotiable instrument.

PREPARATION OF OFFICIAL STATEMENT

The City hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the Underwriters, by certificates signed by the Chief Financial Officer of the City, such descriptions and statements, as of the date of this Official Statement, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

Mercadien, P.C., Certified Public Accountants, has reviewed certain financial and statistical information contained in this Official Statement and has compared it to the City's audited financial statements. They have not verified the accuracy of other

information or the completeness and fairness of that and other information contained herein, and accordingly, express no opinion with respect thereto. However, they take responsibility for the audited financial statements to the extent specified in the Independent Auditor's Report appearing in Appendix "B".

All other information has been obtained from sources which the City considers to be reliable and it makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Wilentz, Goldman & Spitzer, P.A. has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to Janet Schoenhaar, Chief Financial Officer, (609) 989-3036 at 319 East State Street, Trenton, New Jersey 08608.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed as to accuracy or completeness.

**CITY OF TRENTON, IN THE COUNTY OF
MERCER, NEW JERSEY**

By: _____
Janet Schoenhaar, Chief Financial Officer

Dated: December __, 2018

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APPENDIX A

Certain Financial and Demographic Information Concerning the City of Trenton

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THE CITY OF TRENTON

GENERAL INFORMATION

General Description

The City was first settled in 1680 and incorporated as a City in 1792. It is located in the west-central portion of the State of New Jersey on the Delaware River and is the Capitol City of the State.

Governmental Structure

The form of government in the City is the Mayor-Council Plan C of the Optional Municipal Charter Law of 1950, N.J.S.A. 40:69A-55 et seq. (Laws of New Jersey 1950, Chapter 210).

The City Council consists of seven members, three of whom are elected at large and four of whom are elected by wards. Members of the City Council are elected for a term of four years at a regular municipal election. The legislative power of the City is exercised by the City Council, except as otherwise provided by general law. The Mayor is elected by the voters of the City at a regular municipal election and serves for a term of four years. The Mayor is the chief executive and administrative officer of the City.

Governmental Services

The City provides standard municipal services through specified departments and funded by general revenues including: police and fire protection; construction and maintenance of streets and bridges; trash collection and disposal; recreation programs and facilities; supervision of health programs; acquisition and maintenance of City real and personal property; maintenance of building codes and regulation of licenses and permits; maintenance of records; collection of taxes and revenues; purchase of supplies and equipment; and maintenance of a Judicial system.

In addition, the City provides, through the Department of Public Works and funded by user charges, a sewage collection and treatment system and a water supply and distribution system. The Sewer Utility services the City and, as such, the City is empowered to adjust user rates to support annual appropriations for operating and maintaining the system and to pay required annual debt service incurred for capital expenditures on the system. The Water Utility services the City as well as the Townships of Ewing, Lawrence, Hopewell, and Hamilton (collectively, the "Townships"). The City changed to the an equal water rate system in 2006 and is no longer required to apply to the New Jersey Board of Regulatory Commissioners for rate changes. Rate increases are now adopted by ordinance of the Trenton City Council.

Education

The Trenton School District, at an election held on November 6, 1984, was changed (effective February 1, 1985) from a Type II School District to a Type I School District. The District has twenty elementary schools, one junior high school and two senior high schools. Higher educational opportunities are available at The College of New Jersey, Rider College, Mercer County Community College, Thomas Edison College and Princeton University, located in Mercer County.

The Board of Education consists of nine members appointed by the Mayor. All members serve until the appointment and qualification of their successors. Meetings are twice a month. Additional special meetings are frequently scheduled – and the time required for review and preparation is significant. The Board of Education has full power to operate the local public schools as it deems fit in compliance with State and Federal mandates and pertinent laws of the municipality. The Board of Education's required

functions are the development of policy and the employment of the Chief School Administrator who shall carry out its policies through the development and implementation of regulations.

The School District receives a significant amount of State Aid for operating purposes, debt service and capital outlay paid primarily pursuant to the Comprehensive Educational Improvement & Financing Act of 1996 (P.L. 1996, c. 138.), as amended by P.L. 2004, c. 732, effective July 1, 2004 and P.L. 2010, c. 44, effective July 13, 2010. Funding for certain capital programs are continued under the Educational Facilities Construction and Financing Act (P.L. 2000, c. 72). Consequently, a significant portion of the debt service listed in this report will be funded with State Aid.

ECONOMIC DEVELOPMENT

Downtown Trenton

The City of Trenton has begun the creation of a signature retail cluster centered on Warren and Front Streets, designed to stem the retail spending leakage by providing goods wanted by the people who live and work in Trenton as well as support market rate housing, employer attraction and destination marketing.

It is anticipated that Ajax Management will rehab/rebuild 600 market rate residential units in the Downtown, thereby increasing commercial demand.

The Commonwealth building and the former Bell Telephone building are slated as the first of the adaptive reuse construction projects to occur over the next 24 months. Combined the \$60 million capital investment will add 120 market rate units, retail space, commercial space and a full service fitness facility.

Small businesses continue to open up downtown. In addition to the many historic amenities of the downtown, the core is growing into a destination for food and culture. This has included the opening of the 1911 Smokehouse Barbecue, 128 West State Street Café, Casa Cultura Gallery, South Rio Restaurant, and Tropical Blend in recent years.

Mercer County Community College expanded its Trenton Hall facility on Broad Street by adding a \$6 million, 28,000 square foot addition in 2017. The new addition will house courses in fashion and merchandising, Security Systems Technology, Cyber Security, and existing classes in Certified Nurse Assistant, Phlebotomy, and EKG.

In 2017, Maestro Technologies was awarded \$17 million in tax credits from the New Jersey Economic Development Authority to open up their 178 employee offices at State and Warren Streets, the center of the city.

Thomas Edison State University completed construction on its new W. Cary Edwards School of Nursing facility in 2016. The facility replaces a 30 year old vacant dilapidated blighted structure that was an eyesore at one of the City's most prominent gateways. The \$26.2 million project includes classroom space, simulation labs, testing space, meeting space, conference rooms and two levels of parking.

The \$2.25 million American Corners Project by Woodrose Properties ,Inc.,, converting the historic Golden Swan Tavern on Warren Street to mixed use, including loft apartments with wireless connectivity and office and retail space, was completed in 2007. Across the street from this project, Woodrose constructed a three-story office building with retail on the first floor, which was completed and now houses a Starbucks Cafe.

The State of New Jersey is making a \$135 million dollar capital investment in the Capital City. With the goal of attracting more private investment to the City of Trenton by reducing the footprint of State Office buildings in the downtown, the New Jersey Economic Development Authority (EDA) has been tasked with overseeing and financing the State Office Building project, which involves the new construction of two buildings to house the departments of Agriculture and Health Administration, Health Lab, and Taxation. Below is an overview of the project's genesis and expected next steps.

Roebling Complex and Arena District

Roebling Lofts (\$40 million – 138 market rate units) is Phase 1 of the Roebling Center development: 6 buildings, 190 lofts, 178,000 square feet of creative class office space, 4 restaurants... all surrounding the “Railyard” — an exciting new public space that will be programmed with concerts and other live events. Roebling Loft is presently occupied.

In 2016, the New Jersey Realtors Association opened their new headquarters across from the Core Insurance Center on the corners of Hamilton Avenue and Broad Street. The move had been in the works for six or seven years, CEO Jarrod Grasso said. NJ Realtors, a trade organization serving about 43,000 Realtors, has called Edison home for the past 30 years, but had always wanted to move closer to the state capital. When they decided on Trenton, they went in search of a location that would be near the Statehouse, have parking and be easily accessible, Grasso said. The organization met with both the city and the MCIA, who identified some properties for them.

Route 29 – Waterfront Reclamation Project

At its core, the Waterfront Reclamation and Redevelopment Project (WRRP) is about reconnecting the City of Trenton to its waterfront and creating opportunities for development in the downtown. However, the project is also about promoting civic unity and pride: a revitalized waterfront would re-establish Trenton as the Downtown to Central Jersey and provide residents with a badly needed civic space.

To achieve this vision, Route 29 must be converted from a limited access, high-speed urban freeway to an urban boulevard with a lower speed limit and improved intersections. As such, the WRRP is an example of modern transportation planning: it takes into account how investments in transportation infrastructure can drive economic development and support community efforts to promote sustainable development, improve safety, create new opportunities for bicycle and pedestrian routes, promote better air quality, and reduce flooding.

Additionally, the Project seeks to include the creation of parks and open space along the beautiful Delaware River and the development of mixed-use commercial and residential buildings. The City continues to work with economic development partners to realize a revitalized waterfront that represents a Class “A” Capital City.

Assunpink Creek Greenway

Restoration for the Assunpink Creek area continues with plans for a 100+ acre urban park and greenway that will include several baseball and soccer fields, playgrounds, picnic areas, tennis and basketball courts, and an 18-hole chip and putt golf course.

Housing

The Division of Housing Production is the arm of the Department of Housing and Economic Development with direct responsibility for furthering housing development. The Division is responsible for setting housing priorities, assembling and coordinating financial resources and providing technical support services to nonprofit and for-profit housing development entities. It acts as an advocate for affordable housing within and outside City government, using its resources to facilitate the approval process for affordable housing development in the public and private sectors.

The mission of the Division is to improve the city's housing stock by fostering the construction and rehabilitation of housing, to address the full range of the community's needs and to ensure that new housing in the city revitalizes and stabilizes the city's neighborhoods. Housing Production also administers the city's HOME Program Funds, and Rehabilitation Program.

Currently, there are several major housing projects in various stages of development throughout the City of Trenton, including:

- Roebling Lofts, the HHG proposed renovation of a former Roebling Factory site into 138 loft apartments. HHG recently received \$16 million in tax credits from the New Jersey Economic Development Authority for the project.
- The Chambers Loft is an adaptive reuse project in Trenton, New Jersey which leveraged an existing industrial building, the American Cigar Company factory, to create 64 units of mixed-income housing. Chambers Lofts was built with historic tax credits and RCA funds, proving that adaptive reuse is a viable development model in this area.
- Rush Crossing replaced the long-vacant Miller Homes public housing towers with 204 apartments and townhomes. Of the 204 units, 73 were reserved for Trenton Housing Authority.
- The Trenton Watch Factory Originally built in 1886, the Trenton Watch Factory was converted into apartments 1998. Ajax Management has rehabilitated this property into market rate apartments.
- The Village at Lambert Greens apartment community was built in 2016 and has 3 stories with 29 units.

Commercial and Industrial Development

- Casa DeLuna, Restaurant 504, and Chench Y Chole, A Taste of Trenton, Mama D's, and The Bowl, are among the new restaurants that opened in Trenton.
- Family Dollar opened on Southard Street and East State Street.
- Dollar General opened on Prospect Street in 2014 and Roebling Avenue in 2015.
- Case Pork Roll doubled production and hired 20 more employees. They plan to build an extension to their production facilities.
- Hutchinson Industries hired 20 more employees. They manufacture hard rubber tire inserts and aluminum wheels.
- City Beef expanded and has plans to expand further. The provision manufacturer supplies food products to area restaurants and non-profits.
- In 2015, Muirhead Foods, a food manufacturer, moved from Hunterdon County to Trenton. They produce jams and chutneys.
- The Mill Hill Pharmacy opened on South Broad Street in 2018.
- American Scientific Lighting plans are underway to open a rehabilitated industrial building on East State Street.

Economic Incentives

The City uses many different resources and governmental organizations to facilitate economic development, including

- NJEDA - Grow NJ
- Tax Incentives (Fox-Lance)
- Small Business Assistance Programs
- Loans through the Regional Business Assistance Corporation and UCEDC
- Facade grants through the Trenton Downtown Association
- Façade grants through the City of Trenton
- Signature Retail Attraction Grants through the City of Trenton
- Community Development Block Grants
- Technical Assistance for Housing Developer
- Property Improvement Grants and Loan Subsidies for low income homeowners

City of Trenton Elected Officials

Title	Name
Mayor	W. Reed Gusciora
Council President (At-Large)	Kathy McBride
Councilman (East Ward).....	Joseph Harrison
Councilman (At-Large).....	Jerrell Blakeley
Councilwoman (North Ward)	Marge Caldwell-Wilson
Councilwoman (At-Large)	Santiago Rodriguez
Councilman (West Ward)	Robin M. Vaughn
Councilman (South Ward)	George Muschal

The terms of the Mayor and the members of the City Council expire on June 30, 2022.

The principal administrators of the City, all of whose terms coincide with that of the Mayor, are as follows:

City Clerk.....	Dwayne M. Harris
Law	John Morelli, Acting Director
Finance	Janet Schoenhaar, Comptroller & CFO
Fire	Steve Coltre, Acting Director
Police	Carol Russell, Acting Director
Inspections	Yolanda Vasquez, Acting Director
Housing and Development.....	Jeffrey Wilkerson, Acting Director
Administration	Arch Liston, Acting Business Administrator
Public Works.....	Wahab Onitiri, Acting Director
Health and Human Services.....	Shakiri Abdul-Ali, Acting Director
Municipal Courts	Marc A. McKithen, Chief Judge

Additional Governmental Bodies of the City of Trenton

In addition to the above-mentioned major departments of the City, the General Ordinances provide for the establishment of the following boards, authorities or commissions, each of which functions in a specialized area of responsibility:

Zoning Board of Adjustment	Planning Board
Parking Authority	Housing Authority
Trenton Commons Commission	Museum Commission
Memorial Building Commission	Trent House Commission
Public Employees' Award Committee	Citizens Advisory Committee
Board of Construction Appeals	on Parks and Recreation
Landmarks Commission	Arts Commission

POPULATION

Year	City of Trenton	County of Mercer	State of New Jersey
1950	128,009	229,781	4,835,319
1960	114,167	266,392	6,067,412
1970	104,786	304,116	7,168,164
1980	92,124	307,863	7,364,158
1990	88,675	325,824	7,750,000
2000	85,403	350,761	8,614,350
2010	84,913	366,513	8,791,894

Source: U.S. Census

TEN LARGEST EMPLOYERS

<u>Employer</u>	<u>Number of Employees</u>
State of New Jersey	22,500
Capital Health Systems (formerly Helene Fuld and Mercer Medical Centers)	3,455
County of Mercer	2,229
Trenton School Board	1,396
Saint Francis Medical Center	1,250
City of Trenton	1,159
The Hibbert Company	305
Water's Edge Convalescent Center	230
Mercer Unit ARC	221
Mercer Street Friends Center	199

TEN LARGEST TAXPAYERS

	<u>Assessed Valuation</u>	<u>Tax Levy</u>
33-50 State Street LLC	\$51,986,000	\$2,575,936
1 State Street Square	35,429,000	1,755,507
ENDOV Associates	34,995,500	1,729,072
ISTAR 200-300 Riverview	29,404,600	1,456,998
Robert & Richards (Office Building)	26,279,500	1,302,149
ISTAR 100 Riverview	24,050,500	1,191,748
Verizon.....	17,179,290	851,234
Trois Holdings LLC.....	17,098,300	847,221
Clinton Commons Associates	14,715,500	729,153
DREI Holdings LLC	12,467,000	617,770

TEN LARGEST IN-LIEU-OF-TAX PAYMENTS

	<u>Assessed Valuation</u>	<u>Payment</u>
The Richard Hughes Justice Complex	\$130,001,000	\$9,232,323
Kingsbury.....	15,869,500	320,000
Robeling Urban Renewal.....	11,471,500	220,000
Mod Rehab Associates.....	2,317,000	220,000
South Village II.....	14,372,200	180,000
North 25 Associates	5,488,800	170,000
Trenton Lutheran Housing.....	9,332,700	160,000
South Village I	5,291,400	120,000
Matrix East Front Street.....	11,731,100	91,000
Cathedral Square Housing	8,082,800	80,000

CITY OF TRENTON GENERAL DEBT

Statutory Debt as of June 30, 2018

	Gross	Deductions	Net
Bonds & Notes Issued-School	\$14,947,000		
Authorized but not Issued	3,468,000		
Less Applicable Deductions		18,415,000	
Net Debt for School			-0-
 Bonds & Notes Issued			
Self-Liquidating	149,732,742		
Authorized but not Issued	64,941,740		
Less Applicable Deductions		214,674,482	
Net Debt Self-Liquidating.....			-0-
 Bonds & Notes Issued-General.....	124,537,305		
Authorized but not Issued	37,158,773		
Bonds Guaranteed by City	26,562,207		
Less Applicable Deductions		33,755,054	
Net Debt General Purposes			154,483,231
 TOTAL GROSS DEBT	\$421,347,768		
TOTAL STATUTORY DEDUCTIONS.		\$266,864,537	
TOTAL NET DEBT			\$154,483,231

Deduction column is utilized to reflect deductions permitted under New Jersey Statutes in determining the portion of school debt and self-liquidating debt that is chargeable to the statutory borrowing capacity of the City and is not intended to reflect that the school district or the utility is not responsible for the payment of the gross debt shown above. Also deducted is the principal outstanding on the City's 2003 Early Retirement Initiative Refunding Bonds.

**EQUALIZED VALUATION OF REAL PROPERTY
PLUS ASSESSED VALUATION OF CLASS II RAILROADS**

<u>Year</u>	<u>Amount</u>
2015.....	2,273,267,454
2016.....	2,344,519,193
2017.....	2,397,225,173

Equalized Valuation Basis	\$2,338,337,273
Net Debt (June 30, 2018)	\$ 154,483,231
% Net Debt of	
Equalized Valuation Basis	6.61%

**GENERAL (TAX SUPPORTED) DEBT ANALYSIS
DEBT SERVICE ON BONDS PRESENTLY OUTSTANDING**

Fiscal Year	Principal	Interest	Total
2019	\$12,599,616	\$5,133,252	\$17,732,868
2020	13,044,329	4,689,525	17,733,854
2021	13,609,043	4,231,761	17,840,804
2022	14,462,066	3,448,103	17,910,169
2023	14,635,000	1,865,461	16,500,461
2024	15,405,000	1,208,826	16,613,826
2025	12,345,000	633,826	12,978,826
2026	4,090,000	284,425	4,374,425
2027	2,820,000	108,600	2,928,600
2028	910,000	27,300	937,300

Includes debt service on 2003 Pension Refunding Bonds, the outstanding balance of which is not includable in the City's net debt

**BOND ANTICIPATION NOTES (General)
as of July 1, 2018**

<u>Maturity</u>	<u>Amount</u>
January 16, 2019	\$10,667,251*
June 10, 2019	\$10,215,000

* Will be paid at maturity with the proceeds of the General Improvement Bonds, together with a capital budget appropriation of \$19,251

WATER UTILITY

The Water Utility services the City, as well as the Townships of Ewing, Lawrence, Hopewell, and Hamilton. Approximately 38% of water utility revenues are derived from City users and 62% from users in the four Townships. The service area population exceeds 200,000. In 2012, rates were increased by approximately 37%; this was the first rate increase since 1991.

The typical quarterly charge for City of Trenton residential users is \$125.00. The charge consists of a \$46.24 demand (minimum) charge and a consumption charge calculated at \$2.16 per 100 cubic feet.

**WATER UTILITY
DEBT SERVICE ON BONDS PRESENTLY OUTSTANDING
(including the Bonds)**

Fiscal Year	Principal	Interest	Total
2018	\$3,533,638	\$1,728,684	\$5,282,322
2019	3,465,391	1,803,614	5,269,005
2020	2,690,534	1,689,864	4,380,398
2021	2,700,534	1,592,564	4,293,098
2022	2,700,534	1,505,014	4,205,548
2023	2,670,534	1,403,764	4,074,298
2024	2,730,534	1,320,564	4,051,098
2025	2,730,534	1,239,439	3,969,973
2026	2,730,534	1,158,939	3,889,473
2027	2,745,534	1,074,239	3,819,773
2028	2,745,534	988,677	3,734,211
2029	2,735,534	905,308	3,640,832
2030	2,730,534	819,392	3,549,926
2031	2,560,534	735,229	3,295,763
2032	2,560,534	653,651	3,214,185
2033	2,450,534	572,032	3,022,566
2034	2,455,534	491,651	2,947,185
2035	2,317,023	410,763	2,727,786
2036	1,515,000	338,313	1,853,313
2037	1,515,000	275,363	1,790,363
2038	825,000	211,525	1,036,525
2039	825,000	175,975	1,000,975
2040	825,000	140,425	965,425
2041	825,000	104,875	929,875
2042	470,000	78,200	548,200
2043	470,000	60,400	530,400
2044	470,000	42,600	512,600
2045	470,000	24,800	494,800
2046	200,000	7,000	207,000

**BOND ANTICIPATION NOTES (Water Utility)
as of July 1, 2018**

<u>Maturity</u>	<u>Amount</u>
January 16, 2019	\$19,800,000*
June 10, 2019	\$ 3,667,000

* Will be paid at maturity with the proceeds of the Water Utility Bonds, together with a capital budget appropriation of \$9,000

SEWER UTILITY

In 1985, the City completed a \$43,000,000 improvement program to its sewerage collection and treatment system (\$24,000,000 of which represented the treatment plant). The City is 100% sewerred with a treatment capacity of 20 mgd, of which 17 mgd is presently utilized. All current United States Environmental Protection Agency standards are being satisfied.

The average residential quarterly user charge is \$81.72 which is based on water consumption calculated at \$2.27 per 100 cubic feet. The current rate structure has been in place since September 1991.

**SEWER UTILITY
DEBT SERVICE ON BONDS PRESENTLY OUTSTANDING
(including the Bonds)**

Fiscal Year	Principal	Interest	Total
2018	\$350,000	\$247,562	\$597,562
2019	350,000	217,644	567,644
2020	355,000	201,744	556,744
2021	355,000	185,994	540,994
2022	355,000	171,944	526,944
2023	365,000	154,394	519,394
2024	370,000	140,469	510,469
2025	365,000	125,782	490,782
2026	350,000	113,650	463,650
2027	350,000	101,494	451,494
2028	350,000	89,761	439,761
2029	350,000	78,539	428,539
2030	340,000	67,307	407,307
2031	245,000	57,857	302,857
2032	300,000	49,013	349,013
2033	300,000	38,948	338,948
2034	305,000	28,732	333,732
2035	150,000	21,351	171,351
2036	85,000	18,125	103,125
2037	85,000	16,038	101,038
2038	85,000	13,925	98,925
2039	85,000	11,775	96,775
2040	85,000	9,625	94,625
2041	85,000	7,475	92,475
2042	35,000	5,825	40,825
2043	35,000	4,500	39,500
2044	35,000	3,175	38,175
2045	35,000	1,850	36,850
2046	15,000	525	15,525

**BOND ANTICIPATION NOTES (Sewer Utility)
as of July 1, 2018**

<u>Maturity</u>	<u>Amount</u>
January 16, 2019	\$2,050,000*
June 10, 2019	\$ 506,000

* Will be paid at maturity with the proceeds of the Sewer Utility Bonds

PARKING UTILITY

In 1973, the City established a Parking Utility for the purpose of owning and operating a parking garage and nine parking lots.

PARKING UTILITY DEBT SERVICE ON BONDS PRESENTLY OUTSTANDING

Fiscal Year	Principal	Interest	Total
2018	\$5,000	\$2,525	\$7,525
2019	5,000	2,275	7,275
2020	5,000	2,025	7,025
2021	5,000	1,775	6,775
2022	10,000	1,450	11,450
2023	10,000	1,050	11,050
2024	10,000	638	10,638
2025	10,000	213	10,213

SCHOOL (TAX SUPPORTED) DEBT ANALYSIS
DEBT SERVICE ON BONDS PRESENTLY OUTSTANDING
(including the Bonds)

Fiscal Year	Principal	Interest	Total
2018	\$2,135,000	\$653,917	\$2,788,927
2019	2,150,000	639,809	2,789,809
2020	2,250,000	532,479	2,782,479
2021	2,355,000	418,119	2,773,119
2022	1,130,000	296,609	1,426,609
2023	690,000	247,969	937,969
2024	695,000	222,744	817,744
2025	715,000	194,782	909,782
2026	720,000	165,982	885,972
2027	720,000	137,057	857,057
2028	435,000	109,919	544,919
2029	435,000	90,569	525,569
2030	315,000	74,219	389,219
2031	310,000	64,844	374,844
2032	310,000	55,157	365,157
2033	305,000	45,163	350,163
2034	300,000	35,144	335,144
2035	295,000	25,103	320,103
2036	290,000	15,050	305,050
2037	285,000	4,988	289,988

Note the above includes debt service on 2003 School Pension Refunding Bonds, the outstanding balance of which is not includable in the City's net debt; the School District reimburses the City in full for the debt service on the School Pension Refunding Bonds pursuant to an interlocal agreement between the City and the School District

TEMPORARY SCHOOL NOTES
as of July 1, 2018

<u>Maturity</u>	<u>Amount</u>
January 16, 2019	\$362,000*
June 10, 2019	\$512,000

* Will be paid at maturity with the proceeds of the School Bonds

NOTE 1. The School District receives a significant amount of State Aid for operating purposes, debt service and capital outlay paid primarily pursuant to the Comprehensive Educational Improvement & Financing Act of 1996 (P.L. 1996, c. 138), as amended by P.L. 2004, c. 732, effective July 1, 2004 and P.L. 2010, c. 44, effective July 13, 2010. Funding for certain capital programs are continued under the Educational Facilities Construction and Financing Act (P.L. 2000, c.72). Consequently, a significant portion of the debt service listed above will be funded with State Aid. See Summary of the Elementary and Secondary Education System in the State of New Jersey herein.

CITY OF TRENTON - STATEMENT OF CURRENT FUND OPERATIONS

Year Ending
June 30, 2018

CURRENT REVENUE ON A CASH BASIS:

Current Taxes.....	\$112,653,050
Delinquent Taxes	3,069,535
Other Revenue and Additions/Credits to Income	130,418,323
 Total Funds	 \$246,140,908

EXPENDITURES AND TAX REQUIREMENTS:

Municipal Appropriations.....	\$196,356,486
School Taxes	21,968,735
County Taxes	15,307,253
Special District Taxes	592,583
Other Expenditures and Deductions	2,867,254
 Total	 \$237,092,411
 Excess in Revenue	 \$9,048,497
Surplus Balance July 1st.....	22,918,659
 Subtotal	 \$31,967,156
Less: Fund Balanced Utilized as Revenue.....	11,950,000
 Surplus Balance June 30 th	 \$20,017,156

CITY OF TRENTON - STATEMENT OF WATER UTILITY OPERATIONS

Year Ending
June 30, 2018

Surplus Balance July 1st. 2017\$19,447,601

REVENUES:

Fund Balance Utilized.....	\$14,263,360
Water Rents.....	39,002,602
Fire Hydrant Service	650,955
Miscellaneous	594,989
Unexpended Balances	11,338,784
Reserve for Retro Pay/Sick and Vacation.....	1,000,000
Unallocated Receipts/Cancellation of Accounts Payable	61,344
Deferred Charges	<u>17,985</u>
Total Funds.....	\$66,930,018

EXPENDITURES:

Paid or Charged.....	\$43,843,525
Capital Improvements	0
Current Fund	3,150,000
Reserved.....	7,933,229
Refund of Prior Year's Revenue.....	<u>10,928</u>
Total	<u>\$54,937,682</u>

Excess in Revenue\$11,992,336

Subtotal\$31,439,938

Less: Fund Balance Utilized14,263,360

Surplus Balance June 30th\$17,176,578

CITY OF TRENTON - STATEMENT OF SEWER UTILITY OPERATIONS

Year Ending
June 30, 2018

Surplus Balance July 1st, 2017\$3,277,940

REVENUES:

Fund Balance Utilized.....1,638,917
Sewer Rents11,501,652
Miscellaneous53,137
Reserve for Retro Pay/Sick & Vacation0
Unexpended Balance1,249,216

Total Revenue\$14,442,942

EXPENDITURES:

Paid or Charged.....\$9,056,073
Current Fund1,500,000
Capital Improvement Fund0
Reserved.....2,140,447
Refund of Prior Year's Revenue3,989

Total\$12,692,531

Excess in Revenue1,750,411

Subtotal5,028,352

Less: Fund Balance Utilized as Revenue.....1,638,917

Surplus Balance June 30, 2017\$3,389,435

CITY OF TRENTON - STATEMENT OF PARKING UTILITY OPERATIONS

Year Ending
June 30, 2018

Surplus Balance July 1st, 2017\$1,001,118

REVENUES:

Operating Surplus Anticipated.....268,259
Parking Fees and Charges25,500
Lease Agreements1,499,954
Miscellaneous391
Reserve for Retro Pay/Sick and Vacation.....40,000
Unexpended Balances and Other Credits to Income324,527

Total Funds\$2,198,631

EXPENDITURES:

Paid or Charged.....\$694,381
Reserved.....357,532
Current Fund800,000
Total1,851,913

Excess in Revenue\$346,718

Subtotal\$1,347,837

Less: Fund Balance Utilized268,259

Surplus Balance June 30, 2017\$1,079,579

PARKING AUTHORITY OF THE CITY OF TRENTON

The Parking Authority of the City of Trenton (the “Parking Authority”) was created in 1948 and currently owns and operates two parking garages and two parking lots.

The Parking Authority issued \$21,000,000 Parking Revenue Bonds (City Guaranteed, Series 2000), dated April 1, 2000 (the “Parking Authority Bonds”) which were guaranteed by the City. Proceeds of this issue were used to: (a) construct a 650 space parking facility structure which will be connected to the hotel and conference center to be constructed by the Lafayette Yard Community Development Corporation, a not-for-profit entity; (b) pay any costs deemed appropriate by the Authority in connection with the aforementioned hotel and conference center; (c) acquire from the City facilities currently constituting part of the City's parking utility or other similar facilities; and (d) all costs and expenses related thereto (including capitalized interest and the funding of a bond reserve fund).

In October 2001, the Parking Authority issued \$20,590,000 Parking Revenue Refunding Bonds (City Guaranteed, Series 2001), dated October 1, 2001 (the “Parking Authority Refunding Bonds”) which were guaranteed by the City. The proceeds of the Parking Authority Refunding Bonds were used to advance refund certain callable maturities of the Parking Authority Bonds, producing annual debt service savings for the Authority (total net present value savings were approximately 3.20% of the refunded bonds).

In conjunction with the acquisition of facilities from the City parking utility, the Parking Authority took over responsibility for the payment of debt service on bonds related to the acquired facilities. Such debt service is still, ultimately, the responsibility of the City, but it is anticipated that such debt service will be paid from Parking Authority revenues. The debt service to be paid by the Authority represents approximately 80% of the amounts shown under "Parking Utility".

In December 2003, the Parking Authority issued \$14,075,000 Parking Revenue Bonds (City Guaranteed, Series 2003) dated December 15, 2003 (the “2003 Bonds”) which were guaranteed by the City. The proceeds of the 2003 Parking Authority Bonds were used to finance the acquisition of a parking lot located at Broad and Front Streets and to finance the construction of a parking garage on this site. The construction of an adjacent office building (the “Liberty Commons Project”), to be owned by the Trenton Economic Development Corporation (the “EDC”), was underway and had been delayed.

In 2006, the Parking Authority issued 2006 (Taxable) Bonds to refund a portion of the 2003 Parking Authority Bonds; this was necessitated by a long-term lease entered into with a private business for a portion of the Liberty Commons garage.

In March 2013, the Parking Authority issued \$28,325,000 Parking Revenue Refunding Bonds, comprising \$19,295,000 Series A and \$9,030,000 Series B Bonds. These bonds were issued to refund the Authority's 2001 and 2003 Bonds, respectively.

In 2016, the Parking Authority issued 2016 Series A and 2016 Series B Bonds. Proceeds of these bonds were used to refund the Authority's Series 2013A Bonds, its 2006 (Taxable) Bonds, and also to provide \$750,000 for capital improvements to the Authority's garages.

THE LAFAYETTE YARD COMMUNITY DEVELOPMENT CORPORATION

On April 26, 2000, the Lafayette Yard Community Development Corporation (the "Corporation") (a not-for-profit entity) issued \$31,000,000 of Hotel/Conference Center Project Revenue Bonds, Series 2000 (City of Trenton Guaranteed) (the "Hotel/Conference Center Bonds"), which bonds were guaranteed by the City.

The proceeds of the Hotel/Conference Center Bonds, together with other available funds, were used to finance: (a) the costs of the hotel and conference project, consisting of (i) the acquisition of a fee interest in land at the Lafayette Yard in the City, (ii) the construction thereon and equipping of a hotel and conference center with appropriate interconnections to both a parking facility (see (iii), below) and the State War Memorial Building, (iii) the structured parking facility to be constructed by the Corporation on behalf of the Parking Authority, and (iv) all related infrastructure and site improvements related thereto; (b) funding a deposit to the debt service reserve fund for the Hotel/Conference Center Bonds; (c) funding capitalized interest on the Hotel/Conference Center Bonds; (d) funding a deposit to the working capital reserve fund; and (e) funding costs of issuing the Hotel/Conference Center Bonds. A portion of the costs of the Project were provided by loans or other sources of funding from the Parking Authority, the State of New Jersey, the New Jersey Economic Development Authority and the Capital City Redevelopment Corporation. In addition, certain costs were funded by an Urban Enterprise Zone grant.

In September 2001, the Corporation issued its \$33,770,000 Conference Center Revenue Bonds, Refunding Series 2001 (City of Trenton Guaranteed), dated August 15, 2001, also guaranteed by the City, the proceeds of which were used to advance refund all of the Hotel/Conference Center Bonds at a net present value debt service savings of \$960,485, or 3.10% of the refunded bonds principal.

While gross revenues of the Hotel have been in line with the original projections, net revenues have lagged behind projections. In April 2006, the City had to contribute approximately \$770,000 to make up a required withdrawal from the Debt Service Reserve Fund. In April, 2009, the City contributed \$1,391,968.76 and a similar amount in fiscal years 2010 and 2011.

In 2007, the City pledged certain new PILOT payments from State-owned property as security on an issuance of bonds by the New Jersey Economic Development Authority. The proceeds were used to defease approximately 50% of the outstanding City Guaranteed Bonds.

In August 2008, management of the Hotel operations was transferred to the Waterford Group. This transfer was approved by the Marriott Corporation (the prior manager) and runs for a three-year period expiring in August 2011. The Hotel will continue to operate as a Marriott franchise for the term of this management contract.

In Fiscal Year 2012, the Corporation refinanced its outstanding 2001 Refunding Bonds and realized debt service savings that reduced the required appropriation by approximately \$500,000 in that year (without increase in the debt service in any subsequent year).

LYCDC filed for bankruptcy protection pursuant to Chapter 11 of the United States Bankruptcy Code. The hotel was sold to Edison Broadcasting Company in accordance with an asset purchase agreement approved by the Bankruptcy Court. The City issued bonds in 2014 to redeem the remaining LYCDC City-guaranteed obligations, net of: (i) the sale proceeds of the hotel; (ii) reserve funds related to the LYCDC Bonds held by Wells Fargo Bank, N.A. as Trustee for the LYCDC Bonds; and (iii) funds budgeted by the City for scheduled debt service of such LYCDC Bonds due on April 1, 2014.

SUMMARY OF VALUATIONS

Year	True Value Of Real Property	Equalization Ratio	Real Property	Total Real and Personal Property
2009	3,342,189,250	61.38	1,971,198,680	1,983,865,463
2010	3,087,981,717	66.52	1,971,366,430	1,983,835,190
2011	3,095,628,125	65.70	1,967,856,520	1,980,295,615
2012	2,829,945,784	72.20	1,970,385,970	1,984,535,097
2013	2,577,801,239	79.03	1,963,078,930	1,976,511,504
2014	2,376,294,583	85.80	1,965,315,640	1,979,405,344
2015	2,453,888,858	83.50	1,982,971,200	1,996,653,658
2016	2,379,842,350	87.23	2,004,563,910	2,019,401,562
2017	2,477,202,273	100.54	2,378,766,539	2,395,945,289
2018	2,398,922,240	99.23	2,299,529,133	2,316,583,472

Source: Mercer County Abstract of Ratables

ASSESSED VALUE CLASSIFICATION

	2014	2015	2016	2017	2018
Vacant	\$ 17,785,320	\$ 18,133,720	\$ 18,227,780	\$ 21,072,900	20,307,000
Residential	1,334,319,300	1,344,020,060	1,351,675,310	1,338,117,730	1,335,224,000
Commercial	522,861,920	530,215,720	546,753,220	867,099,809	797,739,083
Industrial	37,421,100	36,589,200	35,005,000	62,428,000	59,931,100
Apartments	52,928,000	54,011,500	52,902,600	80,048,100	86,327,950
Telephone	14,089,704	13,682,458	14,837,652	17,179,920	17,054,339
Total	\$1,979,405,344	\$1,966,653,658	\$2,019,401,562	\$2,395,945,289	\$2,316,583,472

TAX LEVY AND COLLECTIONS

Fiscal Year	Tax Levy	Current Collections	Percentage
2009	93,024,092	91,373,171	98.23
2010	105,319,651	102,743,237	97.13
2011	108,732,789	104,573,496	96.17
2012	111,992,199	107,057,431	96.02
2013	112,058,846	107,705,171	96.11
2014	114,083,575	109,073,221	95.61
2015	114,340,917	107,516,676	94.03
2016	119,481,027	110,925,560	92.83
2017	118,307,104	110,948,081	93.78
2018	121,325,523	112,653,050	92.85

TAX RATE ANALYSIS
Tax Rate Per \$100 Assessed Valuation

Fiscal Year	Tax Rate Per \$100 A.V.	School	County	Municipal
2008	4.38	1.07	0.78	2.53
2009	4.69	1.06	0.81	2.82
2010	5.48	1.07	0.79	3.63
2011*	5.64	1.07	0.78	3.74
2012	5.53	1.06	0.78	3.64
2013	5.67	1.07	0.78	3.78
2014	5.71	1.07	0.74	3.86
2015	5.73	1.06	0.74	3.90
2016	5.75	1.07	0.71	3.94
2017	4.96	0.91	0.63	3.38
2018	5.21	0.97	0.63	3.59

*beginning in 2011, the municipal library levy was broken out from the municipal tax levy. The library levy for 2011 was 0.051, 0.046 for 2012, 0.042 in 2013, 0.039 in 2014-2016, 0.033 in 2017, and .035 in 2018

EMPLOYEES

The City provides services through approximately 1,200 employees. City employees are represented as follows: Police – 217 Police Benevolent Association, 30 Trenton Superior Officer's Association; Firefighters - 169 Firemen's Mutual Benevolent Association, 55 Trenton Fire Officer's Association; Municipal Employees - 618 American Federation of State, County and Municipal Employees and; 40 Supervisor's Union. The remaining employees are managerial and non-represented.

PENSION INFORMATION

Those municipal employees who are eligible for pensions are enrolled in the State of New Jersey pension system. Three pension systems were established by act of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by statute.

The three State-administered pension funds are: the Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16A), the Police and Firemen's Retirement System (N.J.S.A. 43:16A), and the Public Employees' Retirement System (N.J.S.A. 43:15A). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds. This Division charges governmental units their respective contributions on an annual basis. State law requires that these systems be subject to actuarial valuation every year and actuarial investigation every three years.

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APPENDIX B

Financial Statements of the City of Trenton

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**CITY OF TRENTON
COUNTY OF MERCER,
STATE OF NEW JERSEY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL DATA**

June 30, 2017

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**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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COUNTY OF MERCER, STATE OF NEW JERSEY**

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INTRODUCTORY SECTION

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**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
(UNAUDITED)**

INTRODUCTORY SECTION

The Comprehensive Annual Financial Report for the City of Trenton (the “City”) for the fiscal year ended June 30, 2017, is submitted herewith. New Jersey statutes require that the City annually issues a report on its financial position and activity. An Independent Registered Municipal Accountant must audit the report. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City of Trenton. To the best of our knowledge and belief, the enclosed data are accurate in all material respects. All disclosures necessary to enable the reader to gain an understanding of the activities of the City have been included.

The Comprehensive Annual Financial Report is presented in four sections: an introductory section, a financial section, a statistical section, and general comments and recommendations. The introductory section, which is unaudited, includes this transmittal and general information about the City. The financial section includes the general purpose financial statements and the combined and individual fund and account group financial statements with schedules, as well as the independent auditors’ report on these statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information.

General Description

The City was first settled in 1680 and incorporated as a City in 1792. It is located in the west-central portion of the State of New Jersey on the Delaware River and is the Capitol City of the State.

Governmental Structure

The form of government in the City is the Mayor-Council Plan C of the Optional Municipal Charter Law of 1950, N.J.S.A. 40:69A-55 et seq. (Laws of New Jersey 1950, Chapter 210).

The City Council consists of seven members, three of whom are elected at large and four of whom are elected by wards. Members of the City Council are elected for a term of four years at a regular municipal election. The legislative power of the City is exercised by the City Council, except as otherwise provided by general law. The Mayor is elected by the voters of the City at a regular municipal election and serves for a term of four years. The Mayor is the chief executive and administrative officer of the City.

Governmental Services

The City provides standard municipal services through specified departments and funded by general revenues including: police and fire protection; construction and maintenance of streets and bridges; trash collection and disposal; recreation programs and facilities; supervision of health programs; acquisition and maintenance of City real and personal property; maintenance of building codes and regulation of licenses and permits; maintenance of records; collection of taxes and revenues; purchase of supplies and equipment; and maintenance of a Judicial system.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
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INTRODUCTORY SECTION

In addition, the City provides, through the Department of Public Works and funded by user charges, a sewage collection and treatment system and a water supply and distribution system. The Sewer Utility services the City and, as such, the City is empowered to adjust user rates to support annual appropriations for operating and maintaining the system and to pay required annual debt service incurred for capital expenditures on the system. The Water Utility services the City as well as the Townships of Ewing, Lawrence, Hopewell, and Hamilton (collectively, the "Townships"). The City changed to an equal water rate system in 2006 and is no longer required to apply to the New Jersey Board of Regulatory Commissioners for rate changes. Rate increases are now adopted by ordinance of the Trenton City Council.

Education

The Trenton School District, at an election held on November 6, 1984, was changed (effective February 1, 1985) from a Type II School District to a Type I School District. The District has twenty elementary schools, one junior high school and two senior high schools. In addition, seventeen private primary schools located in the City and two private high schools located in bordering communities serve the City. Higher educational opportunities are available at The College of New Jersey, Rider University, Mercer County Community College, Thomas Edison State College and Princeton University, located in Mercer County.

The Board of Education consists of nine members appointed by the Mayor. All members serve until the appointment and qualification of their successors. Meetings are twice a month. Additional special meetings are frequently scheduled – and the time required for review and preparation is significant. The Board of Education has full power to operate the local public schools as it deems fit in compliance with State and Federal mandates and pertinent laws of the municipality. The Board of Education's required functions are the development of policy and the employment of the Chief School Administrator who shall carry out its policies through the development and implementation of regulations.

The School District receives a significant amount of State Aid for operating purposes, debt service and capital outlay paid primarily pursuant to the Comprehensive Educational Improvement & Financing Act of January 2008 1996 (P.L. 1996, c. 138.). Funding for certain capital programs are continued under the Educational Facilities Construction and Financing Act (P.L. 2000, c.72). Consequently, a significant portion of the debt service listed in this report will be funded with State Aid.

POPULATION STATISTICS

Year	City of Trenton	County of Mercer	State of New Jersey
1950	128,009	229,781	4,835,319
1960	114,167	266,392	6,067,412
1970	104,786	304,116	7,168,164
1980	92,124	307,863	7,364,158
1990	88,675	325,824	7,750,000
2000	85,403	350,761	8,614,350
2006	83,581	380,000	8,640,218
2008	83,052	364,883	8,682,661
2010	84,913	366,513	8,791,894

Source: U.S. Census

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
(UNAUDITED)**

INTRODUCTORY SECTION

TEN LARGEST EMPLOYERS

<u>Employer</u>	<u>Number of Employees</u>
State of New Jersey	22,000
Capital Health Systems	3,300
Trenton School Board	2,400
County of Mercer	1,811
Saint Francis Medical Center	1,250
City of Trenton	1,100
The Hibbert Company	293
Mercer Unit ARC	221
Water's Edge Convalescent Center	200
Mercer Street Friends Center	199
Hutchinson Industries	190

TEN LARGEST TAXPAYERS

	<u>Assessed Valuation</u>	<u>Tax Levy</u>
33-50 State Street LLC	\$51,986,000	\$2,575,936
1 State Street Square	35,429,000	1,755,507
ENDOV Associates LLC	34,995,500	1,729,072
ISTAR 200-300 Riverview.....	29,404,600	1,456,998
Robert & Richards (Office Building)	26,279,500	1,302,149
ISTAR 100 Riverview.....	24,050,500	1,191,748
Verizon.....	17,179,290	851,234
Trois Holdings LLC	17,098,300	847,221
Clinton Commons Associates	14,715,500	729,153
DREI Holdings LLC.....	12,467,000	617,770

TEN LARGEST IN LIEU OF TAXES

	<u>Assessed Valuation</u>	<u>Tax Levy</u>
The Richard Hughes Justice Complex	\$130,001,000	\$9,232,323
Kingsbury	15,869,500	320,000
Roebling Urban Renewal	11,471,500	220,000
Mod Rehab Assoc.	2,317,000	220,000
Lutheran Housing	9,332,700	160,000
South Village II	14,317,200	180,000
North 25 Associates	5,488,800	170,000
South Village I	5,291,400	120,000
Matrix East Front Street	11,731,100	91,000
Cathedral Square Housing	8,082,800	80,000

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
(UNAUDITED)**

INTRODUCTORY SECTION

SUMMARY OF VALUATIONS				
<u>Year</u>	True Value of Real <u>Property</u>	Equalization <u>Ratio</u>	Real <u>Property</u>	Total Real and Personal <u>Property</u>
1996	\$1,972,909,261	103.20	\$1,911,476,247	\$1,940,840,233
1997	1,978,971,036	101.39	1,881,794,247	1,911,061,023
1998	1,973,068,067	102.49	1,861,091,727	1,891,093,516
1999	1,933,911,154	101.70	1,850,753,167	1,877,981,392
2000	1,929,927,070	100.97	1,849,235,495	1,859,287,046
2001	1,926,410,648	100.56	1,832,881,905	1,851,534,442
2002	1,927,590,919	100.33	1,831,242,255	1,851,082,630
2003	1,975,931,334	99.40	1,863,707,423	1,883,665,278
2004	2,046,781,513	96.64	1,880,364,825	1,899,865,910
2005	2,110,712,200	94.59	1,900,273,595	1,918,990,947
2006	2,456,824,015	82.25	1,939,226,395	1,954,523,088
2007	2,220,750,022	68.32	1,950,196,475	1,963,159,141
2008	3,265,599,068	62.25	1,955,839,810	1,967,081,328
2009	3,342,189,250	61.38	1,971,198,680	1,983,865,463
2010	3,087,981,717	66.52	1,971,366,430	1,983,835,190
2011	3,095,628,125	65.70	1,967,856,520	1,980,295,615
2012	2,829,945,784	72.20	1,970,385,970	1,984,535,097
2013	2,577,801,239	79.03	1,963,078,930	1,976,511,504
2014	2,376,294,583	85.80	1,965,315,640	1,979,405,344
2015	2,453,888,858	83.50	1,982,971,200	1,996,653,658
2016	2,379,842,350	87.23	2,004,563,910	2,019,401,562
2017	2,477,202,273	100.54	2,378,766,539	2,395,945,289

Source: Mercer County Abstract of Ratables

ASSESSED VALUE CLASSIFICATION							
Property Classes							
<u>Total</u>	<u>1</u>	<u>2</u>	<u>4a</u>	<u>4b</u>	<u>4c</u>	<u>6</u>	
<u>Year</u>	<u>Assessment</u>	<u>Vacant</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Telephone</u>
2017	\$2,395,945,289	\$21,072,900	\$1,338,117,730	\$867,099,809	\$62,428,000	\$80,048,100	\$17,179,920
2016	2,019,401,562	18,227,780	1,351,675,310	546,753,220	35,005,000	52,902,600	14,837,652
2015	1,996,652,658	18,133,720	1,344,020,060	530,215,720	36,589,200	54,011,500	13,682,458
2014	1,979,405,344	17,785,320	1,334,319,300	522,861,920	37,421,100	52,928,000	14,089,704
2013	1,976,511,504	17,302,790	1,335,184,580	521,227,760	37,949,100	51,414,700	13,432,574
2012	1,984,533,467	17,546,890	1,339,504,290	523,470,660	37,948,100	51,914,400	14,149,127
2011	1,980,295,615	18,112,390	1,334,734,770	525,411,960	39,114,400	50,483,000	12,439,095
2010	1,983,835,190	18,592,390	1,326,000,120	532,937,420	43,492,400	50,344,100	12,468,760
2009	1,983,865,463	19,115,080	1,322,452,320	537,866,880	43,058,100	48,706,300	12,666,783
2008	1,967,081,328	18,073,280	1,319,790,070	530,895,060	43,337,200	43,744,200	11,241,518
2007	1,963,159,141	18,350,710	1,314,322,040	530,827,025	43,104,900	43,591,800	12,962,666
2006	1,954,523,088	19,536,760	1,305,752,610	525,071,725	44,432,200	44,433,100	15,296,693
2005	1,918,990,947	21,986,110	1,295,070,360	496,337,825	43,270,700	43,608,600	18,717,352
2004	1,899,865,910	21,746,010	1,287,297,910	487,432,105	41,365,900	42,522,900	19,501,085
2003	1,883,665,278	22,904,010	1,288,834,510	469,051,305	40,939,800	41,977,800	19,957,853
2002	1,851,028,630	22,517,210	1,292,267,640	434,427,105	39,959,200	42,017,100	19,840,375
2001	1,851,534,442	22,666,210	1,297,195,240	430,781,755	39,972,900	42,265,800	18,652,537
2000	1,859,287,046	21,892,180	1,306,073,210	429,484,975	41,015,800	43,363,500	17,457,381

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
(UNAUDITED)**

INTRODUCTORY SECTION

TAXABLE PROPERTIES

<u>Year</u>	<u>Total Number</u>	<u>Property Classes</u>					<u>6 Telephone</u>
		<u>1 Vacant</u>	<u>2 Residential</u>	<u>4a Commercial</u>	<u>4b Industrial</u>	<u>4c Apartments</u>	
2017	24,715	1,109	21,317	2,061	78	150	1
2016	24,733	1,142	21,316	2,042	78	154	1
2015	24,746	1,097	21,343	2,063	82	160	1
2014	24,698	1,079	21,314	2,060	83	161	1
2013	24,758	1,111	21,339	2,060	84	163	1
2012	24,776	1,146	21,319	2,062	84	164	1
2011	24,760	1,206	21,240	2,067	85	161	1
2010	24,851	1,309	21,205	2,090	87	159	1
2009	24,786	1,229	21,198	2,112	87	159	1
2008	24,638	1,132	21,137	2,122	88	158	1
2007	24,608	1,113	21,111	2,135	89	159	1
2006	24,545	1,153	20,988	2,150	91	162	1
2005	24,495	1,184	20,918	2,140	91	161	1
2004	24,444	1,182	20,869	2,148	91	153	1
2003	24,514	1,143	20,957	2,165	94	154	1
2002	24,670	1,180	21,038	2,196	93	162	1
2001	24,786	1,225	21,078	2,226	92	164	1
2000	24,816	1,158	21,149	2,244	97	167	1

TAX LEVY AND COLLECTIONS

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>Current Collections</u>	<u>Percentage</u>
2000	\$ 70,115,311	\$ 61,731,935	88.04%
2001	70,451,512	62,416,733	88.60%
2002	73,675,947	65,797,892	89.31%
2003	76,287,775	68,787,053	90.17%
2004	76,110,241	71,249,256	93.61%
2005	78,766,364	74,224,870	94.23%
2006	81,403,670	79,651,581	97.85%
2007	82,086,371	80,503,265	98.07%
2008	84,893,492	83,651,100	98.54%
2009	93,024,092	91,373,171	98.23%
2010	105,319,651	102,743,237	97.55%
2011	108,732,789	104,573,496	96.17%
2012	111,992,199	107,057,431	95.59%
2013	112,058,846	107,705,171	96.11%
2014	114,083,575	109,073,221	95.61%
2015	114,340,917	107,516,676	94.03%
2016	119,481,027	110,925,560	92.83%
2017	118,307,104	110,948,081	93.78%

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
(UNAUDITED)**

INTRODUCTORY SECTION

**TAX RATE ANALYSIS
Tax Rate Per \$100 Assessed Valuation**

<u>YEAR</u>	<u>Assessed Values</u>	<u>TOTAL</u>	<u>MUNICIPAL</u>	<u>COUNTY</u>	<u>SCHOOL</u>	<u>OPEN SPACE</u>	<u>MUN- LIBRARY</u>
2000	\$1,859,287,046	\$3.760	\$2.060	\$0.540	\$1.140	\$0.020	
2001	1,851,534,442	3.890	2.150	0.580	1.140	0.020	
2002	1,851,082,630	3.970	2.200	0.610	1.140	0.020	
2003	1,883,665,278	3.980	2.240	0.600	1.120	0.020	
2004	1,899,865,910	4.020	2.300	0.590	1.110	0.020	
2005	1,918,990,947	4.060	2.340	0.590	1.100	0.030	
2006	1,954,523,088	4.100	2.380	0.600	1.080	0.040	
2007	1,963,159,141	4.190	2.400	0.660	1.080	0.050	
2008	1,967,081,328	4.383	2.534	0.725	1.074	0.050	
2009	1,983,865,463	4.690	2.816	0.759	1.064	0.051	
2010	1,983,835,190	5.478	3.627	0.755	1.065	0.031	
2011	1,980,295,615	5.636	3.735	0.753	1.066	0.031	\$0.051
2012	1,984,535,097	5.534	3.643	0.752	1.064	0.029	0.046
2013	1,976,511,504	5.671	3.783	0.751	1.069	0.026	0.042
2014	1,979,405,344	5.706	3.857	0.713	1.067	0.030	0.039
2015	1,996,653,658	5.733	3.898	0.707	1.058	0.031	0.039
2016	2,019,401,562	5.753	3.936	0.683	1.067	0.029	0.038
2017	2,395,945,829	4.955	3.379	0.600	0.917	0.026	0.033

PENSION INFORMATION

Those municipal employees who are eligible for pensions are enrolled in the State of New Jersey pension system. Three pension systems were established by act of the State Legislature. Benefits, contributions, means of funding and the manner of administration are determined by statute.

The three State-administered pension funds are: the Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16A), the Police and Firemen's Retirement System (N.J.S.A. 43:16A), and the Public Employees' Retirement System (N.J.S.A. 43:15A). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds. This Division charges governmental units their respective contributions on an annual basis. State law requires that these systems be subject to actuarial valuation every year and actuarial investigation every three years.

WATER UTILITY

The Water Utility services the City, as well as the Townships of Ewing, Lawrence, Hopewell and Hamilton. Approximately 43% of water utility revenues are derived from City users and 57% from users in the four Townships. The service area population exceeds 200,000. Increased water rates went into effect October 15, 1998, (July 1, 1999, for public fire protection rates for Ewing, Hamilton, Hopewell, and Lawrence). In 2012, rates were increased by approximately 37%; this was the first rate increase since 1991.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
(UNAUDITED)**

INTRODUCTORY SECTION

SEWER UTILITY

Since May 1927, the Trenton Sewer Utility has provided dependable and efficient collection, treatment and disposal of the wastewater, storm water and biosolids that are generated in the City daily. The current sanitary, combined and storm water collection systems in the City provide complete service to the entire City. The Sewerage Treatment Plant is permitted to treat 20 million gallons per day ("MGD") and averages approximately five billion gallons per year. With a staff of about 52 employees, the Trenton Sewer Utility is in full compliance with all federal, state and local environmental requirements.

PARKING AUTHORITY OF THE CITY OF TRENTON

The Parking Authority of the City of Trenton (the "Parking Authority") was created in 1948 and currently owns and operates two parking garages and two parking lots.

The Parking Authority issued \$21,000,000 Parking Revenue Bonds (City Guaranteed, Series 2000), dated April 1, 2000 (the "Parking Authority Bonds") and guaranteed by the City. Proceeds of this issue were used to: (a) construct a 650 space parking facility structure which will be connected to the hotel and conference center to be constructed by the Lafayette Yard Community Development Corporation, a not-for-profit entity; (b) pay any costs deemed appropriate by the Authority in connection with the aforementioned hotel and conference center; (c) acquire from the City facilities currently constituting part of the City's parking utility or other similar facilities; and (d) all costs and expenses related thereto (including capitalized interest and the funding of a bond reserve fund).

In October 2001, the Parking Authority issued \$20,590,000 Parking Revenue Refunding Bonds (City Guaranteed, Series 2001), dated October 1, 2001 (the "Parking Authority Refunding Bonds") and guaranteed by the City. The proceeds of the Parking Authority Refunding Bonds were used to advance refund certain callable maturities of the Parking Authority Bonds, producing annual debt service savings for the Authority (total net present value savings were approximately 3.20% of the refunded bonds).

In conjunction with the acquisition of facilities from the City parking utility, the Parking Authority took over responsibility for the payment of debt service on bonds related to the acquired facilities. Such debt service is still, ultimately, the responsibility of the City, but it is anticipated that such debt service will be paid from Parking Authority revenues.

In December 2003, the Parking Authority issued \$14,075,000 Parking Revenue Bonds (City Guaranteed, Series 2003) dated December 15, 2003 (the "2003 Bonds") and guaranteed by the City. The proceeds of the 2003 Parking Authority Bonds were used to finance the acquisition of a parking lot located at Broad and Front Streets and to finance the construction of a parking garage on this site. The construction of an adjacent office building (the "Liberty Commons Project"), to be owned by the Trenton Economic Development Corporation (the "EDC"), was underway and had been delayed.

In 2006, the Parking Authority issued 2006 (Taxable) Bonds to refund a portion of the 2003 Parking Authority Bonds; this was necessitated by a long-term lease entered into with a private business for a portion of the Liberty Commons garage.

In March 2013, the Parking Authority issued \$28,325,000 Parking Revenue Refunding Bonds, comprising \$19,295,000 Series A and \$9,030,000 Series B. These bonds were issued to refund the Authority's 2001 and 2003 Bonds, respectively.

In 2017, the Parking Authority issued its 2017 Series A and 2017 Series B Bonds. Proceeds of these bonds were used to refund the Authority's Series 2013A Bonds, its 2006 (Taxable) Bonds, and also to provide \$750,000 for capital improvements to the Authority's garages.

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INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and Members of the City Council
City of Trenton
County of Mercer, State of New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements – regulatory basis of the various funds and account group of the City of Trenton, County of Mercer, State of New Jersey, (the “City”), as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibility (Continued)

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the City as of June 30, 2017, or the results of its operations and changes in financial position for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each fund and account group of the City as of June 30, 2017, and their respective results of operations and changes in financial position for the year then ended, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note A.

Report on Summarized Comparative Information

We have previously audited the City's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 28, 2016, in accordance with the financial reporting provisions described in Note A. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Supplementary and Other Information

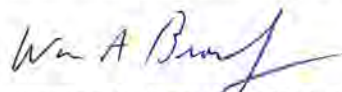
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, supplementary information, general comments and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

December 29, 2017

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BASIC FINANCIAL STATEMENTS

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND
BALANCE - ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2017**

ASSETS AND OTHER DEBITS										Totals	
	Current	Grant	Capital	CDBG	Trust Funds (1)	Utility Funds Operating (2)	Utility Funds Capital (2)	Fixed Asset Account Group	Memorandum Only		
									June 30, 2017	June 30, 2016	
Cash and Cash Equivalents	\$ 1,371,629.14	\$ -	\$ 70,516.75	\$ 98,218.86	\$ 15,061,398.20	\$ 9,768,677.19	\$ 7,427,987.00	\$ -	\$ 33,798,427.14	\$ 37,119,009.50	
Investments	38,051,573.01	-	25,190.44	-	14,661,758.87	36,060,554.50	7,647,111.61	-	96,446,188.43	91,199,915.15	
Federal and State Grants Receivable	-	16,912,889.40	6,982,596.87	17,494,850.92	-	-	-	-	41,390,337.19	45,683,610.73	
Due from State of New Jersey	755,314.66	-	-	-	-	-	-	-	755,314.66	169,303.00	
Receivables and Other Assets											
Loan Proceeds Receivable	-	-	2,223,100.03	-	-	-	-	-	2,223,100.03	2,329,244.86	
Delinquent Property Taxes	392,289.18	-	-	-	-	-	-	-	392,289.18	462,591.01	
Tax Title Liens Receivable	27,130,613.24	-	-	-	-	-	-	-	27,130,613.24	25,643,101.23	
Property Acquired for Taxes at Assessed Valuation	55,982,900.00	-	-	-	-	-	-	-	55,982,900.00	56,699,800.00	
Interfunds Receivable	5,643,143.29	3,265,586.93	-	-	-	548,075.76	-	-	9,456,805.98	7,392,518.34	
Utility Funds - Receivable with Reserves	-	-	-	-	-	12,046,603.54	1,625,202.00	-	13,671,805.54	15,999,910.80	
WasteWater Bonds Receivable	-	-	-	-	-	-	14,518,376.00	-	14,518,376.00	9,257,293.00	
Deferred Charges	5,700,000.00	-	-	-	-	-	-	-	5,700,000.00	17,525,000.00	
Deferred Charges - Funded & Unfunded	-	-	187,633,891.84	-	-	-	-	-	187,633,891.84	185,570,372.02	
Fixed Capital	-	-	-	-	-	-	368,611,708.10	-	368,611,708.10	350,444,315.44	
Fixed Capital Authorized and Uncompleted	-	-	-	-	-	-	80,852,498.01	-	80,852,498.01	102,056,782.69	
Fixed Assets	-	-	-	-	-	-	-	283,094,468.00	283,094,468.00	282,605,674.00	
	\$ 135,027,462.52	\$ 20,178,476.33	\$ 196,935,295.93	\$ 17,593,069.78	\$ 29,723,157.07	\$ 58,423,910.99	\$ 480,682,882.72	\$ 283,094,468.00	\$ 1,221,658,723.34	\$ 1,230,158,441.77	

(1) - Includes Animal Control, Municipal Public Defender, Employees' US Saving Bond Account, Unemployment Comp Insurance, Workers' Comp Insurance, Compre Liab Ins Fund, Special Law Enforcement Fund, General Trust Fund, Neighborhood Preservation Fund, Revolving Loan Fund, and Redevelopment Fund.

(2) - Includes Water, Parking and Sewer Utility funds

There were Bonds and Notes Authorized but not Issued at June 30, 2017 and 2016, in the amount of \$116,088,778.62 and \$117,895,588.25, respectively.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND
BALANCE - ALL FUND TYPES AND ACCOUNT GROUP (CONTINUED)
JUNE 30, 2017**

LIABILITIES, RESERVES AND FUND BALANCE	Current	Grant	Capital	CDBG	Trust Funds (1)	Utility Funds Operating (2)	Utility Funds Capital (2)	Fixed Asset Account Group	Totals	
									Memorandum Only	
									June 30, 2017	June 30, 2016
Tax/Sewer Fee Overpayments	\$ 56,123.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,123.84	\$ 364,271.53
Appropriation Reserves	10,661,006.53	-	-	-	-	14,015,420.13	-	-	24,676,426.66	33,446,156.23
Prepaid Taxes/Sewer Fees	148,410.04	-	-	-	-	-	-	-	148,410.04	174,767.27
Accounts Payable - Grants	-	-	-	-	-	-	-	-	-	-
Reserves for Special Purposes	-	18,956,796.53	-	-	-	-	-	-	18,956,796.53	26,699,288.89
Accrued Payroll - Grants	-	-	-	-	-	-	-	-	-	494.72
Other Liabilities and Reserves	-	-	-	-	-	-	-	-	-	-
Due from State of NJ	365,309.77	-	-	-	-	-	-	-	365,309.77	324,588.33
Capital Improvement Fund	-	-	-	-	-	-	6,419,473.03	-	6,419,473.03	219,473.03
Other Reserves	1,228,669.05	-	723,810.49	13,875.00	22,775,430.91	-	-	-	24,741,785.45	20,047,031.70
Improvement Authorizations	-	-	39,348,429.55	-	-	-	69,191,244.31	-	108,539,673.86	116,908,911.64
Encumbrances Payable	2,498,135.71	-	-	-	776,929.80	-	-	-	3,275,065.51	2,816,429.24
Reserve for Encumbrances	-	1,221,679.80	7,167,873.68	5,598,404.49	-	4,052,564.37	11,661,253.70	-	29,701,776.04	30,420,342.29
Interfund Payable	3,079,868.36	-	2,502,846.66	3,264,093.94	88,446.63	517,820.19	3,730.20	-	9,456,805.98	7,392,518.34
Bond Anticipation Notes	-	-	11,029,251.00	-	-	-	21,850,000.00	-	32,879,251.00	35,000,500.00
Reserve for Loan Payments	-	-	-	64,138.72	-	-	-	-	64,138.72	61,877.69
Reserve for Grants	-	-	-	8,652,557.63	-	-	-	-	8,652,557.63	8,775,429.59
Serial Bonds	-	-	132,721,956.95	-	-	-	72,362,391.13	-	205,084,348.08	208,641,665.33
Serial Bonds - Qualified - Utility Capital	-	-	-	-	-	-	52,870,000.00	-	52,870,000.00	49,460,000.00
Deposits	-	-	-	-	-	21,314.00	-	-	21,314.00	21,314.00
Loans Payable	-	-	925,501.79	-	-	-	-	-	925,501.79	1,183,019.24
Reserve for Receivables	89,148,945.71	-	2,223,100.03	-	-	12,046,603.54	2,032,702.00	-	105,451,351.28	104,914,902.35
Reserve for Retro Active Payroll & Sick & Vacation Pay	1,819,371.67	-	-	-	-	2,097,776.27	-	-	3,917,147.94	7,512,872.99
Reserve for Tax Appeals	2,794,534.55	-	-	-	-	-	-	-	2,794,534.55	1,300,000.00
Accounts Payable	308,428.57	-	-	-	4,760,901.25	709,717.40	-	-	5,779,047.22	5,971,570.10
Accrued Interest on Bonds and Notes	-	-	-	-	-	1,236,035.00	-	-	1,236,035.00	1,302,064.32
Accrued Payroll	-	-	-	-	-	-	-	-	-	-
Reserve for Amortization & Deferred Amortization	-	-	-	-	-	-	243,523,903.10	-	243,523,903.10	234,696,407.31
Other Payables	-	-	-	-	1,218,063.81	-	-	-	1,218,063.81	1,920,363.60
Investment in General Fixed Assets	-	-	-	-	-	-	-	283,094,468.00	283,094,468.00	282,605,674.00
Fund Balance	22,918,658.72	-	292,525.78	-	103,384.67	23,726,660.09	768,185.25	-	47,809,414.51	47,976,508.04
	\$ 135,027,462.52	\$ 20,178,476.33	\$ 196,935,295.93	\$ 17,593,069.78	\$ 29,723,157.07	\$ 58,423,910.99	\$ 480,682,882.72	\$ 283,094,468.00	\$ 1,221,658,723.34	\$ 1,230,158,441.77

(1) - Includes Animal Control, Municipal Public Defender, Employees' US Saving Bond Account, Unemployment Comp Insurance, Workers' Comp Insurance, Compre Liab Ins Fund, Special Law Enforcement Fund, General Trust Fund, Neighborhood Preservation Fund, Revolving Loan Fund, and Redevelopment Fund.

(2) - Includes Water, Parking and Sewer Utility funds

There were Bonds and Notes Authorized but not Issued at June 30, 2017 and 2016, in the amount of \$116,088,778.62 and \$117,895,588.25, respectively.

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CURRENT AND UTILITY OPERATING FUNDS
Year Ended June 30, 2017

	Current Fund	Utility Operating Funds
Revenues and Other Income Realized		
Fund Balance Utilized	\$10,000,000.00	\$ -
Miscellaneous Revenues Realized	116,168,206.36	352,803.35
Operating Surplus Anticipated	-	13,783,647.00
Fees, Charges and Rents	-	53,503,828.98
Receipts from Delinquent Taxes	4,100,702.70	-
Receipts from Current Taxes	110,948,080.62	-
Non-Budget Revenue	786,807.83	-
Other Credits to Income		
Encumbrances & Accounts Payable Cancelled	47,835.19	-
Appropriation Reserves Lapsed	4,755,152.93	10,114,594.03
Cancellation of Prior Year Outstanding Checks	1,645.10	-
Cancellation of Appropriation Reserves/Retro Payroll	3,860,317.47	4,450,524.09
Cancellation of Grants	60,853.04	-
Accounts Payable Cancellation	20,470.57	679,103.12
Total Revenues	<u>250,750,071.81</u>	<u>82,884,500.57</u>
Expenditures		
Budget and Emergency Appropriations		
Operations		
Within CAPS	130,527,363.33	-
Excluded From CAPS	4,122,027.35	-
Grants-Public and Private Programs Offset by Revenues	9,215,891.00	-
Municipal Debt Service	20,991,397.18	7,402,858.04
Operating Expenses	-	38,987,696.00
Deferred Charges and Statutory Expenditures	25,523,474.78	2,752,873.00
Capital Outlay	-	2,343,259.00
Capital Improvement Fund	291,600.00	6,200,000.00
Judgements	500,000.00	-
For Local District Purposes		
School Debt Service	4,632,651.38	-
Local School District Tax	21,537,975.00	-
County Taxes	14,261,732.76	-
Special District Taxes	591,865.72	-
Interfunds Advanced	2,477,779.84	-
Reserve for Sick and Vacation	-	1,340,000.00
Qualified Bond P&I (Current Fund)	-	4,223,983.78

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
CURRENT AND UTILITY OPERATING FUNDS (CONTINUED)
Year Ended June 30, 2017

	Current Fund	Utility Operating Funds
Prior Year Senior Citizens & Veterans Deductions	4,024.65	-
Surplus (Current Fund)	-	5,450,000.00
Prior Year Revenue Refunded	-	-
Deferred Charge - State Aid	1,500,000.00	-
Reserve for Tax Appeals	1,494,534.55	-
Emergency Accumulated Absence	-	-
Cancellation of Deferred Charges	3,780,000.00	-
Misc. Expenditures	-	9,198.69
Total Expenditures	<u>241,452,317.54</u>	<u>68,709,868.51</u>
Statutory Excess to Fund Balance	9,297,754.27	14,174,632.06
Fund Balance, Beginning of Year	<u>23,620,904.45</u>	<u>23,335,675.03</u>
Subtotal	32,918,658.72	37,510,307.09
Less Fund Balance Utilized	<u>10,000,000.00</u>	<u>13,783,647.00</u>
Fund Balance, End of Year	<u>\$22,918,658.72</u>	<u>\$23,726,660.09</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CURRENT FUND
Year Ended June 30, 2017**

	Budget as Modified	Actual	Variance
Revenues			
Fund Balance Anticipated	\$ 10,000,000.00	\$ 10,000,000.00	\$ -
Miscellaneous Revenues	114,269,195.13	116,168,206.36	1,899,011.23
Receipts from Delinquent Taxes	1,500,000.00	4,100,702.70	2,600,702.70
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes	80,921,284.49	82,932,310.42	2,011,025.93
Other Income			
Local School District Tax	21,537,975.00	21,537,975.00	-
County Taxes	14,261,732.76	14,261,732.76	-
Special Assessment	591,865.72	591,865.72	-
Total Budget Revenues	243,082,053.10	249,592,792.96	6,510,739.86
Non-Budget Revenue	-	786,807.83	786,807.83
Other Credits to Income			
Encumbrances & Accounts Payable Cancelled	-	47,835.19	47,835.19
Appropriation Reserves Lapsed	-	4,755,152.93	4,755,152.93
Misc. Revenue	-	1,645.10	1,645.10
Accounts Payable Cancellation	-	20,470.57	20,470.57
Cancellation of Grants	-	60,853.04	60,853.04
Prior Years Interfunds Returned	-	3,860,317.47	3,860,317.47
Total Other Credits to Income	-	8,746,274.30	8,746,274.30
Total Revenues	243,082,053.10	259,125,875.09	16,043,821.99
Expenditures:			
Current Fund:			
Operations Within CAPS	133,027,363.33	130,527,363.33	2,500,000.00
Deferred Charges and Statutory Expenditures	18,978,474.78	18,978,474.78	-
Current Fund Excluded from CAPS:			
Operations Excluded from CAPS	4,131,629.85	4,122,027.35	9,602.50
State and Federal Grants	9,215,891.00	9,215,891.00	-
Debt Service	20,991,993.78	20,991,397.18	596.60
Local District School Purposes	4,632,723.60	4,632,651.38	72.22
Capital Improvements	291,600.00	291,600.00	-
Deferred Charges	7,045,000.00	7,045,000.00	-
Reserve for Uncollected Taxes	8,375,803.28	8,375,803.28	-
Total Budget Expenditures	206,690,479.62	204,180,208.30	2,510,271.32
Other Expenditures			
Local School District Tax	21,537,975.00	21,537,975.00	-
County Taxes	14,261,732.76	14,261,732.76	-
Special Assessment	591,865.72	591,865.72	-
Prior Year Senior Citizens & Veterans Deductions	-	4,024.65	(4,024.65)
Deferred Charge - State Aid	-	1,500,000.00	(1,500,000.00)
Reserve for Tax Appeals	-	1,494,534.55	(1,494,534.55)
Interfunds Advanced	-	2,477,779.84	(2,477,779.84)
Emergency Note IRS & State of NJ	-	3,780,000.00	(3,780,000.00)
Total Expenditures	243,082,053.10	249,828,120.82	(6,746,067.72)
Excess in Revenues	-	9,297,754.27	9,297,754.27
Statutory Excess to Fund Balance	\$ -	9,297,754.27	\$ 9,297,754.27
Fund Balance, July 1, 2016		23,620,904.45	
		32,918,658.72	
Less: Utilized in Budget		10,000,000.00	
Fund Balance, June 30, 2017		<u>\$ 22,918,658.72</u>	

See notes to financial statements.

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - UTILITY OPERATING FUNDS
Year Ended June 30, 2017

	Budget as Modified	Actual	Variance
Revenues			
Fund Balance Anticipated	\$13,783,647.00	\$ 13,783,647.00	\$ -
Miscellaneous Revenues	<u>55,207,476.00</u>	<u>53,896,630.23</u>	<u>(1,310,845.77)</u>
Total Budget Revenue	68,991,123.00	67,680,277.23	(1,310,845.77)
Other Credits to Income	<u>-</u>	<u>15,204,223.34</u>	<u>15,204,223.34</u>
Total Revenues	<u>68,991,123.00</u>	<u>82,884,500.57</u>	<u>13,893,377.57</u>
Expenditures			
Operating Expenses	38,987,696.00	38,987,696.00	-
Debt Service	11,917,295.00	11,626,841.82	290,453.18
Other Expenses	<u>18,086,132.00</u>	<u>18,095,330.69</u>	<u>(9,198.69)</u>
Total Expenditures	<u>68,991,123.00</u>	<u>68,709,868.51</u>	<u>281,254.49</u>
Excess in Revenues	<u>\$ -</u>	<u>14,174,632.06</u>	<u>\$ 14,174,632.06</u>
Fund Balance, July 1, 2016		<u>23,335,675.03</u>	
Subtotal		37,510,307.09	
Decreased by			
Utilized in Budget		<u>13,783,647.00</u>	
Fund Balance, June 30, 2017		<u>\$ 23,726,660.09</u>	

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NOTES TO FINANCIAL STATEMENTS

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The general purpose financial statements of the City of Trenton (the "City") include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the City of Trenton, as required by N.J.S. 40A:5-5. However, the operations of the Trenton Board of Education, Trenton Free Public Library and Trenton Parking Authority are not included in the City's general purpose financial statements.

Description of Funds

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

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds, except as otherwise noted.

Trust Other Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created, pursuant to the provisions of N.J.S.A. 40A: 4-39.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities other than those acquired by the Current Fund. General and school bonds and notes payable are recorded in this fund, offset by deferred charges to future taxation.

Water, Parking and Sewer Utility Funds - receipt and disbursement of funds for the operations and acquisition of capital facilities of the municipality-owned water, parking and sewer utilities.

General Fixed Assets Account Group - used to account for fixed assets used in general government operations.

The Governmental Accounting Standards Board ("GASB") is the accepted standards-setting body for establishing government accounting and financial reporting principles. GASB's *Codification of Governmental Accounting and Financial Reporting Standards* recognizes three fund categories as appropriate for the accounting and reporting of the financial position and results of operations in accordance with United States generally accepted accounting principles ("GAAP"). This structure of funds differs from the organization of funds prescribed under the regulatory basis of accounting utilized by the City. The resultant presentation of financial position and results of operations in the form of financial statements is not intended to present the general-purpose financial statements required by GAAP.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post-Employment Benefits ("OPEB") Other than Pensions

On July 1, 2007, the City implemented GASB Statement Number 45, which covers accounting and financial reporting requirements for government employers which provide post-employment benefits other than pensions. Since the City participates in a multiple-employer cost-sharing plan (Public Employees' Retirement System ("PERS")), the City's portion of this liability and cost is calculated and recorded at the State of New Jersey ("State") level and included in the state's Comprehensive Annual Financial Report. The City records OPEB expense based on billings from the State PERS. Required financial statement disclosure requirements are included in Note O of these audited financial statements.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State differ in certain respects from GAAP applicable to local government units. The significant differences relate primarily to the cash basis for recognition of revenue, the recording of appropriation reserves in connection with expenditures, the liability for unused compensated absences, and the accounting for general fixed assets. The following is a summary of significant accounting policies:

A modified accrual basis of accounting is followed with minor exceptions. Modifications from the accrual basis are as follows: Revenues are recorded when received in cash, except for certain amounts that are due from other governmental units. Receipts from federal and state grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the City's Current Fund. Accordingly, such amounts are not recorded as revenue until collected. Other amounts which are due to the City are also recorded as receivables with offsetting reserves and are recorded as revenue when received.

Property acquired for taxes is recorded in the current fund at the assessed valuation when the property was acquired and fully reserved.

Investments are carried at cost. Purchases are limited by New Jersey Statute 40A:5-15.1 to bonds or obligations of or guaranteed by the federal government and bonds or other obligations of federal or local units having a maturity date not more than 397 days from the date of purchase.

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at June 30 of each year are reported as cash liabilities in the financial statements and constitute part of the City's Regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at the end of each year and are recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis, and interest on general capital indebtedness is on the cash basis.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

General Fixed Assets - In accordance with New Jersey Administrative Code 5:30-5-6, *Accounting for Governmental Fixed Assets*, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the City is required to have and maintain a fixed asset and reporting system for non-expendable personal/real property with an acquisition cost of \$5,000 or more per unit and a useful life of more than one year.

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

For the classification of land, buildings and other improvements, actual cost was used. A significant number of items were valued at their replacement costs, since the original costs were not available. Property and equipment purchased by each of the utility funds are recorded in their capital accounts at cost, and the accounts are adjusted for dispositions and abandonments. The amount reported for reserve for amortization of fixed capital acquired on the balance sheet of each of the utility capital funds represents the aggregate charges (capital outlay and debt service) to the operating budget for the costs of acquisitions of property and equipment and proceeds from grants-in-aid. No depreciation is provided for in the financial statements.

Pension and post-employment expenses are recorded on a cash basis as billed by the State. Thus, net position liability and related deferred inflows and outflows are not recorded on the statement of assets, liabilities, reserves and fund balance.

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

It is the policy of the City not to capitalize interest cost on fixed assets constructed.

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

Reserve for Uncollected Taxes represents an appropriation made to allow total current tax billings to be levied at an amount greater than the appropriations needed. Reserve for Uncollected Taxes is not recognized under GAAP.

Rounding

Some schedules in the financial statements may have dollar differences due to rounding adjustments.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts on deposit, petty cash, change funds and short-term investments with original maturities of three months or less.

New Jersey Governmental Unit Deposit Protection Act ("NJGUDPA") permits the deposit of public funds in the State of New Jersey Cash Management Fund or in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation ("FDIC") or by any other agencies of the United States that insure deposits. NJGUDPA requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

Each deposit participating in the NJGUDPA system must pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million. The minimum 5% pledge applies to institutions that are categorized as "well capitalized" by Federal banking standards. The percentage of the required pledge will increase for institutions that are less than "well capitalized."

No collateral is required for amounts covered by FDIC or National Credit Union Share Insurance Fund ("NCUSIF") insurance. The collateral which may be pledged to support these deposits includes obligations of the State and Federal governments, insured securities and other collateral approved by the Department of Banking and Insurance. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged.

If a governmental depository fails and the FDIC or NCUSIF insurance does not insure or pay out the full amount of public deposits, the collateral pledged to protect these funds would first be liquidated and paid out. If this amount is insufficient, other institutions holding public funds would be assessed pro rata up to 4% of their uninsured public funds. Although these protections do not constitute a 100% guarantee of the safety of all funds, no governmental unit under NJGUDPA has ever lost protected deposits.

As of June 30, 2017, the City's bank balances were exposed to custodial credit risk as follows:

Insured	\$ 750,000.00
Uninsured and Collateralized	<u>37,334,665.00</u>
	<u>\$ 38,084,665.00</u>

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount covered by the FDIC. The City Council approves and designates the authorized depository institution based on evaluation of solicited responses and certifications provided by financial institutions.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

B. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Concentration of Credit Risk – This is the risk associated with the amount of investments the City has with any one issuer that exceeds five percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in the New Jersey Cash Management Fund are excluded from this requirement.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the City does not have an investment policy regarding Credit Risk, however, the City had no investments that were subject to credit risks as of June 30, 2017. The New Jersey Cash Management Fund is not rated.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations. However, its practice is to hold investments to maturity.

Investments

New Jersey statutes permit the City to purchase the following types of securities:

- Bonds or other obligations of the United States or obligations guaranteed by the United States.
- Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, or United States Bank for Cooperatives that have a maturity date not more than 397 days from the date of purchase.
- Bonds or other obligations of the City or bonds or other obligations of school districts that are a part of the City or are located within the City.
- Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.

The City's investments carried at cost which approximate market value were as follows at June 30, 2017:

Type	Collateral	Fair Market Value	Book
U.S. Government Securities	U.S. Government	\$ 96,446,188.43	\$ 96,446,188.43
Total		<u>\$ 96,446,188.43</u>	<u>\$ 96,446,188.43</u>

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

C. FUND BALANCE APPROPRIATED

Current fund balances at June 30 were appropriated and included as anticipated revenue in the succeeding year's budget as follows:

Year	Balance June 30	Utilized in Budget of Succeeding Year
2017	\$ 22,918,658.72	\$ 10,950,000.00
2016	23,620,904.45	10,000,000.00
2015	18,299,384.45	5,000,000.00
2014	15,899,383.23	2,000,000.00
2013	15,815,369.00	3,331,862.00

Water, Parking and Sewer Utility Fund balances at June 30 were appropriated and included as anticipated revenue in the succeeding year's Water, Parking and Sewer Utility Fund budgets as follows:

Year	Balance June 30	Utilized in Budget of Succeeding Year
Water Utility Fund		
2017	\$ 19,447,601.46	\$ 13,698,180.36
2016	20,294,347.81	12,605,359.00
2015	16,879,132.64	6,218,730.65
2014	14,051,277.41	3,640,508.00
2013	12,028,371.00	3,646,791.00
Parking Utility Fund		
2017	\$ 1,001,118.48	\$ 263,427.64
2016	675,363.86	248,833.00
2015	777,655.33	446,394.00
2014	927,850.03	283,950.00
2013	895,976.00	-
Sewer Utility Fund		
2017	\$ 3,277,940.15	\$ 1,185,298.66
2016	2,365,963.36	929,455.00
2015	4,594,201.86	2,644,114.74
2014	4,727,179.33	1,497,750.00
2013	4,687,360.00	477,086.00

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. LONG-TERM DEBT

Summary of Municipal Debt (Excluding Current and Operating Debt/Type I School Debt)

	June 30,		
	2017	2016	2015
Summary of Municipal Debt Issued			
General			
Bonds, Loans and Notes	\$ 155,309,709.74	\$ 162,687,094.09	\$ 170,181,979.00
Water Utility, Bonds, Loans and Notes	137,974,029.45	131,324,805.08	127,703,961.16
Parking Utility, Bonds, Loans and Notes	60,000.00	65,000.00	70,000.00
Sewer Utility, Bonds, Loans and Notes	9,048,361.68	8,153,285.40	7,793,209.12
Total Issued	<u>302,392,100.87</u>	<u>302,230,184.57</u>	<u>305,749,149.28</u>
Authorized but not Issued			
General	42,956,181.33	30,827,776.96	37,416,499.86
Water Utility, Bonds and Notes	69,982,282.77	82,452,496.77	83,639,022.77
Parking Utility, Bonds and Notes	552,000.00	552,000.00	552,000.00
Sewer Utility, Bonds and Notes	2,598,314.52	4,063,314.52	4,038,314.52
Total Authorized but not Issued	<u>116,088,778.62</u>	<u>117,895,588.25</u>	<u>125,645,837.15</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 418,480,879.49</u>	<u>\$ 420,125,772.82</u>	<u>\$ 431,394,986.43</u>

Summary of Regulatory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 7.610%. The City's excess borrowing is 3.424%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 17,445,000.00	\$ 17,445,000.00	\$ -
Water, Parking and Sewer Utility Debt	220,214,988.65	220,214,988.65	-
General Debt	215,072,891.07	38,240,458.74	176,832,432.33
	<u>\$ 452,732,879.72</u>	<u>\$ 275,900,447.39</u>	<u>\$ 176,832,432.33</u>

Net debt of \$176,832,432.33, divided by Average Equalized Valuation Basis per N.J.S.A. 40A:2-2, as amended, which is \$2,323,819,357.33, equals 7.610%. This information is in agreement with Annual Debt Statement filed by the CFO.

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

3 -1/2% of Equalized Valuation Basis (Municipal)	\$ 81,333,677.51
Net Debt	176,832,432.33
Excess Borrowing	<u>\$ (95,498,754.82)</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

D. LONG-TERM DEBT (CONTINUED)

The City has obtained permission from the Local Finance Board to exceed the regulatory 3.5% debt limitation.

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding.

Bonded Fiscal Debt	General Debt		Type 1 School		Water Utility	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 12,535,197.25	\$ 5,380,027.67	\$ 2,085,000.00	\$ 575,818.04	\$ 8,250,462.79	\$ 2,833,658.89
2019	12,778,994.92	5,043,070.69	2,145,000.00	525,811.80	8,688,155.05	2,681,362.50
2020	13,176,182.22	4,633,521.92	2,205,000.00	460,616.50	8,027,632.48	2,647,283.60
2021	13,702,133.70	4,209,462.40	2,265,000.00	386,669.56	8,026,748.75	2,365,934.76
2022	14,520,935.68	3,459,763.28	995,000.00	304,472.56	8,115,618.32	2,201,037.89
2023-2027	49,579,014.97	4,174,078.77	3,510,000.00	1,088,187.50	38,907,251.63	8,344,190.93
2028-2032	910,000.00	27,300.00	1,740,000.00	547,162.50	19,596,489.75	4,599,968.30
2033-2037	-	-	1,500,000.00	185,812.50	12,708,308.14	2,258,750.66
2038-2042	-	-	-	-	4,243,362.54	739,667.50
2043-2047	-	-	-	-	1,610,000.00	134,800.00
Total	<u>\$ 117,202,458.74</u>	<u>\$ 26,927,224.73</u>	<u>\$ 16,445,000.00</u>	<u>\$ 4,074,550.96</u>	<u>\$ 118,174,029.45</u>	<u>\$ 28,806,655.03</u>

Bonded Fiscal Debt	Sewer Utility		Parking Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 399,691.72	\$ 284,997.39	\$ 5,000.00	\$ 2,525.00	\$ 23,275,351.76	\$ 9,077,026.99
2019	414,691.72	270,078.78	5,000.00	2,275.00	24,031,841.69	8,522,598.77
2020	404,678.24	251,778.78	5,000.00	2,025.00	23,818,492.94	7,995,225.80
2021	407,000.00	233,378.78	5,000.00	1,775.00	24,405,882.45	7,197,220.50
2022	407,000.00	214,828.78	10,000.00	1,450.00	24,048,554.00	6,181,552.51
2023-2027	1,920,300.00	795,047.65	30,000.00	1,900.00	93,946,566.60	14,403,404.85
2028-2032	1,590,000.00	452,120.96	-	-	23,836,489.75	5,626,551.76
2033-2037	940,000.00	186,915.64	-	-	15,148,308.14	2,631,478.80
2038-2042	395,000.00	64,625.00	-	-	4,638,362.54	804,292.50
2043-2046	120,000.00	10,049.85	-	-	1,730,000.00	144,849.85
Total	<u>\$ 6,998,361.68</u>	<u>\$ 2,763,821.61</u>	<u>\$ 60,000.00</u>	<u>\$ 11,950.00</u>	<u>\$ 258,879,849.87</u>	<u>\$ 62,584,202.33</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

E. DEFERRED CHARGES

During fiscal year 2007, the City charged to operations an amount of \$16,500,000 representing a previously recorded state aid receivable. This amount had been anticipated as revenue in the City's 2002 annual operating budget which had been approved by the State prior to adoption. However, during the 2008 budget preparation process, the State indicated that this amount would not be paid.

The City believes this amount should be paid since it was previously approved by the State in the City's operating budget. The City intends to continue to attempt to recover this amount from the State.

In accordance with the State of New Jersey, Division of Local Government Services, a deferred charge was recorded at June 30, 2007, for the \$16,500,000. Per Department of Community Affairs, such deferred charge is to be charged to operations in the amount of \$1,500,000 (if surplus is available and not included in the City budget) each year over a ten-year period beginning with the fiscal year 2010. In fiscal year ended June 30, 2017, \$1,500,000 was charged to current year operations.

In fiscal year 2014, the City issued a \$3,000,000 special emergency appropriation for revaluation which is being raised in the City's succeeding year budgets from 2015-2019.

In fiscal year 2016, the City issued a \$4,725,000 emergency appropriation for the purposes of its payroll liability to the IRS and State and \$5,000,000 emergency appropriation for accumulated sick and vacation time. Of the \$4,725,000 emergency appropriation, \$3,780,000 was cancelled due to forgiveness from the IRS on payroll liability.

F. PROPERTY TAXES

A taxable valuation of real property is prepared by the Tax Assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. The County Board of Taxation establishes tax rates to reflect the levy necessary for municipal, local school district, special district and county taxes.

The provisions of P.L. 1994, C. 72 changed the procedures for State fiscal year billing originally established in P.L. 1991, C. 75. Chapter 72 moves the billing calculation back on a calendar year basis, which permits tax levies to be proved more readily than before.

The formula used to calculate tax bills under P.L. 1994, C. 72 is as follows:

The third and fourth installments, for municipal purposes, would equal one-half of an estimated annual tax levy, plus the balance of the full tax levied during the current tax year for school, county and special district purposes. The balance of the full tax for non-municipal purposes is calculated by subtracting amounts due on a preliminary basis from the full tax requirement for the tax year. The first and second installments, for municipal purposes, will be calculated on a percentage of the previous years billing necessary to bill the amount required to collect the full tax levy, plus the non-municipal portion, which represents the amount payable to each taxing district for the period of January through June 30.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

G. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are shown as cash liabilities in the financial statements as follows:

	Balance June 30, 2016	Balance June 30, 2016	Balance June 30, 2015
Prepaid Taxes	\$ 148,410.04	\$ 174,767.27	\$ 160,030.61
Overpayments	56,123.84	364,271.53	76,628.82
	<u>\$ 204,533.88</u>	<u>\$ 539,038.80</u>	<u>\$ 236,659.43</u>

H. PENSION AND RETIREMENT PLANS

A substantial number of the City's employees participate in the following defined benefit pension plans: PERS and Police and Firemen's Retirement System ("PFRS"), which are administered and/or regulated by the New Jersey Division of Pensions and Benefits. Both plans have a board of trustees that is primarily responsible for its administration. The division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Plan Description

PERS is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. For additional information about PERS, please refer to division's Comprehensive Annual Financial Report ("CAFR") which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml

PFRS is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pension and Benefits. For additional information about PFRS, please refer to the division's CAFR which can be found at link above.

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

Benefits Provided

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

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION AND RETIREMENT PLANS (CONTINUED)

Benefits Provided (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008.
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 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 tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

For PFRS, vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation of each year of creditable service, as defined, up to 20 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 50% (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 10 years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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

H. PENSION AND RETIREMENT PLANS (CONTINUED)

Contributions

The contribution requirements of PERS plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the PERS were required to contribute 5.00% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.50% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased to 6.5% plus an additional 1.00% phased-in over seven years. The phase-in of the additional incremental member contribution amount began July 1, 2012, and increases each subsequent July 1. The active member effective contribution rates were July 1, 2014, 6.92%, July 1, 2013, 6.78%, and July 1, 2012, 6.64%. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2014 and 2013, the State contributed an amount less than the actuarially determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012, and will be adjusted by the rate of return on the actuarial value of assets.

The City is billed annually for its normal contribution plus any accrued liability. Contribution to PERS from the City was \$4,070,751.72 for the year ended June 30, 2017. Contribution to PFRS from the City was \$11,564,893.00 for the year ended June 30, 2017.

DCRP – the contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. For the year ended June 30, 2017, the City's contributions were \$46,285.27. There were no forfeitures during the year.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION AND RETIREMENT PLANS (CONTINUED)

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

At June 30, 2016, the City had a liability of \$27,140,316.00 for its proportionate share of the net pension liability in PERS and \$252,013,804.00 for its proportionate share of the net pension liability in PFRS. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members of the plan, actuarial determined. At June 30, 2016, the City's proportion was 0.4292796391%, which was a decrease of 0.008 from its proportion measured as of June 30, 2015, for PERS and 0.6642067188% in Plan 1 and 0.6550606024% in Plan 2, which was a decrease of 0.011 and 0.006, respectively, from its proportion measured as of June 30, 2015, for PFRS.

	PERS		PFRS-Plan 1		PFRS-Plan 2	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,364,424.00	\$ -	\$ -	\$ 831,720.00	\$ -	\$ 820,267.00
Changes of assumptions	26,336,682.00	-	17,573,988.00	-	17,331,995.00	-
Net difference between projected and actual investment earnings on pension plan investments	4,847,976.00	-	8,890,259.00	1,049,637.00	8,767,841.00	1,102,442.00
Changes in proportion	1,493,076.00	715,833.00	1,721,613.00	1,881,357.00	1,334,430.00	1,922,709.00
City contributions subsequent to the measurement date	4,070,751.72	-	5,798,973.51	-	5,765,919.49	-
	<u>\$39,112,909.72</u>	<u>\$ 715,833.00</u>	<u>\$33,984,833.51</u>	<u>\$ 3,762,714.00</u>	<u>\$33,200,185.49</u>	<u>\$ 3,845,418.00</u>

Amounts reported as deferred outflows of resources, net of deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

	PERS	PFRS-Plan1	PFRS-Plan 2
2017	\$ 7,553,271.79	\$ 6,135,809.10	\$ 6,051,319.10
2018	7,553,271.79	6,135,809.10	6,051,319.10
2019	8,750,718.67	8,267,334.98	8,153,493.90
2020	7,351,883.39	4,888,757.23	4,821,439.12
2021	2,339,937.26	204,816.96	201,996.64
	<u>\$ 33,549,082.90</u>	<u>\$ 25,632,527.37</u>	<u>\$ 25,279,567.86</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	3.08%	3.08%
Salary Increases: Through 2026 (based on age)	1.65 - 4.15%	2.10 - 8.98%
Salary Increases: Thereafter (based on age)	2.65 - 5.15%	3.10 - 9.98%
Investment rate of return	7.65%	7.65%

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION AND RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions (Continued)

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back two years for males and seven 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 one year for males and females for service retirements and beneficiaries of former member 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.

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

For PERS, the actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. For PFRS, the actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the board of trustees, and the actuaries. Best estimates of arithmetic real rates of return of each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016, are summarized in the following table:

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

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

H. PENSION AND RETIREMENT PLANS (CONTINUED)

PERS

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

PFRS

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

Schedule of Required Supplementary Information
Schedule of City's Proportionate Share of Net Pension Liability

PERS - Last 10 Fiscal Years				
	2016	2015	2014	2013
City's proportion of the net pension liability	0.4292796391%	0.4215379707%	0.4272558980%	0.4249888260%
City's proportionate share of net pension liability	\$127,140,316.00	\$ 94,626,827.00	\$ 79,993,990.00	\$ 81,223,809.00
City's covered-employee payroll	23,702,351.29	21,390,960.03	23,707,678.00	20,969,973.00
City's proportionate share of net pension liability as a % of payroll	536.40%	442.37%	337.42%	387.33%
Plan fiduciary net position as a % of total pension liability	40.14%	47.93%	52.08%	48.72%
PFRS Plan 1 - Last 10 Fiscal Years				
	2016	2015	2014	2013
City's proportion of the net pension liability	0.6642067188%	0.6530955881%	0.6653754486%	0.6588826244%
City's proportionate share of net pension liability	\$126,880,473.00	\$108,782,959.00	\$ 83,698,060.00	\$ 87,592,499.00
City's covered-employee payroll	26,279,824.18	27,063,851.05	24,889,543.91	24,779,084.33
City's proportionate share of net pension liability as a % of payroll	482.81%	401.95%	336.28%	353.49%
Plan fiduciary net position as a % of total pension liability	52.01%	56.31%	62.41%	58.70%
PFRS Plan 2 - Last 10 Fiscal Years				
	2016	2015	2014	2013
City's proportion of the net pension liability	0.6550606024%	0.6486851849%	0.6615828209%	0.6527829318%
City's proportionate share of net pension liability	\$125,133,331.00	\$108,048,340.00	\$ 83,220,983.00	\$ 86,781,600.00
City's covered-employee payroll	25,917,951.43	26,881,086.95	24,747,674.09	24,549,688.73
City's proportionate share of net pension liability as a % of payroll	482.81%	401.95%	336.28%	353.49%
Plan fiduciary net position as a % of total pension liability	52.01%	56.31%	62.41%	58.70%

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

H. PENSION AND RETIREMENT PLANS (CONTINUED)

Schedule of City's Contributions PERS - Last 10 Fiscal Years				
	2016	2015	2014	2013
Contractually required contribution	\$ 3,813,659.00	\$ 3,624,096.00	\$ 3,522,236.00	\$ 3,202,204.00
Contributions in relation to the contractually required contribution	4,070,751.72	3,852,859.51	3,438,678.81	4,013,127.00
City's covered employee payroll	23,702,351.29	21,390,960.03	23,707,678.00	20,969,973.00
Contributions as a % of covered employee payroll	17.17%	18.01%	14.50%	19.14%

PFRS Plan 1 - Last 10 Fiscal Years				
	2016	2015	2014	2013
Contractually required contribution	\$ 5,415,547.00	\$ 5,308,693.00	\$ 5,110,543.00	\$ 4,807,061.00
Contributions in relation to the contractually required contribution	5,798,973.51	5,750,403.86	5,606,868.88	6,643,694.94
City's covered employee payroll	26,279,824.18	27,063,851.05	24,889,543.91	24,779,084.33
Contributions as a % of covered employee payroll	22.07%	21.25%	22.53%	26.81%

PFRS Plan 2 - Last 10 Fiscal Years				
	2016	2015	2014	2013
Contractually required contribution	\$ 5,340,975.00	\$ 5,272,843.00	\$ 5,081,413.00	\$ 4,762,559.00
Contributions in relation to the contractually required contribution	5,765,919.49	5,711,570.97	5,574,909.85	6,582,190.06
City's covered employee payroll	25,917,951.43	26,881,086.95	24,747,674.09	24,549,688.73
Contributions as a % of covered employee payroll	22.25%	21.25%	22.53%	26.81%

I. LITIGATION

The City is a defendant in various legal proceedings. If these cases were decided against the City, their costs would either be covered by insurance or raised by future taxation. The City has allocated monies in the general liability trust fund to cover any excess costs. The City expects such amounts, if any, to be immaterial.

J. UNUSED SICK LEAVE, VACATION BENEFITS AND POST-RETIREMENT BENEFITS

The City has permitted employees to accrue sick leave pay, which may be taken as time off or paid upon termination, resignation or retirement. Sick time payout is limited to one half of total sick time up to \$20,000 and vacation payout is capped at two years of accumulated time.

The total balance of unused sick and vacation time benefits amounts to approximately \$10,299,489 at June 30, 2017. Such amounts are not required to be included in accrued liabilities at June 30, 2017.

K. INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S. 43:21-3 et seq.). The City has elected to provide a self-insured plan whereby the municipal cost, if any, and employee contributions are deposited in a trust fund from which claims, if any, will be paid. During 2017, deposits amounted to \$333,025.22 and payments for claims amounted to \$381,884.82. The reserve, which is not based on an actuarial analysis, was \$323,617.18 at June 30, 2017.

The Workers' Compensation Insurance Fund, regulated by N.J.S. 34:15-127, is used to pay claims and medical expenses due to on-the-job injuries and settlements. The City makes annual contributions to the fund in accordance with estimates provided by a third-party administrator to meet the needs of claims to be paid out during the current fiscal year. During 2017, the City contributed \$700,824.35 to this fund. The reserve balance of \$4,856,508.53 is not indicative of the City's total liability for claims, since it is not determined on an actuarial basis (because determination on such basis is not required by the Division of Local Government Services).

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

K. INSURANCE (CONTINUED)

The Comprehensive Liability Insurance Fund, regulated by N.J.S. Title 59, is used to fund general liability claims, police, professional liabilities and automobile liabilities. The City makes annual contributions to the fund in accordance with estimates provided by a third-party administrator to meet the needs of claims to be paid out during the current fiscal year. During 2017, the City contributed \$2,394,394.17 to this fund. The reserve balance of \$6,472,732.40 is not indicative of the City's total liability for claims, since it is not determined on an actuarial basis (because determination on such basis is not required by the Division of Local Government Services).

L. WATER UTILITY

The Trenton Water Utility is subject to regulations defined by New Jersey Statute and accounting principles as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The City has entered into several agreements with the State to obtain loans to finance the construction of various water utility projects. The following loans totaling \$71,974,029.00 are outstanding:

Date	Purpose	Amounts	Interest Rates	Maturities
November 1998	Filtration Project	\$ 995,000.00 697,961.00 <u>\$ 1,692,961.00</u>	4.25%-4.5%	to 2018
October 1999	De-Watering Facility	\$ 173,942.00 116,430.00 <u>\$ 290,372.00</u>	4.75%-5.7%	to 2019
October 2004	Clean & Lining Project	\$ 2,855,000.00 2,754,870.00 <u>\$ 5,609,870.00</u>	3.00%-5.0%	to 2024
November 2006	Pre-treatment Project	\$ 7,765,000.00 18,531,131.00 <u>\$ 26,296,131.00</u>	4.00%-5.00%	to 2026
November 2007	Pre-treatment Project	\$ 1,826,225.00 3,899,855.00 <u>\$ 5,726,080.00</u>	3.40%-5.00%	to 2027
March 2010	Central Pumping	\$ 1,605,000.00 4,130,085.00 <u>\$ 5,735,085.00</u>	3.00%-5.00%	to 2030
December 2010	Reservoir	\$ 4,470,000.00 3,556,229.00 <u>\$ 8,026,229.00</u>	5.00%	to 2030
May 2015	Clean & Lining	\$ 2,179,822.00 6,570,568.00 <u>\$ 8,750,390.00</u>	4.00%-5.00%	to 2034
May 2017	Clean & Lining	\$ 9,846,911.00 - <u>\$ 9,846,911.00</u>	4.00%-5.00%	to 2036

The annual debt service for principal and interest on the outstanding loan amounts is included in Note D – Long-Term Debt.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

M. URBAN DEVELOPMENT ACTION GRANT LOAN

In December 1987, the City entered into an agreement with the Trenton District Energy Company ("TDEC") and other interested parties whereby the City exchanged the unpaid balance and accumulated interest on its Urban Development Action Grant Loan with TDEC for a 15% equity interest in the reorganized venture. The loan and accumulated interest approximated \$4,131,000. Under the agreement, the City is to receive a preferential payment annually until an amount equivalent to the loan and agreed interest is recovered, and thereafter it is to receive payments approximating 15% of the defined cash flow of TDEC. This claim is cumulative and prior to the claim of any other party. The agreement provides for scheduled payments of \$322,000 in 2002 and then \$233,000 annually through 2017. A payment of \$169,586 was received in 1989 on the 1988 and 1989 scheduled amounts. A payment of \$200,000 was received in 1991 on the 1990 and 1991 scheduled amounts. Payments in the amount of \$869,353 and \$11,452 were received in 1994. A payment of \$334,441 was received in 2004. No payments were received from 1995-2017, 1993 and 1992. The ability of TDEC to achieve a level of cash flow sufficient to pay cumulative amounts due and future scheduled payments cannot presently be determined. No amounts are included in these financial statements.

N. GENERAL FIXED-ASSET ACCOUNT GROUP

Prior to 2004, the City recorded land, buildings and improvements at estimated values based on insurance appraisals and other estimated values. Subsequently, substantially all of the assets were adjusted to assessed and fair value where applicable. The City had an inventory done of all vehicles, furniture and fixtures, and equipment as of June 30, 2017, and accordingly, the fixed asset account group was adjusted at that time.

O. OTHER POST-EMPLOYMENT BENEFITS ("OPEB") OTHER THAN PENSIONS

Plan Description

The City contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2000, the City authorized participation in the SHBP's post-retirement benefit program through resolution number 146-00. The City adopted the PERS requirement of providing continued health care benefits to employees retiring after twenty-five years of service. City eligible employees receive the SHBP benefits as noted in paragraph one.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

NOTES TO FINANCIAL STATEMENTS

O. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OTHER THAN PENSIONS (CONTINUED)

Plan Description (Continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Funding Policy

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the City on a monthly basis. Contributions, funding and the cost sharing policy, and the manner of administration are determined by the State.

The City contributions to SHBP for the years ended June 30, 2017, 2016 and 2015, were \$32,929,278.00, \$29,132,669.00 and \$27,011,042.00, respectively, which equaled the required contributions for each year. There were approximately 948, 936 and 924 retired participants eligible at June 30, 2017, 2016 and 2015, respectively.

P. BOND ANTICIPATION NOTES

The City issues bond anticipation notes to temporarily finance various capital projects prior to the issuance of serial bonds. The terms of the notes cannot exceed one year, but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid not later than the tenth anniversary of the original note. The State also prescribed that, on or before the third anniversary of the date of the original note, a payment of 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 legal installment must be paid if the notes are to be renewed beyond the fourth anniversary of the date of the original issue. At June 30, 2017, the City had bond anticipation notes in Capital, Water Capital, Parking Capital and Sewer Capital Funds, totaling \$32,879,251.00.

Q. SUBSEQUENT EVENTS

Management has evaluated subsequent events that occurred after the statement of assets, liabilities, reserves and fund balance date through December 29, 2017, the date the financial statements were available to be issued. The following item was determined by management to require disclosure.

In December 2017, the City issued \$29,910,000 General Obligation Refunding Bonds, Series 2017 Consisting of \$22,310,000 General Improvement Refunding Bonds, Series 2017, \$6,880,000 Water Utility Refunding Bonds, Series 2017 and \$720,000 Sewer Utility Refunding Bonds, Series 2017, \$4,960,000 School Refunding Bonds, Series 2017, maturing through 2040 at various interest rates.

SUPPLEMENTAL SCHEDULES

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A

**CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

ASSETS	Ref.	June 30,		LIABILITIES, RESERVES AND FUND BALANCE	Ref.	June 30,	
		2017	2016			2017	2016
Current Fund							
Cash	A-4	\$ 1,369,660.14	\$ 7,961,150.06	Encumbrances Payable		\$ 2,498,135.71	\$ 2,549,629.74
Investments	A-5	38,051,573.01	30,883,452.94	Appropriation Reserves	A-3	10,661,006.53	21,749,504.27
Change Fund	A-5A	1,969.00	2,019.00	Due to Grant Fund		3,045,345.19	2,662,412.75
		<u>39,423,202.15</u>	<u>38,846,622.00</u>	Interfund Payable		34,523.17	12,058.69
				Accounts Payable		308,428.57	84,212.26
Due (to) from State of NJ - Homestead Rebate		<u>755,314.66</u>	<u>169,303.00</u>	Reserve for Retro Payrolls	A-12	1,819,371.67	2,115,852.96
		<u>755,314.66</u>	<u>169,303.00</u>	Tax Overpayments		56,123.84	364,271.53
				Prepaid Taxes		148,410.04	174,767.27
Receivables with Offsetting Reserves				Due (to) from State of NJ - Tax Deductions	A-6	365,256.77	324,588.33
Delinquent Property Taxes	A-8	392,289.18	462,591.01	State Library Aid		53.00	-
Tax Title Liens	A-8, A-9	27,130,613.24	25,643,101.23	Reserve for Tax Appeals	A-12	2,794,534.55	1,300,000.00
Property Acquired for Taxes -Assessed Valuation	A-10	55,982,900.00	56,699,800.00	Reserve for Revaluation		<u>1,228,669.05</u>	<u>1,582,722.75</u>
Interfund Receivable		<u>5,643,143.29</u>	<u>3,165,363.45</u>			<u>22,959,858.09</u>	<u>32,920,020.55</u>
		<u>89,148,945.71</u>	<u>85,970,855.69</u>				
Deferred Charge				Reserve for Receivables	A	<u>89,148,945.71</u>	<u>85,970,855.69</u>
Special Emergency Appropriation - Revaluation		1,200,000.00	1,800,000.00				
State Aid		4,500,000.00	6,000,000.00				
Emergency Appropriation-Payroll Tax IRS & State of NJ		-	4,725,000.00				
Emergency Appropriation-Accumulated Sick & Vacation		<u>-</u>	<u>5,000,000.00</u>				
		<u>5,700,000.00</u>	<u>17,525,000.00</u>				
Total Current Fund		<u>135,027,462.52</u>	<u>142,511,780.69</u>	Fund Balance	A-1	<u>22,918,658.72</u>	<u>23,620,904.45</u>
Grant Fund				Total Current Fund		<u>135,027,462.52</u>	<u>142,511,780.69</u>
Federal and State Gants Receivable	A-7	16,912,889.40	24,295,018.71	Grant Fund			
Due from Capital		212,243.94	212,243.94	Reserve for Encumbrance		1,221,679.80	645,587.49
Due from Community Development		-	175,695.70	Reserves for Special Purposes		18,956,796.53	26,699,288.89
Due from Current Fund		3,045,345.19	2,662,412.75	Accrued Payroll - Grants		-	494.72
Due from Grant		<u>7,997.80</u>	<u>-</u>			<u>20,178,476.33</u>	<u>27,345,371.10</u>
Total Grant Funds		<u>20,178,476.33</u>	<u>27,345,371.10</u>	Total Grant Funds		<u>20,178,476.33</u>	<u>27,345,371.10</u>
Total Assets		<u>\$ 155,205,938.85</u>	<u>\$ 169,857,151.79</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 155,205,938.85</u>	<u>\$ 169,857,151.79</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-1

**CURRENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

	Ref.	Years Ended June 30,	
		2017	2016
Revenue and Other Income Realized			
Fund Balance Utilized	A-2	\$ 10,000,000.00	\$ 5,000,000.00
Miscellaneous Revenue Realized	A-2	116,168,206.36	123,187,242.33
Receipts from Delinquent Taxes	A-2	4,100,702.70	1,508,259.63
Receipts from Current Taxes	A-2	110,948,080.62	110,925,559.88
Non-Budget Revenue	A-2	786,807.83	149,830.40
Other Credits to Income:			
Encumbrances & Accounts Payable Cancelled		47,835.19	20,410.14
Appropriation Reserves Lapsed	A-11	4,755,152.93	3,954,994.64
Cancellation of Prior Year Outstanding Checks		1,645.10	250.00
Cancellation of Appropriation Reserve Res #17-267		3,860,317.47	-
Prior Years Interfunds Returned		-	123,299.43
Unexpended Balances of Budget Appropriation		-	-
Cancellation of Reserve for Retro Payroll		-	5,000,000.00
Grant Cancellation		60,853.04	35,304.16
A/P Adjustments		20,470.57	-
Total Revenue and Other Income Realized		<u>250,750,071.81</u>	<u>249,905,150.61</u>
Expenditures			
Budget and Emergency Appropriations			
Operations			
Within "CAPS"	A-3	130,536,363.33	135,414,543.14
Excluded From "CAPS"	A-3	4,122,027.35	3,292,475.35
Grants-Public and Private Programs Offset by Revenues	A-3	9,215,891.00	18,193,187.60
Municipal Debt Service	A-3	20,991,397.18	21,814,235.94
Deferred Charges and Statutory Expenditures Within "CAPS"	A-3	18,969,474.78	16,988,675.06
Deferred Charges and Statutory Expenditures Excluded From "CAPS"	A-3	6,545,000.00	600,000.00
Capital Improvements-Excluded From "CAPS"	A-3	291,600.00	-
Judgements (N.J.S. 40A:4-45.3cc)	A-3	500,000.00	550,000.00
For Local District Purposes:			
School Debt Service	A-3	4,632,651.38	4,694,524.50
Local School District Tax	A-2	21,537,975.00	21,115,662.00
County Taxes	A-2	14,261,732.76	14,748,665.09
Special District Taxes	A-2	591,865.72	556,689.91
Interfunds Advanced		2,477,779.84	-
A/P Adjustments		-	1,155.32
Prior Year Revenue Refunded		-	10,531.00
Prior Year Senior Citizens & Veterans Deductions		4,024.65	3,285.62
Deferred Charge - State Aid		1,500,000.00	1,500,000.00
Reserve for Tax Appeal		1,494,534.55	100,000.00
Emergency Accumulated Absence		-	4,725,000.00
Emergency Note IRS & State NJ		-	5,000,000.00
Cancellation of Deferred Charges		3,780,000.00	-
Misc. Adjustments		-	0.08
Total Expenditures		<u>241,452,317.54</u>	<u>249,308,630.61</u>
Excess in Revenue		<u>9,297,754.27</u>	<u>596,520.00</u>
Adjustments to Income			
Expenditures Included above that are, by Statute, Deferred Charges to Budget of Succeeding Year			
Emergency Accumulated Absence		-	4,725,000.00
Emergency Note IRS & State NJ		-	5,000,000.00
		<u>-</u>	<u>9,725,000.00</u>
Statutory Excess to Fund Balance		9,297,754.27	10,321,520.00
Fund Balance, Beginning of Year	A	<u>23,620,904.45</u>	<u>18,299,384.45</u>
Subtotal		<u>32,918,658.72</u>	<u>28,620,904.45</u>
Less: Fund Balance Utilized	A-2	<u>10,000,000.00</u>	<u>5,000,000.00</u>
Fund Balance, End of Year	A	<u>\$ 22,918,658.72</u>	<u>\$ 23,620,904.45</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
Year Ended June 30, 2017**

	Ref.	Budget	NJS 40A-4-87	Realized	Excess (Deficit)
Fund Balance Utilized	A-1	\$ 5,000,000.00	\$ -	\$ 5,000,000.00	\$ -
Surplus Anticipated With Prior Written Consent of Local Government Services		5,000,000.00		5,000,000.00	-
Miscellaneous Revenues					
Licenses:					
Alcoholic Beverages		187,015.40	-	189,294.50	2,279.10
Other		441,833.51	-	392,506.01	(49,327.50)
Fees and Permits		436,982.93	-	416,046.66	(20,936.27)
Fees & Permits-Health		127,547.50	-	117,945.00	(9,602.50)
Fees & Permits-Alcoholic Beverage License		63,363.10	-	137,299.10	73,936.00
Fines and Costs:					
Municipal Court		2,501,011.76	-	2,476,139.82	(24,871.94)
Parking Meters		156,770.93	-	144,564.18	(12,206.75)
Interest and Costs on Taxes		1,001,629.36	-	1,381,760.42	380,131.06
Interest on Investments and Deposits		70,073.18	-	222,463.77	152,390.59
Anticipated Utility Operating Surplus-Water		3,150,000.00	-	3,150,000.00	-
Anticipated Utility Operating Surplus-Parking		800,000.00	-	800,000.00	-
Anticipated Utility Operating Surplus-Sewer		1,500,000.00	-	1,500,000.00	-
Fox Lance Limited Dividend Corporation-In Lieu of Taxes		2,788,506.19	-	2,972,423.93	183,917.74
Revenue From Use of Money and Property-Sale of Old Material		1,480.00	-	900.00	(580.00)
Revenue From Use of Money and Property-Plotting of Deeds		15,936.00	-	24,455.00	8,519.00
Uniform Construction Code Fees		367,000.00	-	367,000.00	-
Uniform Construction Code Fees		953,402.00	-	631,177.00	(322,225.00)
Richard Hughes Justice Complex		9,058,531.12	-	9,146,839.02	88,307.90
CATV Franchise Fee		648,508.17	-	678,957.18	30,449.01
Fee and Permits-Owner Registration Fee		1,268,709.00	-	1,287,933.00	19,224.00
Sale of City Owned Property		593,910.56	-	1,535,829.00	941,918.44
N.J. Economic Development Authority In Lieu of Taxes		59,540.00	-	60,796.29	1,256.29
Mercer County Courthouse Annex Payment In Lieu of Taxes		249,194.48	-	250,897.10	1,702.62
Pension Share-Grants & Utility		2,600,000.00	-	2,905,367.33	305,367.33
NJHMFA-Pilot-Roebling		200,000.00	-	200,000.00	-
Due from Board of Education for Pension Refunding Bonds		1,733,548.60	-	1,733,548.60	-
Qualified Bond Debt Service Payment-Water		3,621,161.00	-	3,641,663.50	20,502.50
Qualified Bond Debt Service Payment-Sewer		595,405.00	-	599,806.28	4,401.28
Qualified Bond Debt Service Payment-Parking		7,662.00	-	7,775.00	113.00
Consolidated Municipal Property Tax Relief Act		31,322,270.00	-	31,230,856.39	(91,413.61)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		27,472,282.00	-	27,563,696.11	91,414.11
Supplemental Energy Receipts Tax		169,303.00	-	169,303.00	-
Transitional Aid		10,000,000.00	-	10,000,000.00	-
Building Aid Allowance for Schools-State Aid		1,212,380.00	-	1,212,380.00	-
Watershed Moratorium Offset Aid		705.00	-	705.00	-
Hotel Tax		41,963.45	-	34,075.92	(7,887.53)
Internet Wireless Fee		189,959.99	-	217,793.14	27,833.15
Street Openings		32,902.89	-	135,558.00	102,655.11
Police Security Administration Fee		220,352.93	-	190,831.28	(29,521.65)
Rents - Marine Terminal		14,663.00	-	45,928.75	31,265.75
Total		105,875,504.05	-	107,774,515.28	1,899,011.23

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-2

**CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME (CONTINUED)
Year Ended June 30, 2017**

	Ref.	Budget	NJS 40A:4-87	Realized	Excess (Deficit)
Adopted Grants					
State of NJ/DHSS - PHILEP (LINCS Agencies) 2016		95,081.00	-	95,081.00	-
SNJDHSS - Child Health 2016 (DFHS16CHD003)		150,000.00	-	150,000.00	-
NJ Health Officers Ebola Monitoring		42,750.00	-	42,750.00	-
SNJ - Department of Agriculture - FY 16 Summer Feeding Program		399,727.66	-	399,727.66	-
DVRPC #16-53-314		15,000.00	-	15,000.00	-
NJDEP Green Acres Assunpink Greenway		900,000.00	-	900,000.00	-
Safe Stress Task Force		34,404.50	-	34,404.50	-
Homeland Security - Port Security Grant		172,425.00	-	172,425.00	-
OAG - Trenton Violence Reduction Strategy		140,283.00	-	140,283.00	-
County of Mercer - Title III Elderly Services 2016		50,000.00	-	50,000.00	-
County of Mercer - Title III Elderly Services 2017		50,000.00	-	50,000.00	-
County of Mercer - Title XX Elderly Services 2016		173,532.00	-	173,532.00	-
County of Mercer - Title XX Elderly Services 2017		173,532.00	-	173,532.00	-
OE Non-Public School Nursing		19,440.00	-	19,440.00	-
DEA - State/Local Task Force - 17 Det Pope		17,753.00	-	17,753.00	-
DEA - State/Local Task Force - 17 Det Ward		17,753.00	-	17,753.00	-
USDOJ-FY16 Ed Byrne Memorial Justice Assistance Recovery Grant		105,679.00	-	105,679.00	-
State of NJ/DLPS - FY 16 State Body Armor Replacement Fund Program		22,394.22	-	22,394.22	-
USDOJ - FY 16 Bulletproof Vest Partnership		48,575.63	-	48,575.63	-
FY 16 USDOJ - US Marshal's Service		15,000.00	-	15,000.00	-
State of NJ/DEP - 2014 Tonnage Grant fy17		24,101.38	-	24,101.38	-
FY 17 HUD Lead Grant		2,150,331.00	-	2,150,331.00	-
2017 DVUW - Shelter Purchase Program		33,400.00	-	33,400.00	-
DVRPC Waterfront		-	100,000.00	100,000.00	-
NJDEP NRD Funds Assunpink Daylight		-	3,200,000.00	3,200,000.00	-
Homicide Task Force		-	105,000.00	105,000.00	-
NJDEP -Clean Communities FY 2017		-	134,428.69	134,428.69	-
Ebola Monitoring		-	3,100.00	3,100.00	-
Adopted Grants Revenue	A-7	<u>4,851,162.39</u>	<u>3,542,528.69</u>	<u>8,393,691.08</u>	<u>-</u>
Total Miscellaneous Revenues	A-1	110,726,666.44	3,542,528.69	116,168,206.36	1,899,011.23
Receipts from Delinquent Taxes	A-1	<u>1,500,000.00</u>	-	<u>4,100,702.70</u>	<u>2,600,702.70</u>
Subtotal General Revenues		122,226,666.44	3,542,528.69	130,268,909.06	4,499,713.93
Total Amount to be Raised by Taxes for Support of Municipal Budget, Including Addition to Local District School Tax					
	A-2a	<u>80,921,284.49</u>	-	<u>81,437,775.87</u>	<u>516,491.38</u>
Budget Total	A-3	<u>\$ 203,147,950.93</u>	<u>\$ 3,542,528.69</u>	211,706,684.93	<u>\$ 5,016,205.31</u>
Non-Budget Revenues	A-1			<u>786,807.83</u>	
Total General Revenues				<u>\$ 212,493,492.76</u>	

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-2A

**CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
Year Ended June 30, 2017**

	<u>Ref.</u>	<u>Amount</u>
Miscellaneous Revenue Anticipated		
Revenue Accounts Receivable without Reserves	A-7	\$ 8,393,691.08
Revenue Accounts Receivable	A-2	<u>107,774,515.28</u>
	A-1	<u>\$ 116,168,206.36</u>
Receipts from Delinquent Taxes		
Delinquent Tax Collections Realized	A-8	\$ (196,062.84)
Tax Title Lien Collections Realized	A-4, A-9	<u>4,296,765.54</u>
	A-1	<u>\$ 4,100,702.70</u>
Allocation of Current Tax Collections		
Collection of 2016 Taxes		\$ 110,750,467.63
State of New Jersey, Senior Citizens' and Veterans' Exemptions	A-6	<u>197,612.99</u>
Net Cash Revenue	A-1	<u>\$ 110,948,080.62</u>
Allocated to:		
Local School District Tax	A-1	\$ 21,537,975.00
County Taxes	A-1	14,261,732.76
Special Assessment	A-1	<u>591,865.72</u>
		<u>\$ 36,391,573.48</u>
Reserve for Tax Appeals	A-1, A-12	<u>\$ 1,494,534.55</u>
Support of Municipal Budget Appropriations		73,061,972.59
Add: Reserve for Uncollected Taxes	A-3	<u>8,375,803.28</u>
Realized for Support of Municipal Budget Appropriations	A-2	<u>\$ 81,437,775.87</u>

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
Year Ended June 30, 2017

A-2B

	<u>Ref.</u>	<u>Amount</u>
Other Licenses		
General Privilege		\$ 170,106.01
Mercantile		<u>222,400.00</u>
	A-2	<u>\$ 392,506.01</u>
Fees and Permits		
Plans & Specs		\$ 12,542.00
Health Code		43,617.08
Searches		500.00
Phone Booth Commissions		186.81
Health Fees		68,204.00
Accident Reports		41,558.75
Engineering Reports		2,100.00
Variances		4,625.00
Certificate of Occupancy		215,580.00
Fire Reports		1,355.00
Boat Ramp & Park		<u>25,778.02</u>
	A-2	<u>\$ 416,046.66</u>

ANALYSIS OF NON-BUDGET REVENUE

		<u>Amount</u>
Miscellaneous Revenue Not Anticipated	A-1	<u>\$ 786,807.83</u>

**CITY OF TRENTON
COUNTY OF MERCER**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES
Year Ended June 30, 2017**

	Appropriations			Expended		Unexpended	
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved	Balances Cancelled	Overexpenditure
Operations Within "CAPS" - General Government							
Mayor-SW	\$ 487,753.00	\$ 12,000	\$ 499,753.00	\$ 489,426.08	\$ 10,326.92	\$ -	\$ -
Mayor-OE	51,900.00	-	51,900.00	23,191.72	28,708.28	-	-
City Council-SW	194,764.00	-	194,764.00	136,783.11	57,980.89	-	-
City Council-OE	54,550.00	-	54,550.00	15,655.55	38,894.45	-	-
City Clerk-SW	232,942.90	-	232,942.90	184,664.89	48,278.01	-	-
City Clerk-OE	69,030.00	-	69,030.00	52,841.44	16,188.56	-	-
Elections-OE	42,000.00	-	42,000.00	2,112.00	39,888.00	-	-
Administration-SW	396,967.26	191,917.00	588,884.26	572,978.79	15,905.47	-	-
Administration-OE	304,491.00	-	304,491.00	93,054.63	211,436.37	-	-
Summer Youth Employ-SW	16,000.00	15,155.00	31,155.00	30,154.60	1,000.40	-	-
Summer Youth Employ-OE	8,800.00	-	8,800.00	8,800.00	-	-	-
Public Defender-SW	48,423.56	-	48,423.56	42,671.79	5,751.77	-	-
Public Defender-OE	192,160.00	-	192,160.00	116,023.46	76,136.54	-	-
Purchasing-SW	147,327.74	-	147,327.74	139,178.66	8,149.08	-	-
Purchasing-OE	24,090.00	6,000.00	30,090.00	29,318.97	771.03	-	-
MIS-OE	864,161.00	-	864,161.00	825,241.14	38,919.86	-	-
Personnel-SW	407,299.55	(207,072.00)	200,227.55	141,816.63	58,410.92	-	-
Insurance-SW	84,265.35	-	84,265.35	28,995.56	55,269.79	-	-
Finance Director-SW	114,321.00	(2,500.00)	111,821.00	82,746.84	29,074.16	-	-
Finance Director-OE	3,210.00	-	3,210.00	826.00	2,384.00	-	-
Accounts and Control-SW	291,099.88	-	291,099.88	269,683.99	21,415.89	-	-
Accounts and Control-OE	12,157.00	2,000.00	14,157.00	11,465.95	2,691.05	-	-
Audit-OE	41,620.00	-	41,620.00	38,350.00	3,270.00	-	-
Treasury-SW	184,021.00	-	184,021.00	156,789.24	27,231.76	-	-
Treasury-OE	133,835.00	-	133,835.00	95,693.42	38,141.58	-	-
Tax Collection-SW	338,227.00	54,500.00	392,727.00	382,801.75	9,925.25	-	-
Tax Collection-OE	278,180.00	-	278,180.00	216,666.84	61,513.16	-	-
Assessments-SW	418,526.00	-	418,526.00	400,549.56	17,976.44	-	-
Assessments-OE	75,810.00	-	75,810.00	23,092.44	52,717.56	-	-
Revaluation-OE	33,000.00	-	33,000.00	31,780.00	1,220.00	-	-
Law-SW	620,900.00	-	620,900.00	555,058.13	65,841.87	-	-
Law-OE	1,752,569.00	300,000.00	2,052,569.00	1,580,668.37	471,900.63	-	-
Health & Hum Svc-Director-SW	372,406.00	12,000.00	384,406.00	367,335.17	17,070.83	-	-
Health & Hum Svc-Director-OE	42,400.75	-	42,400.75	9,120.08	33,280.67	-	-
Health Promotion&Code Enf-SW	389,412.91	28,000.00	417,412.91	275,149.23	142,263.68	-	-
Health Promotion&Code Enf-OE	37,432.00	-	37,432.00	22,995.54	14,436.46	-	-
Environmental Health-SW	452,472.00	-	452,472.00	401,367.52	51,104.48	-	-
Environmental Health-OE	32,230.00	-	32,230.00	18,244.64	13,985.36	-	-
Registrar-SW	261,597.00	-	261,597.00	239,979.63	21,617.37	-	-
Registrar-OE	16,950.00	1,000.00	17,950.00	16,267.19	1,682.81	-	-
Animal Control-SW	359,451.00	(2,000.00)	357,451.00	300,960.50	56,490.50	-	-
Animal Control-OE	102,500.00	-	102,500.00	77,765.27	24,734.73	-	-
Office of Adult & Fam-SW	78,868.00	-	78,868.00	66,558.67	12,309.33	-	-
Office of Adult & Fam-OE	131,200.00	25,000.00	156,200.00	131,088.37	25,111.63	-	-
Comm Relations&Soc Svc-SW	260,320.37	(38,000.00)	222,320.37	133,379.98	88,940.39	-	-
Comm Relations&Soc Svc-OE	6,500.00	-	6,500.00	5,535.79	964.21	-	-
Coordinated Entry & Assessment Services-SW	472,478.00	-	472,478.00	418,272.78	54,205.22	-	-
Coordinated Entry & Assessment Services-OE	35,680.00	-	35,680.00	26,012.03	9,667.97	-	-

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended June 30, 2017**

	Appropriations		Expended		Unexpended	
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved	Balances Cancelled
						Overexpenditure
Operations Within "CAPS" - General Government (Continued)						
Emergency Shelter-OE	260,000.00	(1,000.00)	259,000.00	195,000.00	64,000.00	-
Public Assistance-OE	30,000.00	-	30,000.00	16,871.05	13,128.95	-
Fire-SW	22,925,992.06	(189,000.00)	22,736,992.06	21,594,757.42	542,234.64	600,000.00
Fire-OE	733,500.00	-	733,500.00	578,889.28	154,610.72	-
Emergency Management-SW	69,048.00	-	69,048.00	69,048.00	-	-
Emergency Management-OE	2,200.00	-	2,200.00	1,686.68	513.32	-
Trenton Emergency Medical Service-OE	154,500.00	20,000.00	174,500.00	114,834.26	59,665.74	-
Police-SW	32,452,735.55	(561,000.00)	31,891,735.55	29,000,706.12	991,029.43	1,900,000.00
Police-OE	1,754,463.25	-	1,754,463.25	1,677,037.15	77,426.10	-
Crossing Guards-SW	1,097,817.60	-	1,097,817.60	956,372.93	141,444.67	-
Crossing Guards-OE	25,000.00	-	25,000.00	9,540.86	15,459.14	-
Communications-SW	2,876,324.00	-	2,876,324.00	2,573,538.70	302,785.30	-
Communications-OE	554,229.00	-	554,229.00	449,790.98	104,438.02	-
Public Works-Director-SW	4,753.61	-	4,753.61	1,252.22	3,501.39	-
Public Works-Director-OE	15,055.00	-	15,055.00	6,472.99	8,582.01	-
Solid Waste Management-SW	3,047,341.25	(22,000.00)	3,025,341.25	2,773,841.97	251,499.28	-
Solid Waste Management-OE	294,900.00	-	294,900.00	225,945.32	68,954.68	-
Streets-SW	1,267,172.91	-	1,267,172.91	1,237,369.63	29,803.28	-
Streets-OE	287,800.00	-	287,800.00	186,119.31	101,680.69	-
Snow Removal-OE	351,000.00	(80,000.00)	271,000.00	248,558.84	22,441.16	-
Public Property-SW	2,277,606.42	-	2,277,606.42	2,075,352.50	202,253.92	-
Public Property-OE	780,200.00	171,000.00	951,200.00	901,982.27	49,217.73	-
Traffic & Transportation-SW	477,381.37	-	477,381.37	433,683.21	43,698.16	-
Traffic & Transportation-OE	107,080.00	-	107,080.00	66,920.46	40,159.54	-
Engineering & Operations-SW	116,178.59	22,000.00	138,178.59	135,568.23	2,610.36	-
Engineering & Operations-OE	159,050.00	-	159,050.00	40,667.01	118,382.99	-
Landfill-OE	5,186,000.00	-	5,186,000.00	4,787,862.66	398,137.34	-
Hse& Eco Dev-Director-SW	165,763.00	(58,000.00)	107,763.00	103,685.38	4,077.62	-
Hse & Eco Dev-Director-OE	27,200.00	-	27,200.00	20,200.60	6,999.40	-
Planning Board-OE	35,805.00	-	35,805.00	6,403.10	29,401.90	-
Rent Stabilization Board-OE	1,300.00	-	1,300.00	-	1,300.00	-
R E/Property Manage-OE	271,282.00	-	271,282.00	212,534.11	58,747.89	-
Landmarks Commission-OE	1,650.00	-	1,650.00	604.00	1,046.00	-
Economic Development-SW	156,455.00	68,000.00	224,455.00	213,282.26	11,172.74	-
Economic Development-OE	33,500.00	-	33,500.00	2,533.00	30,967.00	-
Planning-SW	285,069.00	(6,500.00)	278,569.00	235,807.46	42,761.54	-
Planning-OE	31,350.00	-	31,350.00	15,113.29	16,236.71	-
Housing Production-SW	226,413.00	-	226,413.00	188,038.28	38,374.72	-
Housing Production-OE	10,100.00	-	10,100.00	6,146.99	3,953.01	-
Inspections-Director-SW	470,169.72	-	470,169.72	437,879.28	32,290.44	-
Inspections-Director-OE	20,855.00	-	20,855.00	19,856.61	998.39	-
Technical Services-SW	293,866.21	(21,000.00)	272,866.21	182,415.30	90,450.91	-
Technical Services-OE	30,380.00	-	30,380.00	12,913.38	17,466.62	-
Tech Svc(dedicated)-SW	367,000.00	-	367,000.00	367,000.00	-	-
Housing Inspections-SW	689,191.08	21,000.00	710,191.08	698,947.17	11,243.91	-
Housing Inspections-OE	15,942.65	1,500.00	17,442.65	15,750.72	1,691.93	-
Weights and Measures-SW	74,876.86	-	74,876.86	70,956.34	3,920.52	-
Weights and Measures-OE	895.00	-	895.00	333.47	561.53	-
Zoning Board-OE	11,325.00	4,000.00	15,325.00	10,710.22	4,614.78	-
Rnrc-Director-SW	58,785.84	31,000.00	89,785.84	87,192.44	2,593.40	-
Rnrc-Director-OE	8,500.00	-	8,500.00	1,065.00	7,435.00	-

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended June 30, 2017**

	Appropriations			Expended		Unexpended Balances Cancelled	Overexpenditure
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved		
Operations Within "CAPS" - General Government (Continued)							
Recreation-SW	301,320.00	(74,000.00)	227,320.00	208,818.97	18,501.03	-	-
Recreation-OE	199,987.00	-	199,987.00	198,427.69	1,559.31	-	-
Summer Food-SW	92,000.00	-	92,000.00	66,168.46	25,831.54	-	-
Summer Food-OE	26,500.00	5,000.00	31,500.00	31,473.37	26.63	-	-
Rec Maint & Natl Res-SW	353,926.85	50,000.00	403,926.85	393,699.98	10,226.87	-	-
Rec Maint & Natl Res-OE	322,850.00	53,500.00	376,350.00	316,971.07	59,378.93	-	-
Pool-SW	69,472.00	-	69,472.00	15,706.13	53,765.87	-	-
Pool-OE	269,000.00	112,000.00	381,000.00	318,948.55	62,051.45	-	-
Division of Culture-SW	72,657.63	(7,000.00)	65,657.63	50,110.34	15,547.29	-	-
Division of Culture-OE	14,500.00	-	14,500.00	4,500.00	10,000.00	-	-
Municipal Courts-SW	2,247,731.18	-	2,247,731.18	2,181,110.34	66,620.84	-	-
Municipal Courts-OE	182,765.00	7,500.00	190,265.00	179,205.85	11,059.15	-	-
Health Insurance-OE	30,037,140.45	(508,000.00)	29,529,140.45	29,461,997.32	67,143.13	-	-
Health Benefit Waiver-OE	26,250.00	-	26,250.00	26,250.00	-	-	-
Other Employee Benefits-OE	72,025.00	-	72,025.00	45,390.00	26,635.00	-	-
Workers' Compensation-OE	140,873.00	370,000.00	510,873.00	41,446.54	469,426.46	-	-
Unemployment Insurance-OE	90,000.00	-	90,000.00	(99,005.42)	189,005.42	-	-
Occupational Hlth Ctr-OE	90,000.00	88,000.00	178,000.00	63,936.70	114,063.30	-	-
General Liability Ins-OE	146,062.98	-	146,062.98	(175,263.36)	321,326.34	-	-
Telephone-OE	380,000.00	50,000.00	430,000.00	425,811.40	4,188.60	-	-
Public Service - OE	1,225,000.00	-	1,225,000.00	1,005,880.73	219,119.27	-	-
Public Svc-St Lights-OE	1,950,000.00	-	1,950,000.00	1,527,907.71	422,092.29	-	-
Postage-OE	270,000.00	46,000.00	316,000.00	300,910.19	15,089.81	-	-
Gasoline & Diesel Fuel-OE	1,000,000.00	-	1,000,000.00	528,925.61	471,074.39	-	-
Heating Fuel-OE	45,000.00	-	45,000.00	37,585.30	7,414.70	-	-
Ca-District Heating-OE	340,000.00	-	340,000.00	233,158.08	106,841.92	-	-
Fire Protection Services-OE	1,250,000.00	-	1,250,000.00	1,245,380.10	4,619.90	-	-
Water Bills	250,000.00	-	250,000.00	183,970.39	66,029.61	-	-
Total Operations Within "CAPS"	133,036,363.33	(9,000.00)	133,027,363.33	121,377,574.43	9,149,788.90	2,500,000.00	-

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended June 30, 2017**

	Appropriations			Expended		Unexpended Balances Cancelled	Overexpenditure
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved		
Operations Within "CAPS" - General Government (Continued)							
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"							
Deferred Charges							
Overexpenditure-Grant-OE	114,811.78	-	114,811.78	114,811.78	-	-	-
Statutory Expenditures Contributions to							
Social Security System(OAS)	1,800,000.00	-	1,800,000.00	1,605,831.57	194,168.43	-	-
Consolidated Police and Firemen's Pension Fund	85,000.00	(8,000.00)	77,000.00	26,266.04	50,733.96	-	-
Public Employee's Retirement System	4,062,770.00	8,000.00	4,070,770.00	4,070,751.72	18.28	-	-
Police and Fire Retirement System - N.J.-OE	11,564,893.00	-	11,564,893.00	11,564,893.00	-	-	-
Defined Contribution Retirement Program	42,000.00	9,000.00	51,000.00	46,285.27	4,714.73	-	-
Medicare-Employer Share-OE	1,300,000.00	-	1,300,000.00	1,051,479.16	248,520.84	-	-
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	18,969,474.78	9,000.00	18,978,474.78	18,480,318.54	498,156.24	-	-
Total General Appropriations For Municipal Purposes Within "CAPS"	152,005,838.11	-	152,005,838.11	139,857,892.97	9,647,945.14	2,500,000.00	-
Operations Excluded From "CAPS"							
Education Functions							
Minimum Appropriation - Library Tax	762,316.00	-	762,316.00	762,316.00	-	-	-
Supplemental Appropriation	1,237,684.00	-	1,237,684.00	1,055,035.40	182,648.60	-	-
Health Insurance-OE	509,555.00	-	509,555.00	-	509,555.00	-	-
Fee Revenues (N.J.A.C 5:23-4.17)							
Code Enforcement-SW	75,555.00	-	75,555.00	75,555.00	-	-	-
Interlocal Municipal Agreements							
Recycling Agreement	840,000.00	-	840,000.00	814,901.07	25,098.93	-	-
EMD Shared Services	225,000.00	-	225,000.00	212,680.00	12,320.00	-	-
Shared Service TMAC-OE	31,609.25	-	31,609.25	31,609.25	-	-	-
Henry J. Austin Health Center-Children services	259,000.00	-	259,000.00	259,000.00	-	-	-
Revenues (N.J.S. 40A:4-45.3h)							
Public Health Services-SW	127,547.50	-	127,547.50	117,945.00	-	9,602.50	-
Engineering Services-SW	-	-	-	-	-	-	-
Municipal Clerk-SW	63,363.10	-	63,363.10	63,363.10	-	-	-
Total Operations Excluded From "CAPS"	4,131,629.85	-	4,131,629.85	3,392,404.82	729,622.53	9,602.50	-

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended June 30, 2017**

	Appropriations			Expended		Unexpended Balances Cancelled	Overexpenditure
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved		
Operations Within "CAPS" - General Government (Continued)							
Grants-Public and Private Programs Offset by Revenues							
State of NJ/DHSS - PHILEP (LINCS Agencies) 2016	95,081.00	-	95,081.00	95,081.00	-	-	-
SNJDHSS - Child Health 2016 (DFHS16CHD003)	150,000.00	-	150,000.00	150,000.00	-	-	-
NJ Health Officers Ebola Monitoring	42,750.00	-	42,750.00	42,750.00	-	-	-
SNJ - Department of Agriculture - FY 16 Summer Feeding Program	399,727.66	-	399,727.66	399,727.66	-	-	-
DVRPC #16-53-314	15,000.00	-	15,000.00	15,000.00	-	-	-
NJDEP Green Acres Assunpink Greenway	900,000.00	-	900,000.00	900,000.00	-	-	-
Safe Stress Task Force	34,404.50	-	34,404.50	34,404.50	-	-	-
Homeland Security - Port Security Grant	172,425.00	-	172,425.00	172,425.00	-	-	-
OAF - Trenton Violence Reduction Strategy	140,283.00	-	140,283.00	140,283.00	-	-	-
County of Mercer - Title III Elderly Services 2016	50,000.00	-	50,000.00	50,000.00	-	-	-
County of Mercer - Title III Elderly Services 2017	50,000.00	-	50,000.00	50,000.00	-	-	-
County of Mercer - Title XX Elderly Services 2016	173,532.00	-	173,532.00	173,532.00	-	-	-
County of Mercer - Title XX Elderly Services 2017	173,532.00	-	173,532.00	173,532.00	-	-	-
OE Non-Public School Nursing	19,440.00	-	19,440.00	19,440.00	-	-	-
DEA - State/Local Task Force - 17 Dot Pope	17,753.00	-	17,753.00	17,753.00	-	-	-
DEA - State/Local Task Force - 17 Dot Ward	17,753.00	-	17,753.00	17,753.00	-	-	-
USDOJ-FY16 Ed Byrne Memorial Justice Assistance Recovery Grant	105,679.00	-	105,679.00	105,679.00	-	-	-
State of NJ/DIPS - FY 16 State Body Armor Replacement Fund Program	22,394.22	-	22,394.22	22,394.22	-	-	-
UDO - FY 16 Bulletproof Vest Partnership	48,575.63	-	48,575.63	48,575.63	-	-	-
FY 16 UDO - US Marshal's Service	15,000.00	-	15,000.00	15,000.00	-	-	-
State of NJ/DEP - 2014 Tonnage Grant fy17	24,101.38	-	24,101.38	24,101.38	-	-	-
FY 17 HUD Lead Grant	2,150,331.00	-	2,150,331.00	2,150,331.00	-	-	-
2017 DOUW - Shelter Purchase Program	33,400.00	-	33,400.00	33,400.00	-	-	-
DVRPC Waterfront	-	-	100,000.00	100,000.00	-	-	-
NJDEP NRD Funds Assunpink Daylight	-	-	3,200,000.00	3,200,000.00	-	-	-
HomicideTask Force	-	-	105,000.00	105,000.00	-	-	-
NJDEP -Clean Communities FY 2017	-	-	134,428.69	134,428.69	-	-	-
Ebola Monitoring	-	-	3,100.00	3,100.00	-	-	-
LOCAL MATCH							
Mercer County -Title XX Elderly Services	140,153.00	-	140,153.00	140,153.00	-	-	-
Mercer County -Title III Elderly Services	80,073.00	-	80,073.00	80,073.00	-	-	-
Community Oriented Policing Service	544,498.92	-	544,498.92	544,498.92	-	-	-
Port Security Grant	57,475.00	-	57,475.00	57,475.00	-	-	-
Total Grants-Public and Private Programs Offset by Revenues	5,673,362.31	-	9,215,891.00	9,215,891.00	-	-	-
 Total Operations Excluded From "CAPS"	 9,804,992.16	 -	 13,347,520.85	 12,608,295.82	 729,622.53	 9,602.50	 -

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended June 30, 2017**

	Appropriations			Expended		Unexpended Balances Cancelled	Overexpenditure
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved		
Operations Within "CAPS" - General Government (Continued)							
Bulletproof Vests - Fire	35,000.00	-	35,000.00	-	35,000.00	-	-
Body Cameras - Police	175,000.00	-	175,000.00	-	175,000.00	-	-
Cooper Pool Concrete	17,000.00	-	17,000.00	17,000.00	-	-	-
Court Equipment	64,600.00	-	64,600.00	-	64,600.00	-	-
Total Capital Improvements Excluded from "CAPS"	291,600.00	-	291,600.00	17,000.00	274,600.00	-	-
Green Acres Loans Principal	52,876.36	-	52,876.36	52,876.36	-	-	-
Green Acres Loans-Interest	6,181.84	-	6,181.84	6,181.84	-	-	-
DCA Demolition Loan Repayment-Principal	204,641.09	-	204,641.09	204,641.09	-	-	-
DCA Demolition Loan Repayment-Interest	7,707.49	-	7,707.49	7,707.49	-	-	-
Bond Anticipation Notes-Interest	214,568.00	-	214,568.00	213,971.96	0.00	596.04	-
Pension Refd Bond-Principal	1,843,617.90	-	1,843,617.90	1,843,617.90	-	-	-
Pension Refd Bond-Interest	986,106.32	-	986,106.32	986,106.32	-	-	-
Qualified Debt Svc-Principal	8,080,000.00	-	8,080,000.00	8,080,000.00	-	-	-
Qual Debt Svc-Principa(w)	1,970,000.00	-	1,970,000.00	1,970,000.00	-	-	-
Qual Debt Svc-Principa(s)	330,000.00	-	330,000.00	330,000.00	-	-	-
Qual Debt Svc-Principa(p)	5,000.00	-	5,000.00	5,000.00	-	-	-
Qual Debt Svc-Interest	4,151,925.00	-	4,151,925.00	4,151,925.00	-	-	-
Qual Debt Svc-Interest(w)	1,671,663.50	-	1,671,663.50	1,671,663.50	-	-	-
Qual Debt Svc-Interest(s)	269,806.28	-	269,806.28	269,806.28	-	-	-
Qual Debt Svc-Interest(p)	2,775.00	-	2,775.00	2,775.00	-	-	-
Principal on LYCDC	715,000.00	-	715,000.00	715,000.00	-	-	-
Interest on LYCDC	373,812.50	-	373,812.50	373,812.50	-	-	-
Lease Revenue Bonds MCIA-Principal	100,000.00	-	100,000.00	100,000.00	-	-	-
Lease Revenue Bonds MCIA-Interest	6,312.50	-	6,312.50	6,311.94	0.00	0.56	-
Total Municipal Debt Service Excluded From "CAPS"	20,991,993.78	-	20,991,993.78	20,991,397.18	0.00	596.60	-
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4:55)	600,000.00	-	600,000.00	600,000.00	-	-	-
Emergency Accumulated Absence	5,000,000.00	-	5,000,000.00	5,000,000.00	-	-	-
Emergency Note IRS & State NJ	945,000.00	-	945,000.00	945,000.00	-	-	-
Total Deferred Charges-Municipal- Excluded from "CAPS"	6,545,000.00	-	6,545,000.00	6,545,000.00	-	-	-

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-3

**CURRENT FUND
STATEMENT OF EXPENDITURES (CONTINUED)
Year Ended June 30, 2017**

	Appropriations			Expended		Unexpended Balances Cancelled	Overexpenditure
	Budget	Transfers	Budget after Modified	Paid or Charged	Reserved		
Operations Within "CAPS" - General Government (Continued)							
Judgements (N.J.S. 40A:4-45.3cc)	500,000.00		500,000.00	491,161.14	8,838.86		
Total General Appropriations for Municipal Purposed - Excluded From "CAPS"	38,133,585.94	-	41,676,114.63	40,652,854.14	1,013,061.39	10,199.10	-
Type I District School Debt Services							
School Bonds-Principal	2,470,000.00	-	2,470,000.00	2,470,000.00	-	-	-
School Bonds-Interest	403,175.00	-	403,175.00	403,175.00	-	-	-
School BANS-Interest	26,000.00	-	26,000.00	25,927.78	0.00	72.22	-
Pension Refd Bond-Principal	1,500,000.00	-	1,500,000.00	1,500,000.00	-	-	-
Pension Refd Bond-Interest	233,548.60	-	233,548.60	233,548.60	-	-	-
Total Type I District School Purposes-Excluded From "CAPS"	4,632,723.60	-	4,632,723.60	4,632,651.38	0.00	72.22	-
Total General Appropriations - Excluded From "CAPS"	42,766,309.54	-	46,308,838.23	45,285,505.52	1,013,061.39	10,271.32	-
Subtotal General Appropriations	194,772,147.65	-	198,314,676.34	185,143,398.49	10,661,006.53	2,510,271.32	
Reserve for Uncollected Taxes	8,375,803.28	-	8,375,803.28	8,375,803.28	-	-	-
Total General Appropriations	<u>\$ 203,147,950.93</u>	<u>\$ -</u>	<u>\$ 206,690,479.62</u>	<u>\$ 193,519,201.77</u>	<u>\$ 10,661,006.53</u>	<u>\$ 2,510,271.32</u>	<u>\$ -</u>
Ref.	A-2				A		
Adopted Budget	Ref.						
NJS 40A:4-87		\$ 5,673,362.31					
		<u>3,542,528.69</u>					
		<u>\$ 9,215,891.00</u>					
Reserve for Special Purposes - Grants	A-7			\$ 8,393,691.08			
Reserve for Special Purposes - Local Match				822,199.92			
Encumbrances Payable				2,498,135.71			
Deferred Charges	A-2			6,545,000.00			
Reserve for Uncollected Taxes				8,375,803.28			
Cash Disbursed	A-4			<u>166,884,371.78</u>			
				<u>\$ 193,519,201.77</u>			

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-4

**CURRENT FUND
SCHEDULE OF CURRENT CASH – TREASURER
Year Ended June 30, 2017**

	<u>Ref.</u>	
Balance - June 30, 2016	A	<u>\$ 7,961,150.06</u>
Increased by		
Investments Matured	A-5	426,318,572.87
State of New Jersey - Senior Citizen and Veteran Deductions	A-6	234,256.78
Federal and State Grants Receivable		12,530,320.94
Taxes Receivable	A-8	109,799,090.13
Tax Title Liens	A-9	4,296,765.54
Revenue Accounts Receivable		108,561,323.11
Interfund Advances Returned		98,347,141.70
Tax Overpayments		56,123.84
Prepaid Taxes		148,410.04
Remitted by Trenton Free Public Library		44,385.00
Cancellation of Prior Year Outstanding Checks	A-1	1,645.10
Change Fund	A-5	<u>100.00</u>
		<u>760,338,135.05</u>
		<u>768,299,285.11</u>
Decreased by		
School Taxes		21,537,975.00
County Taxes		14,261,732.76
Special District Tax		591,865.72
Investments Purchased	A-5	433,486,692.94
2017 Appropriations	A-3	166,884,371.78
Appropriation Reserves		15,205,932.04
Interfund Advances		100,707,578.53
Interest on Investments		47,321.69
Grant Disbursement		12,956,292.22
Accounts Payable		15,906.50
Due to Trenton Free Public Library		44,332.00
Tax Overpayments Refunded		364,271.53
Prepaid Taxes		174,767.27
Reserve for Revaluation		354,053.70
Retro Payments for Payroll	A-13	296,481.29
Change Fund	A-5	<u>50.00</u>
		<u>766,929,624.97</u>
Balance - June 30, 2017	A	<u><u>\$ 1,369,660.14</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-5

**CURRENT FUND
SCHEDULE OF INVESTMENTS**

	<u>Ref.</u>	<u>General Fund</u>
Balance - June 30, 2016	A	\$ 30,883,452.94
Increased by investments purchased	A-4	<u>433,486,692.94</u>
		464,370,145.88
Decreased by investments matured	A-4	<u>426,318,572.87</u>
Balance - June 30, 2017	A	<u><u>\$ 38,051,573.01</u></u>

**CURRENT FUND
SCHEDULE FOR CHANGE FUND**

A-5A

Balance - June 30, 2016	A	\$ 2,019.00
Increase Fund	A-4	50.00
Reduce Fund	A-4	<u>(100.00)</u>
Balance - June 30, 2017	A	<u><u>\$ 1,969.00</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF AMOUNT DUE TO STATE OF
NEW JERSEY FOR SENIOR CITIZEN AND VETERAN DEDUCTIONS**

	<u>Ref.</u>		
Balance - June 30, 2016	A		\$ (324,588.33)
Increased By			
Senior Citizens' Deductions Per Tax Billing		101,250.00	
Veterans' Deductions Per Tax Billing		<u>108,250.00</u>	
		209,500.00	
Senior Citizens' Deductions Allowance By Collector Year 2017		5,000.00	
Senior Citizens' Deductions Disallowance By Collector Year 2017		<u>(16,887.01)</u>	
		<u>(11,887.01)</u>	
Total 2016 Senior Citizens' and Veterans' Deductions Allowed and Not Allowed	A-2a	197,612.99	
Senior Citizens' Deductions Disallowance by Collector Year 2016		<u>(4,024.65)</u>	
			<u>193,588.34</u>
Total Senior Citizens' & Veterans' Deductions			(130,999.99)
Received From State of N.J.	A-4		<u>(234,256.78)</u>
Balance - June 30, 2017	A		<u>\$ (365,256.77)</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-7

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

GRANTOR PROGRAM TITLE	June 30, 2016	New Grants	Receivable Cash Received	Receivable Adjustments Cancelled/Reclass	June 30, 2017
Current Fund:					
<u>Department of Community Affairs</u>					
21 St Century Community Learning Centers Program	\$ 3,263.64	\$ -	\$ -	\$ 3,263.64	\$ -
21 St Century Community Learning Centers Program	25.00	-	-	25.00	-
21 St Century Community Learning Centers Program	582.91	-	-	582.91	-
21 St Century Community Learning Centers Program	2,967.00	-	-	2,967.00	-
21 St Century Community Learning Centers Program	6,554.50	-	-	-	6,554.50
Aggressive Driver Enforcement (08)	3,415.00	-	-	3,415.00	-
Aging TXX-03 (County)	20,319.00	-	-	20,319.00	-
Aging TXX-09 (County)	92,345.00	-	-	-	92,345.00
ASSUNPINK GREENWAY DEMOLITION PROJECT	300,000.00	-	-	-	300,000.00
ATF Task Force	1,798.38	-	-	-	1,798.38
Back on Track - JJC	1,064.00	-	-	-	1,064.00
Balanced Housing - NPP - Southwest Village	143,791.00	-	-	143,791.00	-
BOE - NON-PUBLIC SCHOOL NURSING-14/15	9,480.00	-	9,480.00	-	-
BOE - NON-PUBLIC SCHOOL NURSING-16/17	-	19,440.00	240.00	-	19,200.00
Bulletproof Vest Partnership Act	(0.04)	-	-	-	(0.04)
BULLETPROOF VEST PARTNERSHIP FY14	4,001.64	-	4,001.64	-	(0.00)
BULLETPROOF VEST PARTNERSHIP FY15	44,279.36	-	40,687.94	-	3,591.42
BULLETPROOF VEST PARTNERSHIP FY16	-	48,575.63	-	-	48,575.63
CADWALADER PK ECOLOGICAL RESTORATION-10	8,640.00	-	-	-	8,640.00
Calhoun Street Field Renovation	125,000.00	-	-	-	125,000.00
CAPITAL CITY PARTNERSHIP UPGRADE LIGHTS	32,646.00	-	-	-	32,646.00
Capital Health System - Bellevue/Rutherford Neighborhood Plan	75,000.00	-	-	-	75,000.00
Cities-in-Schools	70,000.00	-	-	70,000.00	-
Citisreadiness Initiative (CRI)	12,099.00	-	-	-	12,099.00
CLPP CHILD LEAD POISONING PROGRAM 16	39,464.00	-	39,464.00	-	-
CLPP CHILD LEAD POISONING PROGRAM 17	-	150,000.00	68,950.00	-	81,050.00
CNJMCHC - Trenton Cares	10,000.00	-	-	10,000.00	-
COMMUNITY BASED ALCOHOL (TMAC)-10	7,780.00	-	-	-	7,780.00
COMMUNITY BASED ALCOHOL (TMAC)-11	57,093.00	-	-	-	57,093.00
COMMUNITY BASED ALCOHOL (TMAC)-12	24,461.00	-	-	-	24,461.00
Comprehensive Cancer Control	135.00	-	-	135.00	-
Comprehensive Cancer Control	1,382.00	-	-	-	1,382.00
COUNTY OF MERCER OF MERCER-TITLE III ELDERLY SCVS-11	6,106.00	-	-	-	6,106.00
COUNTY OF MERCER OF MERCER-TITLE III ELDERLY SCVS-12	13,634.00	-	-	-	13,634.00
COUNTY OF MERCER-EARLY DISPOSITION-11	115,500.00	-	-	-	115,500.00

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)**

GRANTOR PROGRAM TITLE	June 30, 2016	New Grants	Receivable Cash Received	Receivable Adjustments Cancelled/Reclass	June 30, 2017
COUNTY OF MERCER-TAYLOR ST. ACQUISITION-11	443,000.00	-	-	-	443,000.00
CTY OF MERCER TITLE II ELDERLY SRVC -16	(11,313.00)	50,000.00	50,872.00	-	(12,185.00)
CTY OF MERCER TITLE III ELDERLY SRVC -15	2,817.00	-	-	2,817.00	-
CTY OF MERCER TITLE III ELDERLY SRVC -17	-	50,000.00	-	-	50,000.00
CTY OF MERCER TITLE XX ELDERLY SRVC -16	(57,500.00)	173,532.00	116,032.00	-	-
CTY OF MERCER TITLE XX ELDERLY SRVC -17	-	173,532.00	-	-	173,532.00
CTY OF MERCER-TITLE III ELDERLY SCVS-13	1,925.00	-	-	-	1,925.00
DEA State & Local Task Force	259.37	-	-	259.37	-
DEA STATE/LOCAL TASK FORCE 14	242.45	-	-	-	242.45
DEA STATE/LOCAL TASK FORCE-16 POPE	8,910.79	-	8,910.79	-	-
DEA STATE/LOCAL TASK FORCE-16 WARD	17,548.00	-	-	17,548.00	-
DEA STATE/LOCAL TASK FORCE-17 POPE	-	17,753.00	10,295.29	-	7,457.71
DEA STATE/LOCAL TASK FORCE-17 WARD	-	17,753.00	8,527.11	-	9,225.89
DEA-LOCAL TASK FORCE-10	27.90	-	-	-	27.90
Demand Treatment Together	30,000.00	-	-	30,000.00	-
Dept of Justice DEA - 97	4,661.75	-	-	4,661.75	-
DVRPC #16-53-314	15,000.00	-	14,420.60	579.40	-
DVRPC FY17	-	15,000.00	-	-	15,000.00
DVRPC - Regional Highway Transportation	20,441.84	-	-	20,441.84	-
DVRPC - Regional Highway Transportation	19,547.00	-	-	19,547.00	-
DVRPC - Regional Highway Transportation	6,424.00	-	-	6,424.00	-
DVRPC - Regional Highway Transportation	8,699.93	-	-	8,699.93	-
DVRPC - Regional Highway Transportation	123.27	-	-	123.27	-
DVRPC - Regional Highway Transportation	4,011.25	-	-	-	4,011.25
DVRPC - Regional Highway Transportation	9,716.00	-	-	-	9,716.00
DVRPC - Regional Highway Transportation	85,000.00	-	-	85,000.00	-
DVRPC & TCDI PARKING STUDY	53,428.60	-	-	-	53,428.60
DVRPC & TCDI WATERFRONT STRATEGY	-	100,000.00	-	-	100,000.00
DVUW-SHELTER PURCHASE - PHASE 32 FY 15	16,296.00	-	-	-	16,296.00
DVUW-SHELTER PURCHASE - PHASE 33 FY 16	-	33,400.00	33,400.00	-	-
Early Disposition Program	39,000.00	-	-	-	39,000.00
Early Disposition Program	14,300.00	-	-	14,300.00	-
Early Disposition Program	80,000.00	-	-	80,000.00	-
FEMA HAZARD MITIGATION GRANT	75,000.00	-	-	-	75,000.00
FEMA PORT SECURITY GRANT FY17	-	172,425.00	-	-	172,425.00
FEMA SAFER FY14	9,873,453.85	-	6,835,034.78	-	3,038,419.07

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)**

GRANTOR PROGRAM TITLE	June 30, 2016	New Grants	Receivable Cash Received	Receivable Adjustments Cancelled/Reclass	June 30, 2017
General Assistance - 98	3,966.00	-	-	3,966.00	-
Greg Grant/Thropp site	125,000.00	-	-	-	125,000.00
HDSRF - 02	7,999.75	-	-	7,999.75	-
HDSRF - CANAL PLAZA-10	94,463.00	-	-	-	94,463.00
HDSRF - Greenway Sites (P23207)	349,958.00	-	-	-	349,958.00
HDSRF - MAGIC MARKER SITE 06	4,950.00	-	-	4,950.00	-
HDSRF - MAGIC MARKER SITE 06	120,126.00	-	-	-	120,126.00
HDSRF - MAGIC MKR 96	500.00	-	-	500.00	-
HDSRF - SCARPATI	6,000.00	-	-	6,000.00	-
HDSRF - STORCELLA	6,648.00	-	-	6,648.00	-
HDSRF - THROPP BROTHERS SITE-11	275,601.00	-	-	-	275,601.00
HEALTH OFFICER EBOLA MONITORING FY16	(9,850.00)	-	(9,850.00)	-	-
HEALTH OFFICER EBOLA MONITORING FY17	-	45,850.00	45,850.00	-	-
HIGHWAY SAFETY-RT 1 SAFE CORRIDOR-FY09	11,025.00	-	-	-	11,025.00
HIV COUNSELING & TESTING SCVS-10	31,969.00	-	-	-	31,969.00
HIV Counseling, Testing & Referral	14,078.00	-	-	14,078.00	-
HIV Prevention Services for Latino HIV/AIDS Outreach Services	13,725.00	-	-	-	13,725.00
HOMICIDE TASK FORCE FY-16	-	105,000.00	69,755.26	-	35,244.74
HUD LEAD GRANT	-	2,150,331.00	-	-	2,150,331.00
Improve Clinical Care Services for STDs	5,756.00	-	-	5,756.00	-
LINCS IT Development Grant	119.00	-	-	119.00	-
LINCS IT Development Grant	25.00	-	-	25.00	-
LINCS Network	3,000.00	-	-	3,000.00	-
MARITIME PORT GRANT EMW-2014-PU-00396	198,719.11	-	21,107.28	177,611.83	-
Mercer County - Adolescent Screener - 98	653.11	-	-	653.11	-
Mercer County - Welfare to Work	212,653.00	-	-	212,653.00	-
Municipal Court Disposition-09	57,750.00	-	-	-	57,750.00
National Association of Pediatric Nurse Associates & Practitioners	2,000.00	-	-	2,000.00	-
National Park Service - Urban History Initiative Program	323.00	-	-	323.00	-
NJ State Parole Board - Prisoner Reentry Initiative	189,607.00	-	-	-	189,607.00
NPP	125,000.00	-	-	125,000.00	-
NPP	116,229.00	-	-	-	116,229.00
NPP	67,500.00	-	-	67,500.00	-

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)**

GRANTOR PROGRAM TITLE	June 30, 2016	New Grants	Receivable Cash Received	Receivable Adjustments Cancelled/Reclass	June 30, 2017
NPP	25,000.00	-	-	25,000.00	-
NPP	40,000.00	-	-	-	40,000.00
Over the Limit Under Arrest 2008 Year End Crackdown	50.00	-	-	-	50.00
Pandemic Influenza Preparedness	1,631.00	-	-	1,631.00	-
Paris Grants Program	31,360.63	-	-	31,360.63	-
PHILEP (LINC'S) 16 CRI GRANT	30,160.00	-	21,249.00	8,911.00	-
PHILEP (LINC'S) 17 CRI GRANT	-	95,081.00	57,611.00	-	37,470.00
PHLP15LNC026	16.00	-	-	16.00	-
Prevent Child Abuse - NJ -99	1,594.50	-	-	1,594.50	-
Primary Prevention Services	366.00	-	-	366.00	-
Rent Abatement	3,000.00	-	-	3,000.00	-
Rent Abatement	2,000.00	-	-	2,000.00	-
Rent Abatement	2,000.00	-	-	2,000.00	-
Route 1/New York Avenue Industrial Park	16,213.00	-	-	16,213.00	-
Safe Children/More Learning	11,370.00	-	-	11,370.00	-
SAFE STREETS TASK FORCE	-	34,404.50	31,765.37	-	2,639.13
Safety Improvements to Rt. 29	25,500.00	-	-	-	25,500.00
SEXUALLY TRANSMITTED DISEASE (STD) 2013	5,093.00	-	-	-	5,093.00
SEXUALLY TRANSMITTED DISEASES-10	59,957.00	-	-	-	59,957.00
SFY 08 - OHSP State Aid Regional Grant Program - Homeland Security	165,384.32	-	-	-	165,384.32
SNJ HISTORIC TRUST-DOUGLAS HSE/JACKST-11	534,901.00	-	-	-	534,901.00
SNJ SUMMER FEEDING PROGRAM FY-16	99,288.80	-	-	99,288.80	-
SNJ SUMMER FEEDING PROGRAM FY-17	-	399,727.66	273,579.86	126,147.80	-
SNJDEP - LOWER ASSUNPINK CREEK - 10	922,050.50	-	756,574.54	-	165,475.96
SNJDEP- ASSUNPINK CREEK GREENWAY-17	-	900,000.00	-	-	900,000.00
SNJDEP CLEAN COMMUNITY FY-17	-	134,428.69	138,428.69	-	(4,000.00)
SNJDEP RECREATIONAL TRAILS PROGRAM-11	25,000.00	-	-	-	25,000.00
SNJDEP RECYCLING TONNAGE GRANT - 17 (14)	-	24,101.38	24,101.38	-	-
SNJDEP-ASSUNPINK CREEK ACQUISITION-15	900,000.00	-	-	-	900,000.00
SNJDEP-LOWER ASSUNPINK CREEK-17 daylight	-	3,200,000.00	3,200,000.00	-	-
SNJDLPS AGGRESSIVE DRIVING&SPEED ENFC-10	900.00	-	-	-	900.00
SNJDLPS-OVER THE LIMIT UNDER ARREST-2010	75.00	-	-	-	75.00
SNJDLPS-PEDESTRIAN SAFETY PROGRAM-10	2,975.00	-	-	-	2,975.00

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)**

GRANTOR PROGRAM TITLE	June 30, 2016	New Grants	Receivable Cash Received	Receivable Adjustments Cancelled/Reclass	June 30, 2017
SNJDLPS-PEDESTRIAN SAFETY PROGRAM-11	2,110.00	-	-	-	2,110.00
SNJDOT= SAFE ROUTE TO TRANSIT FY13	215,000.00	-	-	-	215,000.00
SNJ-JUVENILE ACCOUNTABILITY BLOCK GRT-08	11,766.00	-	-	-	11,766.00
SNJ-TRAINING & EQUIPMENT (LEOTEF)-10	3,403.00	-	-	-	3,403.00
STATE BODY ARMOR - 16	-	22,394.22	22,394.22	-	-
STD 16	48,558.00	-	20,747.00	27,811.00	-
STD Control Services	6,826.00	-	-	-	6,826.00
Step Program	25,710.07	-	-	25,710.07	-
Summer Food Service Program - 08	189,690.95	-	-	189,690.95	-
Summer Food Service Program - 09	131,265.60	-	-	-	131,265.60
Summer Food Service Program - 10	221,750.76	-	-	-	221,750.76
Susan G. Komen for the Cure - 2008	5,000.00	-	-	5,000.00	-
The Robert Wood Johnson Foundation - Health Initiatives	9,126.00	-	-	9,126.00	-
The Robert Wood Johnson Foundation - Health Initiatives	41,995.00	-	-	41,995.00	-
The Robert Wood Johnson Foundation - Health Initiatives	10,002.00	-	-	10,002.00	-
Title III - Year 1996 (Includes City Match of 27,500)	45.00	-	-	45.00	-
TITLE III ELDERLY SERVICES-10	12,607.00	-	-	-	12,607.00
Title XX - Year 1997	85,755.00	-	-	85,755.00	-
TMAC	14,968.00	-	-	14,968.00	-
TMAC	7,148.00	-	-	-	7,148.00
Trenton CARE Green Initiative (RE-97237708-0)	11,401.00	-	-	-	11,401.00
TVRS TRENTON VIOLENCE REDUCTION STRATEGY	78,306.00	-	68,655.38	9,650.62	-
TVRS TRENTON VIOLENCE REDUCTION STRATEGY	-	140,283.00	8,265.73	-	132,017.27
UEZ 03-84 CARTER WALLACE PROJECT	154,205.23	-	-	154,205.23	-
UEZ 04-28 ADMINISTRATION	97,122.40	-	-	97,122.19	0.21
UEZ 06-115 TRENTON POLICE	330.35	-	-	330.35	-
UEZ 07-30 ADMINISTRATION	78,597.85	-	-	78,597.85	-
UEZ 07-30 ADMINISTRATION	78,654.92	-	-	78,654.92	-
UEZ 08-03 Administration	82,701.97	-	-	82,701.97	-
UEZ 92-07 ROEBLING IMPROV	76,452.81	-	-	76,452.81	-
UEZ- Administration-09	47,679.60	-	-	-	47,679.60
Union Industrial Home for Children	8,342.00	-	-	8,342.00	-
US Department of HUD - Special Projects FY 10 - 12	108,838.56	-	-	-	108,838.56
US Department of HUD - Special Projects FY 10 - 12	192,631.00	-	-	-	192,631.00
US DEPT OF ENERGY EFF & CONSERVATION-10	229,711.00	-	-	-	229,711.00
US Marshall's Service	810.73	-	-	-	810.73
US Marshall's Service Retrofit/Gas - 11	2,372.46	-	-	-	2,372.46
US Marshall's Service Retrofit/Gas - 12	11,000.00	-	-	-	11,000.00
USDOJ EDWARD BYRNE JAG BJA FY16 (15)	103,279.00	-	-	-	103,279.00
USDOJ EDWARD BYRNE JAG BJA FY17 (16)	-	105,679.00	-	-	105,679.00

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE (CONTINUED)**

GRANTOR PROGRAM TITLE	June 30, 2016	New Grants	Receivable Cash Received	Receivable Adjustments Cancelled/Reclass	June 30, 2017
USDOJ - FY 10 YOUTHSTAT PHASE 3-11	310,000.00	-	-	-	310,000.00
USDOJ - MARSHAL'S SERVICE-11	644.87	-	-	-	644.87
USDOJ - MARSHAL'S SERVICE - 16	15,000.00	-	15,000.00	-	-
USDOJ - MARSHAL'S SERVICE - 17	-	15,000.00	-	-	15,000.00
USDOJ - RETROFIT TASK FORCE VEHICLE	5,000.00	-	4,271.94	728.06	-
USDOJ - COPS HIRING GRANT PROGRAM FY14	1,500,000.00	-	293,152.27	-	1,206,847.73
USDOJ - US MARSHAL'S SERVICE-10	2,458.00	-	-	-	2,458.00
USDOJ - YOUTHSTAT PHASE 2-11	445,018.88	-	126,498.16	-	318,520.72
USEPA - Brownfields Assessment - 07	21,664.40	-	11,667.12	9,997.28	-
USEPA - Brownfields Various Sites - 04	120,000.00	-	-	-	120,000.00
USEPA BROWNFIELDS CLEANUP-Clinton Commerce - 12	185,000.00	-	42,683.34	-	142,316.66
USEPA BROWNFIELDS CLEANUP-Community Wide Assessment - 12	159,460.00	-	5,473.31	-	153,986.69
USEPA BROWNFIELDS CLEANUP-Community Wide Haz Sub Assess - 12	156,360.00	-	21,178.61	-	135,181.39
USEPA BROWNFIELDS CLEANUP-Pattern Machine - 12	200,000.00	-	11,056.00	-	188,944.00
USEPA BROWNFIELDS CLEANUP-STORCELLA-11	133,988.00	-	6,818.35	-	127,169.65
USEPA Brownfield Cleanup Scarpatti	200,000.00	-	13,638.10	-	186,361.90
Watershed Pollution Management - Urban Stormwater Retro	132.00	-	-	132.00	-
Weed & Seed - FY-2008	200,000.00	-	-	200,000.00	-
Weed & Seed - Northwest -02	43,718.00	-	-	43,718.00	-
Weed & Seed - Northwest -04	667.00	-	-	667.00	-
Weed & Seed - Southeast -02	89,799.00	-	-	89,799.00	-
Weed & Seed - Southeast -05	3,342.00	-	-	3,342.00	-
West Ward Senior Center	300,000.00	-	-	300,000.00	-
Women, Infants and Children	76,706.00	-	-	76,706.00	-
WOMEN, INFANTS, & CHILDREN-10	586,678.00	-	-	-	586,678.00
Young's Rubber Corporation	199,000.30	-	-	-	199,000.30
Rounding	(7.11)	-	-	0.50	(7.61)
	<u>\$ 24,295,018.71</u>	<u>\$ 8,393,691.08</u>	<u>\$ 12,541,988.06</u>	<u>\$ 3,233,832.33</u>	<u>\$ 16,912,889.40</u>
Ref.	A	A-3			A

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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

YEAR OF TAX	OUTSTANDING June 30, 2016	2016-2017 LEVY	COLLECTION FY 2016	2017	REMITTED & CANCELLED	SENIOR CITIZEN	FORECLOSURE PROPERTY TAX ADJ.	TRANSFERRED (TO) FROM LIEN	OUTSTANDING June 30, 2017
PRIOR YEARS' TAXES									
2007	\$ 2,261.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,261.82
2008	2,304.85	-	-	-	-	-	-	-	2,304.85
2009	2,507.61	-	-	-	-	-	-	-	2,507.61
2010	2,825.89	-	-	-	-	-	-	-	2,825.89
2011	9,826.76	-	-	-	-	-	-	(3,175.33)	6,651.43
2012	27,228.77	-	-	40,262.92	(43,109.76)	-	-	(10,655.94)	13,725.99
2013	39,032.25	-	-	108,851.36	(112,897.28)	-	-	(12,779.53)	22,206.80
2014	55,246.09	-	-	98,765.53	(98,804.47)	-	-	(18,741.20)	36,465.95
2015	84,434.71	-	-	41,696.40	(50,532.98)	-	-	(24,214.83)	51,383.30
2016	236,922.22	-	-	(93,513.33)	(27,471.62)	4,024.65	-	(35,872.79)	84,089.13
TOTAL PRIOR TAXES	462,590.97	-	-	196,062.88	(332,816.11)	4,024.65	-	(105,439.62)	224,422.77
PRIOR YEAR CTI 2016	0.04	-	-	(0.04)	-	-	-	-	-
TOTAL PRIOR TAXES	462,590.97	-	-	196,062.84	(332,816.11)	4,024.65	-	(105,439.62)	224,422.77
CURRENT YEAR TAXES									
REAL ESTATE	-	117,715,238.17	-	(110,021,379.88)	94,792.07	(197,612.99)	(131,133.45)	(7,151,955.57)	307,948.35
PREPAID (REG. TAXES)	-	-	(140,168.78)	-	-	-	-	-	(140,168.78)
PREPAID (CTI TAXES)	-	-	-	-	-	-	-	-	-
SPECIAL ASSESSMENT (CTI)	-	591,865.72	-	(588,918.97)	(1,048.31)	-	-	(1,811.60)	86.84
TOTAL CURRENT YEAR TAXES	-	118,307,103.89	(140,168.78)	(110,610,298.85)	93,743.76	(197,612.99)	(131,133.45)	(7,153,767.17)	167,866.41
TOTAL	\$ 462,590.97	\$ 118,307,103.89	\$ (140,168.78)	\$ (110,414,236.01)	\$ (239,072.35)	\$ (193,588.34)	\$ (131,133.45)	\$ (7,259,206.79)	\$ 392,289.18
Ref.	A							A-9	A
LIEN	\$ 25,643,101.23	\$ -	\$ -	\$ (4,296,765.54)	\$ 453,966.09	\$ -	\$ (1,928,895.33)	\$ 7,259,206.79	\$ 27,130,613.24
Ref.	A, A-9								A, A-9

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>		
Balance - June 30, 2016	A, A-8		\$ 25,643,101.23
Increased By			
Transfer From Tax Rec. TTL	A-8	7,259,206.79	
Additional Billing (MU)			
TTL Transfer - Others		(407.02)	
TTL Lien Fee		114,980.84	
Additional Billing (HC)			
LS (Lien)		(190.24)	
TTL Lien Fee		370,746.54	
			<u>7,744,336.91</u>
			33,387,438.14
Decreased By			
Collection (Reg. Lien)	A-2, A-4	4,296,765.54	
Cancellations (Reg)		12,389.26	
Cancellations (Fees)		2,769.60	
Cancellations (Costs)		586.88	
Misc.		15,418.29	
Transfer To Property Acquired For Taxes			
Reg	A-10	1,558,108.79	
MU	A-10	303,446.68	
Cost	A-10	4,195.92	
Lien Fee	A-10	63,143.94	
			<u>6,256,824.90</u>
			<u>27,130,613.24</u>
Balance - June 30, 2017	A		<u>\$ 27,130,613.24</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-10

**CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED BY TAXES**

	<u>Ref.</u>	
Balance - June 30, 2016	A	\$ 56,699,800.00
Increased By		
Transfers From 2017		131,133.45
Transfers From T.T.L. Fee	A-9	63,143.94
Transfers From T.T.L. Cost	A-9	4,195.92
Transfers From T.T.L. Taxes	A-9	1,558,108.79
Transfers From T.T.L. Taxes (Health Code)	A-9	303,446.68
Transfers From T.T.L. Taxes (Water)		74,078.64
Transfers From T.T.L. Taxes (Sewer)		52,385.20
Adjustments To Assessed Value		<u>1,566,507.38</u>
		<u>3,753,000.00</u>
		60,452,800.00
Decreased By		
Proceeds Of Sales		1,549,371.00
Loss On Sales		<u>(2,920,529.00)</u>
Assessed Value Of Properties Sold		<u>(4,469,900.00)</u>
Balance - June 30, 2017	A	<u>\$ 55,982,900.00</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-11

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES
Year Ended June 30, 2017**

	Balance June 30, 2016	Transfers FY17	Balance After Transfer	Transfer From Encumbrance Payable	Paid or Charged	Expended	Reimbursed FY 16	Encumbered Transfer To Accounts Payable	Unexpended Balances Cancelled	Balance Lapsed
Mayor-SW	\$ 44,462.44	\$ -	\$ 44,462.44	\$ -	\$ 6,994.41	\$ 6,994.41	\$ -	\$ -	\$ -	\$ 37,468.03
Mayor-OE	17,259.05	-	17,259.05	5,629.49	2,308.67	2,308.67	-	-	-	20,579.87
City Council-SW	32,417.64	-	32,417.64	-	2,096.29	2,096.29	-	-	-	30,321.35
City Council-OE	40,334.76	-	40,334.76	1,698.50	4,323.50	4,323.50	-	-	-	37,709.76
City Clerk-SW	19,133.74	-	19,133.74	-	5,100.16	5,100.16	-	-	-	14,033.58
City Clerk-OE	28,444.10	-	28,444.10	1,477.17	2,613.27	2,613.27	-	-	-	27,308.00
Elections-OE	3,776.10	30,000.00	33,776.10	-	25,670.00	25,670.00	-	-	-	8,106.10
Administration-SW	19,374.47	-	19,374.47	-	7,539.01	7,539.01	-	-	-	11,835.46
Administration-OE	195,335.56	(93,000.00)	102,335.56	118,122.59	74,933.43	74,933.43	51,726.29	-	-	93,798.43
Summer Youth Employ-SW	15,608.00	-	15,608.00	-	428.40	428.40	-	-	-	15,179.60
Public Defender -OE	88,634.32	-	88,634.32	18,856.00	30,786.20	30,786.20	512.00	-	-	76,192.12
Purchasing -SW	3,093.75	-	3,093.75	-	2,667.58	2,667.58	-	-	-	426.17
Purchasing -OE	6,478.71	-	6,478.71	5,318.28	2,582.07	2,582.07	3,014.43	-	-	6,200.49
MIS -OE	320,781.26	(206,000.00)	114,781.26	53,095.02	56,914.81	56,914.81	1,014.95	-	-	109,946.52
Personnel-SW	9,594.58	-	9,594.58	-	6,168.76	6,168.76	-	-	-	3,425.82
Personnel-OE	78.50	-	78.50	-	-	-	-	-	-	78.50
Insurance-SW	2,497.97	-	2,497.97	-	803.34	803.34	-	-	-	1,694.63
Finance Director-SW	2,912.59	-	2,912.59	-	1,561.24	1,561.24	-	-	-	1,351.35
Finance Director-OE	820.00	-	820.00	-	-	-	-	-	-	820.00
Accounts and Control-SW	9,855.72	-	9,855.72	-	4,050.02	4,050.02	-	-	-	5,805.70
Accounts and Control-OE	2,360.24	-	2,360.24	1,611.05	1,783.95	1,783.95	-	-	-	2,187.34
Audit-OE	-	-	-	4,000.00	4,000.00	4,000.00	-	-	-	-
Treasury-SW	5,187.67	-	5,187.67	-	2,391.22	2,391.22	-	-	-	2,796.45
Treasury-OE	23,071.56	-	23,071.56	1,206.72	8,520.83	8,520.83	-	-	-	15,757.45
Tax Collection-SW	45,721.28	-	45,721.28	-	6,751.13	6,751.13	-	-	-	38,970.15
Tax Collection-OE	20,070.73	-	20,070.73	21,748.35	21,613.67	21,613.67	-	-	-	20,205.41
Assessments-SW	9,013.05	-	9,013.05	-	5,770.64	5,770.64	-	-	-	3,242.41
Assessments-OE	6,544.92	-	6,544.92	8,629.56	8,844.35	8,844.35	-	-	-	6,330.13
Revaluation-OE	1,890.00	-	1,890.00	-	-	-	-	-	-	1,890.00
Law-SW	22,818.38	-	22,818.38	-	10,434.06	10,434.06	-	-	-	12,384.32
Law-OE	209,316.52	240,000.00	449,316.52	94,235.58	452,721.31	452,721.31	3,439.60	-	-	87,391.19
Health & Human Services-Director-SW	9,333.29	-	9,333.29	-	5,318.28	5,318.28	-	-	-	4,015.01
Health & Human Services-Director-OE	2,661.56	4,000.00	6,661.56	1,048.82	3,507.79	3,507.79	-	-	-	4,202.59
Health Promotion & Code Enforcement-SW	31,012.49	-	31,012.49	-	6,708.79	6,708.79	-	-	-	24,303.70
Health Promotion & Code Enforce-OE	20,638.72	-	20,638.72	5,708.30	12,946.27	12,946.27	-	-	-	13,400.75
Environmental Health-SW	39,883.78	-	39,883.78	-	5,332.10	5,332.10	-	-	-	34,551.68
Environmental Health-OE	5,835.33	-	5,835.33	10,160.06	15,368.62	15,368.62	-	-	-	626.77
Registrar-SW	20,237.57	-	20,237.57	-	3,617.77	3,617.77	-	-	-	16,619.80
Registrar-OE	131.68	-	131.68	2,226.34	2,021.65	2,021.65	-	-	-	336.37
Childrens Health Services -SW	6,325.81	-	6,325.81	-	499.53	499.53	-	-	-	5,826.28
Children's Health Services-OE	34,759.33	-	34,759.33	60,682.08	43,307.35	43,307.35	-	-	-	52,134.06

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-11

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (CONTINUED)
Year Ended June 30, 2017**

	Balance June 30, 2016	Transfers FY17	Balance After Transfer	Transfer From Encumbrance Payable	Paid or Charged	Expended	Reimbursed FY 16	Encumbered Transfer To Accounts Payable	Unexpended Balances Cancelled	Balance Lapsed
Animal Control-SW	11,712.52	-	11,712.52	-	5,107.21	5,107.21	-	-	-	6,605.31
Animal Control-OE	812.10	2,000.00	2,812.10	5,491.65	3,209.42	3,209.42	-	-	-	5,094.33
Office of Adult & Family Services-SW	37,137.39	-	37,137.39	-	2,589.77	2,589.77	-	-	-	34,547.62
Office of Adult & Family Services -OE	868.61	-	868.61	4,344.94	2,068.54	2,068.54	-	-	-	3,145.01
Community Relations & Social Services-SW	28,883.31	-	28,883.31	-	4,052.79	4,052.79	-	-	-	24,830.52
Community Relations & Social Services-OE	848.99	2,000.00	2,848.99	1,156.63	2,037.74	2,037.74	-	-	-	1,967.88
Coordinated Entry & Assessment-SW	5,808.27	1,000.00	6,808.27	-	6,689.44	6,689.44	-	-	-	118.83
Coordinated Entry & Assessment-OE	8,942.82	-	8,942.82	5,227.30	7,087.30	7,087.30	75.00	-	-	7,007.82
Emergency Shelter-OE	58,000.00	-	58,000.00	67,000.00	125,000.00	125,000.00	-	-	-	-
Public Assistance-OE	4,967.06	-	4,967.06	3,135.00	5,883.94	5,883.94	1,312.66	-	-	905.46
Fire-SW	598,038.01	-	598,038.01	-	334,716.05	334,716.05	-	-	-	263,321.96
Fire-OE	96,511.35	-	96,511.35	182,090.91	227,010.24	227,010.24	14,734.93	-	-	36,857.09
Emergency Management-SW	-	-	-	-	-	-	-	-	-	-
Emergency Management-OE	1,549.85	-	1,549.85	231.10	231.10	231.10	-	-	-	1,549.85
Trenton Emergency Medical Service-OE	4,190.16	-	4,190.16	-	-	-	-	-	-	4,190.16
Police-SW	1,227,321.85	(100,000.00)	1,127,321.85	-	547,856.28	547,856.28	-	-	-	579,465.57
Police-OE	140,526.13	-	140,526.13	208,997.44	220,259.21	220,259.21	2,640.14	-	-	126,624.22
Crossing Guards-SW	24,752.98	-	24,752.98	-	1,587.99	1,587.99	-	-	-	23,164.99
Crossing Guards-OE	50,000.00	-	50,000.00	-	-	-	-	-	-	50,000.00
Communications-SW	50,928.22	-	50,928.22	-	38,199.87	38,199.87	-	-	-	12,728.35
Communications-OE	127,009.96	-	127,009.96	51,690.88	52,309.18	52,309.18	-	-	-	126,391.66
Public Works-Director-SW	30,259.38	-	30,259.38	-	3,112.00	3,112.00	-	-	-	27,147.38
Public Works-Director-OE	2,871.73	-	2,871.73	453.87	846.31	846.31	-	-	-	2,479.29
Solid Waste Management-SW	59,237.04	-	59,237.04	-	42,766.45	42,766.45	-	-	-	16,470.59
Solid Waste Management-OE	6,132.15	5,000.00	11,132.15	64,374.72	50,091.80	50,091.80	25,273.54	-	-	141.53
Streets-SW	51,395.02	-	51,395.02	-	17,410.18	17,410.18	-	-	-	33,984.84
Streets-OE	10,990.13	45,000.00	55,990.13	29,304.59	47,378.66	47,378.66	7,800.47	-	-	30,115.59
Snow Removal-OE	37,119.02	-	37,119.02	406.23	14,150.74	14,150.74	-	-	-	23,374.51
Public Property-SW	47,629.80	-	47,629.80	-	34,797.97	34,797.97	-	-	-	12,831.83
Public Property-OE	26,161.51	85,000.00	111,161.51	161,304.97	188,015.66	188,015.66	45,005.79	-	-	39,445.03
Traffic & Transportation-SW	29,419.13	-	29,419.13	-	6,449.68	6,449.68	-	-	-	22,969.45
Traffic & Transportation-OE	28,187.48	-	28,187.48	24,920.72	28,766.09	28,766.09	1,685.22	-	-	22,656.89
Engineering & Operations-SW	28,162.05	-	28,162.05	-	2,264.62	2,264.62	-	-	-	25,897.43
Engineering & Operations-OE	84,625.48	-	84,625.48	67,160.44	82,039.73	82,039.73	53,715.40	-	-	16,030.79
Landfill-OE	550,438.43	(20,000.00)	530,438.43	425,589.83	881,619.39	881,619.39	20.90	-	-	74,387.97
Housing & Econ. Dev-Director-SW	10,247.51	-	10,247.51	-	-	-	-	-	-	10,247.51
Housing & Econ Dev-Director-OE	26,048.03	-	26,048.03	-	-	-	-	-	-	26,048.03
Planning Board-OE	8,479.50	-	8,479.50	21,586.62	10,258.39	10,258.39	15,807.42	-	-	4,000.31
Rent Stabilization Board-OE	1,168.96	-	1,168.96	-	-	-	-	-	-	1,168.96
R E/Property Manage-SW	-	-	-	-	-	-	-	-	-	-
R E/Property Manage-OE	37,380.79	-	37,380.79	75,412.14	41,124.68	41,124.68	39,678.32	-	-	31,989.93
Landmarks Commission-OE	660.44	-	660.44	561.48	473.83	473.83	136.80	-	-	611.29
Economic Development-SW	8,351.58	-	8,351.58	-	4,826.03	4,826.03	-	-	-	3,525.55
Economic Development-OE	86,517.09	-	86,517.09	26,875.00	67.28	67.28	26,875.00	-	-	86,449.81
Planning-SW	26,646.26	-	26,646.26	-	2,619.77	2,619.77	-	-	-	24,026.49
Planning-OE	12,690.00	-	12,690.00	1,865.00	2,693.98	2,693.98	521.01	-	-	11,340.01
Housing Production-SW	3,527.78	-	3,527.78	-	2,186.78	2,186.78	-	-	-	1,341.00
Housing Production-OE	906.09	-	906.09	1,834.27	2,489.73	2,489.73	-	-	-	250.63
Inspections-Director-SW	14,663.36	-	14,663.36	-	6,752.87	6,752.87	-	-	-	7,910.49
Inspections-Director-OE	82,858.91	-	82,858.91	91,188.02	91,486.38	91,486.38	294.00	-	-	82,266.55

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-11

**CURRENT FUND
SCHEDULE OF PRIOR YEAR APPROPRIATION RESERVES (CONTINUED)
Year Ended June 30, 2017**

	Balance June 30, 2016	Transfers FY17	Balance After Transfer	Transfer From Encumbrance Payable	Paid or Charged	Expended	Reimbursed FY 16	Encumbered Transfer To Accounts Payable	Unexpended Balances Cancelled	Balance Lapsed
Technical Services-SW	22,678.27	-	22,678.27	-	10,317.21	10,317.21	-	-	-	12,361.06
Technical Services-OE	7,552.44	-	7,552.44	6,164.88	6,683.44	6,683.44	-	-	-	7,033.88
Housing Inspections-SW	30,084.97	-	30,084.97	-	9,681.12	9,681.12	-	-	-	20,403.85
Housing Inspections-OE	2,106.81	-	2,106.81	4,999.00	6,074.62	6,074.62	-	-	-	1,031.19
Weights and Measures-SW	2,735.15	-	2,735.15	-	1,376.92	1,376.92	-	-	-	1,358.23
Weights and Measures-OE	130.18	-	130.18	132.00	-	-	-	-	-	262.18
Zoning Board-OE	73.89	5,000.00	5,073.89	408.74	3,994.99	3,994.99	-	-	-	1,487.64
Recreation, NRC-Director-SW	16,495.90	-	16,495.90	-	7,011.66	7,011.66	-	-	-	9,484.24
Recreation NRC-Director-OE	617.26	-	617.26	-	-	-	-	-	-	617.26
Recreation-SW	55,419.41	-	55,419.41	-	2,974.39	2,974.39	-	-	-	52,445.02
Recreation-OE	20,118.25	-	20,118.25	77,973.65	65,527.88	65,527.88	289.00	-	-	32,275.02
Summer Food-SW	20,000.00	-	20,000.00	-	-	-	-	-	-	20,000.00
Summer Food-OE	17,928.31	-	17,928.31	-	-	-	-	-	-	17,928.31
Recreation Maintenance & Nat'l. Res-SW	32,651.21	-	32,651.21	-	5,648.74	5,648.74	-	-	-	27,002.47
Recreation Maintenance & Nat'l Res-OE	33,623.25	-	33,623.25	38,988.01	49,644.11	49,644.11	7,821.32	-	-	15,145.83
Pool-SW	18,364.26	-	18,364.26	-	1,155.81	1,155.81	-	-	-	17,208.45
Pool-OE	35,718.43	-	35,718.43	31,271.82	53,201.44	53,201.44	-	-	-	13,788.81
Division of Culture-SW	5,794.76	-	5,794.76	-	1,093.59	1,093.59	-	-	-	4,701.17
Division of Culture-OE	8,000.00	-	8,000.00	-	-	-	-	-	-	8,000.00
Municipal Courts-SW	51,208.65	-	51,208.65	-	31,044.57	31,044.57	-	-	-	20,164.08
Municipal Courts-OE	57,565.43	-	57,565.43	27,159.96	34,421.42	34,421.42	1,501.51	-	-	48,802.46
Health Insurance-OE	95,016.66	-	95,016.66	-	20,855.11	20,855.11	-	-	-	74,161.55
Health Benefit Waiver-OE	18,083.32	-	18,083.32	-	-	-	-	-	-	18,083.32
Other Employee Benefits	21,519.00	-	21,519.00	101.00	3,750.00	3,750.00	100.00	-	-	17,770.00
Workers Compensation-OE	1,849,049.29	(1,000,000.00)	849,049.29	-	849,049.29	849,049.29	-	-	-	-
Unemployment Insurance-OE	231,720.88	-	231,720.88	-	231,720.88	231,720.88	-	-	-	-
Occupational Health Center-OE	31,174.83	-	31,174.83	12,133.34	43,284.34	43,284.34	-	-	-	23.83
General Liability Ins	1,916,706.24	1,000,000.00	2,916,706.24	8,550.77	2,922,406.84	2,922,406.84	2,650.17	-	-	200.00
Library-Supplemental Appropriation	310,758.27	-	310,758.27	-	310,758.27	310,758.27	-	-	-	-
Telephone-OE	66,418.17	-	66,418.17	47,675.47	57,074.64	57,074.64	-	-	-	57,019.00
Public Service-Electric & Gas-OE	564,114.98	-	564,114.98	-	207,050.07	207,050.07	-	-	-	357,064.91
Public Service-Street & Traffic Lights-OE	163,708.89	-	163,708.89	-	158,573.33	158,573.33	-	-	-	5,135.56
Postage-OE	10,948.25	-	10,948.25	-	-	-	-	-	-	10,948.25
Gasoline & Diesel Fuel	554,230.37	-	554,230.37	42,095.16	22,906.25	22,906.25	782.70	-	-	572,636.58
Heating Fuel Oil-OE	26,018.21	-	26,018.21	1,181.34	149.45	149.45	-	-	-	27,050.10
Ca-District Heating	85,679.74	-	85,679.74	41,083.10	63,871.06	63,871.06	-	-	-	62,891.78
Fire Protection	6,502.76	-	6,502.76	-	-	-	-	-	-	6,502.76
Water Bills	42,471.38	-	42,471.38	-	41,835.01	41,835.01	-	-	-	636.37
Medicare-Employer Share-OE	74,074.03	-	74,074.03	-	-	-	-	-	-	74,074.03
Overexpenditure-Grant-OE	-	-	-	-	-	-	-	-	-	-
Social Security System-OE	202,300.52	-	202,300.52	-	-	-	-	-	-	202,300.52
Unemployment Insurance	-	-	-	-	-	-	-	-	-	-
Consolidated P&F Pensions-OE	66,065.69	-	66,065.69	-	-	-	-	-	-	66,065.69
Public Employee Ret Sys-OE	807.37	-	807.37	704.77	704.77	704.77	-	-	-	807.37
Police and Fire Retirement System	346.52	-	346.52	736.30	1,079.51	1,079.51	-	-	-	3.31
Defined Contribution Retirement System-OE	6,636.37	-	6,636.37	-	5,433.47	5,433.47	-	-	-	1,202.90
Recycling Agreement	2,067.53	-	2,067.53	70,612.77	70,612.77	70,612.77	-	-	-	2,067.53
EMD Shared Services	-	-	-	200,000.00	200,000.00	200,000.00	-	-	-	-
Public Health Services-/SW	3,200.50	-	3,200.50	-	-	-	-	-	-	3,200.50
Emergency-Accumulated Absence	5,000,000.00	-	5,000,000.00	-	5,000,000.00	5,000,000.00	-	-	-	-
Emergency-IRS & State NJ	4,725,000.00	-	4,725,000.00	-	864,682.53	864,682.53	-	-	3,860,317.47	-
Judgements	66,726.27	-	66,726.27	-	-	-	-	-	-	66,726.27
Ref.	\$ 21,749,504.27	\$ -	\$ 21,749,504.27	\$ 2,549,629.74	\$ 15,375,235.04	\$ 15,375,235.04	\$ -	\$ 308,428.57	\$ 3,860,317.47	\$ 4,755,152.93
	A									A-1

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

A-12

**CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS**

	<u>Ref.</u>	
Balance - June 30, 2016	A	\$ 1,300,000.00
Increased by:		
Reserves	A-2A	<u>1,494,534.55</u>
Balance - June 30, 2017	A	<u><u>\$ 2,794,534.55</u></u>

A-13

**CURRENT FUND
SCHEDULE OF RESERVE FOR RETRO PAYROLLS**

Balance - June 30, 2016	A	\$ 2,115,852.96
Decreased by:		
Cash Disbursed	A-4	<u>296,481.29</u>
Balance - June 30, 2017	A	<u><u>\$ 1,819,371.67</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B

**TRUST FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

ASSETS	Ref.	June 30,		LIABILITIES	Ref.	June 30,	
		2017	2016			2017	2016
Dog License Fund				Dog License Fund			
Cash	B-1	\$ 166,470.77	\$ 189,436.41	Reserve	B-3	\$ 166,470.77	\$ 189,436.41
		<u>166,470.77</u>	<u>189,436.41</u>			<u>166,470.77</u>	<u>189,436.41</u>
Municipal Public Defender				Municipal Public Defender			
Cash	B-1	81,501.58	12,211.24	Interfund - Current		60,000.00	-
Investment	B-2	-	1,574.98	Reserve		21,501.58	13,786.22
		<u>81,501.58</u>	<u>13,786.22</u>			<u>81,501.58</u>	<u>13,786.22</u>
Employees' Us Saving Bond Account:				Employees' Us Saving Bond Account:			
Cash	B-1	11,589.00	11,589.00	Employees Saving Bond	B-4	11,589.00	11,589.00
		<u>11,589.00</u>	<u>11,589.00</u>			<u>11,589.00</u>	<u>11,589.00</u>
Unemployment Comp. Insurance				Unemployment Comp. Insurance			
Cash	B-1	321,862.13	370,731.42				
Investments	B-2	1,755.05	1,745.36	Reserve	B-6	323,617.18	372,476.78
Interfund - Current		-	-			<u>323,617.18</u>	<u>372,476.78</u>
		<u>323,617.18</u>	<u>372,476.78</u>				
Worker's Comp Ins. Fund				Worker's Comp Ins. Fund			
Cash	B-1	4,822,747.71	5,311,305.83				
Investments	B-2	33,760.82	33,574.95	Reserve	B-5	4,856,508.53	5,344,880.78
Interfund - Current		-	-			<u>4,856,508.53</u>	<u>5,344,880.78</u>
		<u>4,856,508.53</u>	<u>5,344,880.78</u>				
Comprehensive Liab. Ins. Fund				Comprehensive Liab. Ins. Fund			
Cash	B-1	6,424,233.89	5,029,336.69				
Investments	B-2	48,498.47	48,231.54	Reserve	B-7	6,472,732.36	5,077,568.23
Interfund - Current		-	-			<u>6,472,732.36</u>	<u>5,077,568.23</u>
		<u>6,472,732.36</u>	<u>5,077,568.23</u>				
Special Law Enforcement Fund				Special Law Enforcement			
Cash	B-1	422,804.15	493,429.30				
Investments	B-2	959,674.24	942,448.17	Reserve	B-8	1,382,478.39	1,435,877.47
		<u>1,382,478.39</u>	<u>1,435,877.47</u>			<u>1,382,478.39</u>	<u>1,435,877.47</u>
General Trust Fund:				General Trust Fund			
Cash	B-1	1,491,275.69	1,480,905.93	Encumbrances-Account Payable		-	3,550.00
Investments	B-2	13,618,070.29	9,785,861.84	Encumbrances-Special Purpose		7,568.56	21,484.20
Interfund - Current		-	-	Encumbrances-Rca Accts		769,361.24	241,765.30
				Interfund-Current		28,446.63	139,148.57
				Accounts Payable		4,760,901.25	4,972,396.63
				Res For Special Purp		8,288,155.10	3,931,210.08
				Rca Reserve Accts		667,048.54	1,429,094.46
				Police Escrow		475,638.35	415,892.22
				Training Fees From Contracts		75,376.92	75,376.92
				Fund Balance		36,849.39	36,849.39
		<u>15,109,345.98</u>	<u>11,266,767.77</u>			<u>15,109,345.98</u>	<u>11,266,767.77</u>
Neighborhood Preservation Fund:				Neighborhood Preservation			
Cash	B-1	183,048.41	182,687.42	Reserve		183,048.41	183,029.79
Investments	B-2	-	342.37			<u>183,048.41</u>	<u>183,029.79</u>
		<u>183,048.41</u>	<u>183,029.79</u>				
Revolving Loan Fund:				Revolving Loan Fund			
Cash	B-1	600,545.46	2,738.23	Reserve - Loan Payable		3.90	4,108.96
Investments	B-2	-	1,370.73	Reserve		600,541.56	600,541.56
Interfund - Capital		-	600,541.56			<u>600,545.46</u>	<u>604,650.52</u>
		<u>600,545.46</u>	<u>604,650.52</u>				
Redevelopment Fund:				Redevelopment			
Cash	B-1	66,535.28	57,865.04	Fund Balance		66,535.28	66,519.59
Investments	B-2	-	8,654.55			<u>66,535.28</u>	<u>66,519.59</u>
		<u>66,535.28</u>	<u>66,519.59</u>				
Developer Escrow:				Developer Escrow:			
Cash	B-1	468,784.13	571,968.18	Reserve		468,784.13	571,968.18
		<u>468,784.13</u>	<u>571,968.18</u>			<u>468,784.13</u>	<u>571,968.18</u>
Total		<u>\$ 29,723,157.07</u>	<u>\$ 25,138,550.74</u>	Total		<u>\$ 29,723,157.07</u>	<u>\$ 25,138,550.74</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-1

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	Ref.	DOG LICENSE FUND	EMPLOYEES US BOND FUND	DEVELOPER ESCROW FUND	UNEMPLOYMENT COMP INS FUND	COMPREHENSIVE LIABILITY INS FUND	WORKERS' COMP INS FUND	GENERAL TRUST FUND	REDEVELOPMENT FUND	NEIGHBORHOOD PRESERVATION FUND	SPECIAL LAW ENFORCEMENT FUND	REVOLVING LOAN FUND	MUNICIPAL PUBLIC DEFENDER FUND
Balance - June 30, 2016	B	\$ 189,436.41	\$ 11,589.00	\$ 571,968.18	\$ 370,731.42	\$ 5,029,336.69	\$ 5,311,305.83	\$ 1,480,905.93	\$ 57,865.04	\$ 182,687.42	\$ 493,429.30	\$ 2,738.23	\$ 12,211.24
Increase by Receipts:													
Investment Matured	B-2	-	-	-	22,745.52	628,546.79	201,874.11	110,536,947.42	17,315.27	684.99	5,714,515.20	2,742.44	3,151.08
Interfund Advances		63,722.34	-	-	-	-	-	25,559,039.59	-	-	-	604,647.99	71,828.21
Dept.- Miscell Schedule Payable		-	-	-	-	-	-	22,375,954.30	-	-	-	-	-
Funds Collected for Special Purp.		-	-	-	-	-	-	4,689,512.76	-	-	-	-	-
Funds Collected for RCA		-	-	-	-	-	-	3,075.98	-	-	-	-	-
Municipal Application Fees		-	-	-	-	-	-	-	-	-	-	-	79,536.62
Developer Escrow - Cash Deposit		-	-	75,931.75	-	-	-	-	-	-	-	-	-
Reserve for Special Law	B-20	-	-	-	332,202.66	-	-	-	-	-	97,324.77	-	-
Reserve for Unemp Comprehens Ins.		-	-	-	822.56	770.00	10,803.40	47,198.44	15.69	18.62	5,320.86	-	6.95
Dog License Fees	B-5	40,756.70	-	-	-	-	-	-	-	-	-	-	-
Reserve for Comprehensive Ins.		-	-	-	-	2,394,394.17	-	-	-	-	-	-	-
Reserve for Workers' Comp Ins.		-	-	-	-	-	700,824.35	-	-	-	-	-	-
Total receipts		104,479.04	-	75,931.75	355,770.74	3,023,710.96	913,501.86	163,211,728.49	17,330.96	703.61	5,817,170.83	607,390.43	154,522.86
Subtotal		293,915.45	11,589.00	647,899.93	726,502.16	8,053,047.65	6,224,807.69	164,692,634.42	75,196.00	183,391.03	6,310,600.13	610,128.66	166,734.10
Decreased by Disbursement:													
Investments Purchased	B-2	-	-	-	22,755.21	628,813.72	202,059.98	114,369,155.87	8,660.72	342.62	5,731,741.27	1,371.71	1,576.10
Interfund Advances Returned		63,722.34	-	-	-	1,000,000.00	1,200,000.00	25,669,741.53	-	-	156,044.71	4,106.53	11,828.21
Payment on Accounts Payables		-	-	-	-	-	-	22,529,130.33	-	-	-	4,105.06	71,828.21
Payment on RCA		-	-	-	-	-	-	237,525.96	-	-	-	-	-
Disbursement for Special Purposes		-	-	-	-	-	-	348,606.60	-	-	-	-	-
Developer Escrow - Cash Disbursement		-	-	179,115.80	-	-	-	-	-	-	-	-	-
Reserve for Unemp Compensation		-	-	-	381,884.82	-	-	-	-	-	-	-	-
Interest Remitted to Current Fund		-	-	-	-	-	-	47,198.44	-	-	-	-	-
Dog License Fund Expenditures		63,722.34	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		127,444.68	-	179,115.80	404,640.03	1,628,813.72	1,402,059.98	163,201,358.73	8,660.72	342.62	5,887,785.98	9,583.30	85,232.52
Balance - June 30, 2017	B	\$ 166,470.77	\$ 11,589.00	\$ 468,784.13	\$ 321,862.13	\$ 6,424,233.93	\$ 4,822,747.71	\$ 1,491,275.69	\$ 66,535.28	\$ 183,048.41	\$ 422,814.15	\$ 600,545.36	\$ 81,501.58

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-2

**TRUST FUND
SCHEDULE OF INVESTMENTS**

	REF	NEIGHBORHOOD PRESERVATION FUND	PUBLIC DEFENDER FUND	SPECIAL LAW ENFORCEMENT FUND	WORKERS' COMP INS FUND	UNEMPLOYMENT COMP INS FUND	COMPREH. LIABILITY INS FUND	GENERAL TRUST FUND	REDEVELOP- MENT FUND	REVOLVING LOAN FUND
Balance - June 30, 2016		\$ 342.37	\$ 1,574.98	\$ 942,448.17	\$ 33,574.95	\$ 1,745.36	\$ 48,231.54	\$ 9,785,861.84	\$ 8,654.55	\$ 1,370.73
Increase by:										
Investment Purchased	B-1	342.62	1,576.10	5,731,741.27	202,059.98	22,755.21	628,813.72	114,369,155.87	8,660.72	1,371.71
Decrease by:										
Investments Matured	B-1	684.99	3,151.08	5,714,515.20	201,874.11	22,745.52	628,546.79	110,536,947.42	17,315.27	2,742.44
Balance - June 30, 2017		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 959,674.24</u>	<u>\$ 33,760.82</u>	<u>\$ 1,755.05</u>	<u>\$ 48,498.47</u>	<u>\$ 13,618,070.29</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-3

**DOG LICENSE FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURE**

	<u>Ref.</u>	
Balance - June 30, 2016	B	\$ 189,436.41
Increased by		
Dog License Fees	B-1	40,756.70
Interfund Advances Returned	B-1	<u>63,722.34</u>
		293,915.45
Decreased by		
Dog License Expenditures	B-1	63,722.34
Interfund Advances	B-1	<u>63,722.34</u>
Balance - June 30, 2017	B	<u>\$ 166,470.77</u>
License Fees Collected		
	2015	\$ 51,706.75
	2016	<u>63,771.73</u>
		<u>\$ 115,478.48</u>

Note: R.S. 4:19-15.11

"... there shall be transferred from such special account to the general funds of the municipality any amount then in such account which is in excess of the total amount paid into said special account during the last two fiscal years next preceding."

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-4

**EMPLOYEES' US SAVINGS BOND ACCOUNT
SCHEDULE OF EMPLOYEES' DEPOSITS**

	<u>Ref.</u>	
Balance - June 30, 2016	B	<u>\$ 11,589.00</u>
Balance - June 30, 2017	B	<u>\$ 11,589.00</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-5

**WORKERS' COMPENSATION INSURANCE FUND
SCHEDULE OF RESERVE FOR WORKERS' COMPENSATION**

	<u>Ref.</u>	
Balance - June 30, 2016	B	\$ 5,344,880.78
Increased by		
Interest on Investment (I/Fund)	B-1	10,803.40
City Contribution		<u>700,824.35</u>
		<u>711,627.75</u>
Decreased by		
Interfund Advances Returned		<u>1,200,000.00</u>
		<u>1,200,000.00</u>
Balance - June 30, 2017	B	<u><u>\$ 4,856,508.53</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-6

**UNEMPLOYMENT COMPENSATION INSURANCE FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION**

	<u>Ref.</u>		
Balance - June 30, 2016	B	\$	372,476.78
Increased by			
City Contribution	B-1	\$	332,202.66
Interest on Investment	B-1		<u>822.56</u>
			<u>333,025.22</u>
			705,502.00
Decreased by			
Unemployment Benefits Paid	B-1		<u>381,884.82</u>
Balance - June 30, 2017	B	\$	<u><u>323,617.18</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-7

**COMPREHENSIVE LIABILITY INSURANCE FUND
SCHEDULE OF RESERVE FOR COMPREHENSIVE LIABILITY INSURANCE**

	<u>Ref.</u>	
Balance - June 30, 2016	B	\$ 5,077,568.23
Increased by		
City Contribution	B-1	2,394,394.17
Interest on Investments	B-1	<u>770.00</u>
		7,472,732.40
Decreased By:		
Interfund Advances	B-1	<u>1,000,000.00</u>
Balance - June 30, 2017	B	<u><u>\$ 6,472,732.40</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

B-8

**SPECIAL LAW ENFORCEMENT FUND
SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT**

	<u>Ref.</u>		
Balance - June 30, 2016	B		\$ 1,435,877.47
Increased by			
Cash Receipts	B-1	\$ 97,324.77	
Interest on Investment	B-1	<u>5,320.86</u>	
			<u>102,645.63</u>
			1,538,523.10
Decreased by			
Interfund Advances Returned	B-1	<u>156,044.71</u>	
			<u>156,044.71</u>
Balance - June 30, 2017	B		<u><u>\$ 1,382,478.39</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

BA

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES**

<u>Assets</u>	<u>Ref.</u>	June 30,	
		2017	2016
Cash	BA-1	\$ 98,218.86	\$ 313,803.53
Fed Grants Receivable	BA-2	4,576,929.33	5,755,354.40
Other Fed Grants Receivable	BA-3	12,917,921.59	9,964,499.58
		<u>\$ 17,593,069.78</u>	<u>\$ 16,033,657.51</u>
<u>Liabilities & Reserves</u>			
Reserve For Encumbrance	BA-5	\$ 5,598,404.49	\$ 3,990,416.63
Interfund Accounts Payable	BA-6	3,264,093.94	3,201,908.60
Reserve For Section 108 Loans	BA-7	64,138.72	61,877.69
Reserve For Loan Payments	BA-8	13,875.00	4,025.00
Reserve For Grants	BA-9	8,652,557.63	8,775,429.59
		<u>\$ 17,593,069.78</u>	<u>\$ 16,033,657.51</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

BA-1

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF CASH**

	<u>Ref.</u>	
Balance - June 30, 2016	BA	\$ 313,803.53
Increased by:		
Federal Grants Received	BA-2	639,785.49
Other Federal Grants Received	BA-3	3,239,385.88
Section 108 Loan Repayments		2,261.03
Loan Payments and Interest		9,850.00
Interfund advances Received		<u>242,756.49</u>
		<u>4,134,038.89</u>
Decreased by:		
Interfund advances Disbursed		<u>4,349,623.56</u>
		<u>4,349,623.56</u>
Balance - June 30, 2017	BA	<u>\$ 98,218.86</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

BA-2

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF FEDERAL GRANTS RECEIVABLE**

	<u>Ref.</u>	
Balance - June 30, 2016	BA	\$ 5,755,354.40
Increased By:		
Correction		<u>6,586.01</u>
New Grants Authorized - Year 42		<u>1,152,958.00</u>
		<u>6,914,898.41</u>
Decreased By		
Cash Received	BA-1	639,785.49
Cancellations		<u>1,698,183.59</u>
		<u>2,337,969.08</u>
Balance - June 30, 2017	BA	<u><u>\$ 4,576,929.33</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

BA-3

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND
SCHEDULE OF OTHER FEDERAL GRANTS RECEIVABLE**

	Ref.	Total	2015 Excess	Excess Program Income	Emergency Shelter	Shelter Plus Care	Special Needs Assistance	Continuous Care	Home Program
Balance - June 30, 2016	BA	<u>\$ 9,964,499.58</u>	<u>\$ 3,441,889.00</u>	<u>\$ 279,018.18</u>	<u>\$ 256,643.32</u>	<u>\$ 757,832.80</u>	<u>\$ 91,796.00</u>	<u>\$ 1,380,355.58</u>	<u>\$ 3,756,964.70</u>
Increased By:									
Increased By New Grants Authorized		4,585,419.00	-	-	213,526.00	-	-	3,817,889.00	554,004.00
Increased By New Grants Authorized		<u>3,518,821.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,518,821.00</u>	<u>-</u>
		<u>18,068,739.58</u>	<u>3,441,889.00</u>	<u>279,018.18</u>	<u>470,169.32</u>	<u>757,832.80</u>	<u>91,796.00</u>	<u>8,717,065.58</u>	<u>4,310,968.70</u>
Decreased By:									
Cancellations		1,943,386.09	49,844.45	156,103.26	254.97	500,305.80	71,767.15	384,263.26	780,847.20
Cancellation Rounding		(31,953.98)	-	-	(13.98)	-	-	-	(31,940.00)
Decreased By Cash Received	BA-1	<u>3,239,385.88</u>	<u>-</u>	<u>49,844.45</u>	<u>194,230.45</u>	<u>116,056.00</u>	<u>-</u>	<u>2,879,254.98</u>	<u>-</u>
		<u>5,150,817.99</u>	<u>49,844.45</u>	<u>205,947.71</u>	<u>194,471.44</u>	<u>616,361.80</u>	<u>71,767.15</u>	<u>3,263,518.24</u>	<u>748,907.20</u>
Balance - June 30, 2017	BA	<u>\$ 12,917,921.59</u>	<u>\$ 3,392,044.55</u>	<u>\$ 73,070.47</u>	<u>\$ 275,697.88</u>	<u>\$ 141,471.00</u>	<u>\$ 20,028.85</u>	<u>\$ 5,453,547.34</u>	<u>\$ 3,562,061.50</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C

**GENERAL CAPITAL FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

<u>ASSETS</u>	<u>Ref.</u>	June 30,	
		2017	2016
Cash	C-2	\$ 70,516.75	\$ 1,206,397.49
Investment	C-3	25,190.44	25,051.79
	C-4	95,707.19	1,231,449.28
Grants Receivable W/O Reserve	C-6	6,982,596.87	5,668,738.04
Loans Receivable W/ Reserve		2,223,100.03	2,329,244.86
Deferred Charges to Future Taxation			
Funded	C-7	133,647,458.74	139,706,594.09
Unfunded	C-8	53,986,433.10	45,863,777.93
		<u>\$ 196,935,295.93</u>	<u>\$ 194,799,804.20</u>
<u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Interfund Accounts Payable	C-5	2,502,846.66	812,787.48
Serial Bonds			
Qualified General	C-9	106,402,000.00	107,690,000.00
School	C-9	9,665,000.00	10,835,000.00
Go Pens Ref	C-9	9,874,956.95	11,718,574.85
School Pens Ref	C-9	6,780,000.00	8,280,000.00
Bond Anticipation Notes			
General	C-10	10,667,251.00	13,410,500.00
School	C-10	362,000.00	1,625,000.00
Improvement Authorizations			
Funded	C-11	39,348,429.55	28,763,477.15
Loans Payable:			
Green Acres	C-13	269,368.25	322,244.61
N.J. Dept. Of Community Affairs	C-13	656,133.54	860,774.63
Reserve for Loans Receivable	C-6a	2,223,100.03	2,329,244.86
Reserve for Payment On Green Acres Loan	C-15	600,000.00	600,000.00
Reserve for Future Debt Service	C-18	123,810.49	123,810.49
Reserve for Encumbrances	C-14	7,167,873.68	7,220,126.37
Fund Balance	C-1	292,525.78	208,263.76
		<u>\$ 196,935,295.93</u>	<u>\$ 194,799,804.20</u>
Bond & Notes Authorized but Not Issued	C-12	<u>\$ 42,956,181.33</u>	<u>\$ 30,827,776.96</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-1

**GENERAL CAPITAL FUND
STATEMENT OF CHANGES IN FUND BALANCE**

	<u>Ref.</u>	
Balance - June 30, 2016	C	\$ 208,263.76
Increased By :		
Premium On Bonds June 13, 2017	C-2	<u>84,262.02</u>
Balance - June 30, 2017	C	<u><u>\$ 292,525.78</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-2

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>		
Balance - June 30, 2016	C		\$ 1,206,397.49
Increased By Receipts			
Interest On Investments	C-5	\$ 138.65	
Investments Matured	C-3	326,471.57	
Approp Refund		24,995.99	
Bond Anticipation Notes	C-10	10,667,251.00	
School Bond Anticipation Notes	C-10	362,000.00	
New Serial Bonds Issued	C-9	8,807,000.00	
Premium On Bonds	C-1	<u>84,262.02</u>	
			<u>20,272,119.23</u>
			21,478,516.72
Decreased By Disbursements			
Investments Purchased	C-3	326,610.22	
Bond Anticipation Notes Maturities	C-10	13,410,500.00	
School Bond Anticipation Notes Maturities	C-10	1,625,000.00	
Interfund Advances - Current	C-4, C-5	5,937,573.21	
Improvement Auth - Board Of Education	C-4	<u>108,316.54</u>	
			<u>21,407,999.97</u>
Balance - June 30, 2017	C		<u>\$ 70,516.75</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-3

**GENERAL CAPITAL FUND
SCHEDULE OF INVESTMENTS**

	<u>Ref.</u>	
Balance - June 30, 2016	C	\$ 25,051.79
Increased By Investments Purchased	C-2	<u>326,610.22</u> 351,662.01
Decreased By Investments Matured	C-2	<u>326,471.57</u>
Balance - June 30, 2017	C	<u><u>\$ 25,190.44</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-4

**GENERAL CAPITAL FUND
ANALYSIS OF CASH AND INVESTMENTS**

	BALANCE June 30, 2016	RECEIPTS		DISBURSEMENTS			TRANSFERS		BALANCE June 30, 2017
		SERIAL BONDS & BANS	OTHER	IMPROVEMENT AUTHORIZATIONS	SERIAL BONDS & BANS	OTHER	FROM	TO	
Fund Balance	\$ 208,263.76	\$ 82,262.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290,525.78
Capital Improvement Fund	-	-	-	-	-	-	-	-	-
Improvement Authorizations Funded	7,380,800.55	19,836,251.00	109,258.01	-	15,035,500.00	108,316.54	8,021,371.89	-	4,161,121.13
Interfund Accounts Receivable	(812,687.48)	-	1,122,718.64	-	-	5,937,573.21	-	8,130,388.71	2,502,846.66
Grants Receivable	(5,668,738.04)	-	-	1,207,714.00	-	-	106,144.83	-	(6,982,596.87)
Reserve for Future Debt Service	123,810.49	-	-	-	-	-	-	-	123,810.49
	<u>\$ 1,231,449.28</u>	<u>\$ 19,918,513.02</u>	<u>\$ 1,231,976.65</u>	<u>\$ 1,207,714.00</u>	<u>\$ 15,035,500.00</u>	<u>\$ 6,045,889.75</u>	<u>\$ 8,127,516.72</u>	<u>\$ 8,130,388.71</u>	<u>\$ 95,707.19</u>
Ref.	C	C-2	C-2	C-2	C-2	C-2			C

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-5

**GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND ACCOUNTS PAYABLE**

	<u>Ref.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>	<u>REVOLVING LOAN</u>
Balance - June 30, 2016	C	\$ (812,787.48)	\$ (1.98)	\$ (212,243.94)	\$ (600,541.56)
Increased By					
Expenses Paid for Other Funds		600,541.56	-	-	600,541.56
		<u>(212,245.92)</u>	<u>(1.98)</u>	<u>(212,243.94)</u>	<u>-</u>
Decreased By					
Interest on Investments Due Current Fund	C-2	138.65	138.65	-	-
Interfund Advances Returned	C-2	1,122,579.99	1,122,579.99	-	-
Expenses Paid by Other Funds		<u>1,167,882.10</u>	<u>1,167,882.10</u>	<u>-</u>	<u>-</u>
		<u>2,290,600.74</u>	<u>2,290,600.74</u>	<u>-</u>	<u>-</u>
Balance - June 30, 2017	C	<u>\$ (2,502,846.66)</u>	<u>\$ (2,290,602.72)</u>	<u>\$ (212,243.94)</u>	<u>\$ -</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-6

**GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE WITHOUT RESERVE**

	<u>INCREASED BY:</u>		
	<u>BALANCE - JUNE 30, 2016</u>	<u>2017 BUDGET APPROPRIATION</u>	<u>BALANCE - JUNE 30, 2017</u>
NJ Department of Transportation	\$ 3,764,849.29	\$ 1,207,714.00	\$ 4,972,563.29
Delaware Valley Regional Planning Commission	338,640.72	-	338,640.72
Green Acres	1,565,248.03	106,144.83	1,671,392.86
	<u>\$ 5,668,738.04</u>	<u>\$ 1,313,858.83</u>	<u>\$ 6,982,596.87</u>
Ref.	C	C-11	C

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-6A

**GENERAL CAPITAL FUND
SCHEDULE OF LOANS RECEIVABLE WITH RESERVE**

	BALANCE - JUNE 30, 2016	BALANCE - JUNE 30, 2017
GREEN ACRES	\$ 2,329,244.86	\$ 2,223,100.03
	<u>\$ 2,329,244.86</u>	<u>\$ 2,223,100.03</u>
Ref.	C	C

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-7

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAX - FUNDED**

	<u>Ref.</u>		
Balance - June 30, 2016	C		\$ 139,706,594.09
Increased by			
Issuance of Qual. Gen. Ob.	C-9	\$ 7,507,000.00	
School Serial Bonds Issued	C-9	1,300,000.00	
			<u>8,807,000.00</u>
			148,513,594.09
Decreased by FY 2013 Budget Appropriations to Pay			
Serial Bonds Refinanced			
Qualified G.O. Improv.		8,795,000.00	
Pension Refunding General		1,843,617.90	
Pension Refunding School		1,500,000.00	
School Improvements		<u>2,470,000.00</u>	
	C-9		14,608,617.90
Payments of Loans			
Green Acres		52,876.36	
NJDCA		<u>204,641.09</u>	
	C-13		<u>257,517.45</u>
			14,866,135.35
Balance - June 30, 2017	C		<u>\$ 133,647,458.74</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-8

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAX - UNFUNDED**

GENERAL IMPROVEMENTS	ORDINANCE NO	BALANCE - JUNE 30, 2016	2017 AUTHORIZATION	TRANSFERRED TO CANCELLED	RECLASS PAYDOWNS	FUNDED BY ISSUE OF SERIAL BONDS	BALANCE - JUNE 30, 2017	ANALYSIS OF BALANCE JUNE 30, 2017		
								FINANCED BY BANS	NET EXPENDITURES	UNEXP IMPROV AUTHORIZATION
Various Capital Improvements	97-20	\$ 1.00	\$ -	\$ -	\$ -	\$ -	\$ 1.00	\$ -	\$ (141,624.00)	\$ 141,625.00
Various Capital Improvements	97-137	83,862.23	-	-	-	80,000.00	3,862.23	3,862.00	3,862.23	(0.00)
Various Capital Improvements	99-7	24,665.80	-	-	-	18,000.00	6,665.80	6,166.00	6,665.80	0.00
Various Capital Improvements	00-11	17,833.25	-	-	-	8,000.00	9,833.25	7,898.00	9,833.25	(0.00)
Various Capital Improvements	01-4	(0.60)	-	-	-	-	(0.60)	-	(0.60)	-
Various Capital Improvements	01-101	241,034.22	-	-	-	25,000.00	216,034.22	216,034.00	216,034.22	-
Various Capital Improvements	02-112	687,745.03	-	-	106,144.83	-	581,600.20	-	(248,169.61)	829,769.81
Various Capital Improvements	03-94	1,038,560.00	-	-	-	366,000.00	672,560.00	182,000.00	297,337.63	375,222.37
Various Capital Improvements	04-68	822,600.00	-	-	-	280,000.00	542,600.00	206,800.00	287,409.00	255,191.00
Various Capital Improvements	05-86	1,814,373.00	-	206,709.03	-	150,000.00	1,457,663.97	215,000.00	403,251.18	1,054,412.79
Various Capital Improvements	06-102	4,647,622.00	-	-	-	500,000.00	4,147,622.00	630,000.00	1,728,253.38	2,419,368.62
Various Capital Improvements	07-28	800,000.00	-	-	-	-	800,000.00	-	770,234.84	29,765.16
Various Capital Improvements	07-079	3,664,500.00	-	-	-	630,000.00	3,034,500.00	260,500.00	284,910.17	2,749,589.83
Various Capital Improvements	08-43	-	-	-	-	-	-	-	(70,258.44)	70,258.44
Various Capital Improvements	08-44	-	-	-	-	-	-	-	(63,104.84)	63,104.84
Various Capital Improvements	10-35	7,496,387.00	-	-	-	1,050,000.00	6,446,387.00	1,100,000.00	528,268.52	5,918,118.48
Various School Capital Improvements	12-04	2,300,000.00	-	-	-	1,300,000.00	1,000,000.00	362,000.00	419,944.20	580,055.80
Various Capital Improvements	13-18	11,932,095.00	-	-	-	3,700,000.00	8,232,095.00	2,986,000.00	4,037,096.48	4,194,998.52
Various Capital Improvements	13-57	-	-	-	-	-	-	-	(132,248.28)	132,248.28
Various Capital Improvements	14-38	1,200,000.00	-	-	-	-	1,200,000.00	1,212.00	1,211.87	1,198,788.13
Various Capital Improvements	14-40	7,092,500.00	-	-	-	400,000.00	6,692,500.00	3,851,779.00	3,958,809.76	2,733,690.24
Various Capital Improvements	15-01	2,000,000.00	-	-	-	300,000.00	1,700,000.00	-	(256,206.18)	1,956,206.18
Various Capital Improvements	16-35	-	17,035,800.00	-	-	-	17,035,800.00	1,000,000.00	2,596,492.97	14,439,307.03
Various Capital Improvements	17-37	-	206,709.03	-	-	-	206,709.03	-	-	206,709.03
Ref.		\$ 45,863,777.93	\$ 17,242,509.03	\$ 206,709.03	\$ 106,144.83	\$ 8,807,000.00	\$ 53,986,433.10	\$ 11,029,251.00	\$ 12,041,510.58	\$ 39,348,429.55
		C	C-11, C-12	C-2, C-12		C-9	C	C-10		C-11

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-9

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS ISSUED AND OUTSTANDING**

	Ref.	Total	Qualified G.O. Improvement	School Improvement	G.O. Pension Refunding	School Pension Refunding
Balance - June 30, 2016	C	\$ 138,523,574.85	\$ 107,690,000.00	\$ 10,835,000.00	\$ 11,718,574.85	\$ 8,280,000.00
Increased By Issuance Of Serial Bonds & Bond New Issues	C-7	8,807,000.00 147,330,574.85	7,507,000.00 115,197,000.00	1,300,000.00 12,135,000.00	- 11,718,574.85	- 8,280,000.00
Decreased By 2016 Budget Appropriations To General Improvements		14,608,617.90	8,795,000.00	2,470,000.00	1,843,617.90	1,500,000.00
Balance - June 30, 2017	C	<u>\$ 132,721,956.95</u>	<u>\$ 106,402,000.00</u>	<u>\$ 9,665,000.00</u>	<u>\$ 9,874,956.95</u>	<u>\$ 6,780,000.00</u>
			C	C	C	C

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-9A

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS ISSUED AND OUTSTANDING (IN THOUSANDS)
DETAIL MATURITIES**

PURPOSE OF ISSUE	SERIES	ORIGINAL ISSUE (THOUSANDS)	DATE OF ISSUE	RATE OF INTEREST	DATE OF MATURITY	YEARLY MATURITIES (THOUSANDS) \$S	OUTSTANDING JUNE 30, 2017 (THOUSANDS)
Summary Of Bonds							
Qualified General Improvement Bonds	2005	30,440	September 15, 2015			\$ 14,320.00	
			July 1, 2007			1,750.00	
Qualified General Improvement Bonds	2008	19,281	December 15, 2015			15,130.00	
Qualified General Improvement Bonds	2010	36,659	June 29, 2010			33,250.00	
Qualified General Improvement Bonds	2010	36,659	June 29, 2010			5,095.00	
Qualified General Improvement Refunding Bonds	June 8, 2010	10,670	June 8, 2010			-	
Qualified General Improvement Bonds	January 18, 2012	3,172	January 18, 2012			2,120.00	
Qualified General Improvement Bonds	March 25, 2013	22,660	March 25, 2013			15,300.00	
Qualified General Improvement Bonds	June 17, 2015	4,797	June 17, 2015			4,165.00	
Qualified General Improvement Bonds	June 13, 2017	10,667	June 13, 2017			<u>7,507.00</u>	
							\$ 98,637.00
Go Pension Refunding Bonds	April 1, 2003	22,991	April 1, 2003			9,874.96	9,874.96
School Pension Refunding Bonds	April 1, 2003	19,945	April 1, 2003			6,780.00	6,780.00
School Improvement Bonds - Series A	2010	6,923	June 29, 2010			5,795.00	
School Improvement Bonds - Series B	2010	1,250	June 29, 2010			900.00	
School Improvement Bonds	2015	1,875	June 17, 2015			1,670.00	
School Improvement Bonds	2017	130	June 13, 2017			<u>1,300.00</u>	
							9,665.00
Hotel Bonds	2014	9,875	February 5, 2014			<u>7,765.00</u>	<u>7,765.00</u>
Total Serial Bonds Issued							<u>\$ 132,721.96</u>
Qualified General Improvement Bonds	March 25, 2013	22,660	March 25, 2013		July 15, 2017 July 15, 2018 July 15, 2019 July 15, 2020	3,835.00 3,830.00 3,820.00 <u>3,815.00</u>	\$ 15,300.00
Qualified General Improvement Bonds	2005	30,440	September 4, 2015	4.000% 4.000% 4.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000% 5.000%	December 1, 2017 December 1, 2018 December 1, 2019 December 1, 2020 December 1, 2021 December 1, 2022 December 1, 2023 December 1, 2024 December 1, 2025 December 1, 2026	1,410.00 1,390.00 1,380.00 1,380.00 1,270.00 1,345.00 1,420.00 1,490.00 1,575.00 <u>1,660.00</u>	14,320.00
			2007 SERIES		July 15, 2017	<u>1,750.00</u>	1,750.00
Qualified General Improvement Bonds	2008	19,281	Dec. 15, 2015	4.500% 4.500% 4.500% 4.500% 4.500% 5.000%	July 15, 2017-18 July 15, 2019 July 15, 2020 July 15, 2021 July 15, 2022 July 15, 2023	1,685.00 1,770.00 1,810.00 1,905.00 3,115.00 <u>4,845.00</u>	15,130.00
Qualified General Improvement Bonds	2010	36,659	June 29, 2010	5.000% 5.000% 5.000% 5.000% 4.000% 4.000% 4.250% 4.250%	July 15, 2017 July 15, 2018 July 15, 2019 July 15, 2020 July 15, 2021 July 15, 2022 July 15, 2023 July 15, 2024	800.00 1,000.00 1,200.00 1,500.00 6,500.00 7,250.00 6,500.00 <u>8,500.00</u>	33,250.00
Qualified General Improvement Bonds	2010	36,659	June 29, 2010	5.000% 5.000% 5.000% 4.000%	July 15, 2017 July 15, 2018 July 15, 2019 July 15, 2021	920.00 965.00 1,015.00 <u>1,125.00</u>	5,095.00

C-9A

PURPOSE OF ISSUE	SERIES	ORIGINAL ISSUE (THOUSANDS)	DATE OF ISSUE	RATE OF INTEREST	DATE OF MATURITY	YEARLY MATURITIES (THOUSANDS) \$S	OUTSTANDING JUNE 30, 2016 (THOUSANDS)
Qualified General Improvement Bonds	1/18/2012	3,172	January 18, 2012	4.000%	February 1, 2018	250.00	
				5.000%	February 1, 2019	250.00	
				4.000%	February 1, 2020	250.00	
				3.000%	February 1, 2021	275.00	
				5.000%	February 1, 2022	295.00	
				3.000%	February 1, 2023	400.00	
				3.000%	February 1, 2024	400.00	2,120.00
Qualified General Improvement Bonds	6/17/2015	4,797	June 17, 2015	5.000%	April 15, 2018	320.00	
				4.000%	April 15, 2019	325.00	
				4.000%	April 15, 2020	330.00	
				4.000%	April 15, 2021	340.00	
				4.000%	April 15, 2022	350.00	
				4.000%	April 15, 2023	620.00	
				3.000%	April 15, 2024	620.00	
				3.000%	April 15, 2025	630.00	
				3.000%	April 15, 2026	630.00	4,165.00
							91,130.00
Qualified General Improvement Bonds	6/13/2017	7,507	June 13, 2017	4.000%	March 15, 2018	457.00	
				4.000%	March 15, 2019	455.00	
				4.000%	March 15, 2020	455.00	
				4.000%	March 15, 2021	455.00	
				4.000%	March 15, 2022	455.00	
				3.000%	March 15, 2023	800.00	
				3.000%	March 15, 2024	800.00	
				3.000%	March 15, 2025	900.00	
				3.000%	March 15, 2026	910.00	
				3.000%	March 15, 2027	910.00	
				3.000%	March 15, 2028	910.00	7,507.00
Go Pension Refunding Bonds	11/29/2012	12,245	November 29, 2012	2.617%	April 1, 2018	1,350.00	
				2.817%	April 1, 2019	1,415.00	
				3.141%	April 1, 2020	1,480.00	
				3.341%	April 1, 2021	1,555.00	
				3.541%	April 1, 2022	1,215.00	
				3.741%	April 1, 2023	200.00	
	3/3/2003	17,446	March 3, 2003	4.705%	April 1, 2018	549.90	
				4.705%	April 1, 2019	554.62	
				4.705%	April 1, 2020	559.33	
				4.705%	April 1, 2021	564.04	
				4.705%	April 1, 2022	432.07	
							9,874.96
School Pension Refunding Bonds	11/29/2012	12,690	November 29, 2012	2.567%	April 1, 2018	1,540.00	
				2.767%	April 1, 2019	1,590.00	
				3.091%	April 1, 2020	1,645.00	
				3.291%	April 1, 2021	1,700.00	
				3.491%	April 1, 2022	305.00	6,780.00
							24,161.96
School Improvement Bonds - Series A	2010	6,923	June 29, 2010	4.000%	July 15, 2017	245.00	
				4.000%	July 15, 2018	250.00	
				4.000%	July 15, 2019	250.00	
				5.000%	July 15, 2020	250.00	
				5.000%	July 15, 2021	300.00	
				4.000%	July 15, 2022	300.00	
				4.000%	July 15, 2023	300.00	
				4.250%	July 15, 2024	300.00	
				4.250%	July 15, 2025	300.00	
				4.250%	July 15, 2026	300.00	
				4.500%	July 15, 2027	300.00	
				4.500%	July 15, 2028	300.00	
				4.500%	July 15, 2029	300.00	
				4.500%	July 15, 2030	300.00	
				4.625%	July 15, 2031	300.	

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-9A

**GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS ISSUED AND OUTSTANDING (IN THOUSANDS)
DETAIL MATURITIES (CONTINUED)**

PURPOSE OF ISSUE	SERIES	ORIGINAL ISSUE (THOUSANDS)	DATE OF ISSUE	RATE OF INTEREST	DATE OF MATURITY	YEARLY MATURITIES (THOUSANDS) \$S	OUTSTANDING JUNE 30, 2016 (THOUSANDS)
School Improvement Bonds - Series B	2010	1,250	June 29, 2010	4.000%	July 15, 2017	90.00	
				4.000%	July 15, 2018	90.00	
				4.000%	July 15, 2019	90.00	
				5.000%	July 15, 2020	90.00	
				5.000%	July 15, 2021	90.00	
				4.000%	July 15, 2022	90.00	
				4.000%	July 15, 2023	90.00	
				4.250%	July 15, 2024	90.00	
				4.250%	July 15, 2025	90.00	
				4.250%	July 15, 2026	90.00	
School Improvement Bonds	2015	1,875	June 17, 2015	3.000%	April 15, 2018	110.00	
				4.000%	April 15, 2019	115.00	
				4.000%	April 15, 2020	120.00	
				4.000%	April 15, 2021	125.00	
				3.000%	April 15, 2022	200.00	
				3.000%	April 15, 2023	200.00	
				3.000%	April 15, 2024	200.00	
				3.000%	April 15, 2025	200.00	
				3.000%	April 15, 2026	200.00	
				3.000%	April 15, 2027	200.00	
School Improvement Bonds	2017	1,300	June 13, 2017	3.000%	March 15, 2018	100.00	
				3.000%	March 15, 2019	100.00	
				3.000%	March 15, 2020	100.00	
				3.000%	March 15, 2021	100.00	
				3.000%	March 15, 2022	100.00	
				2.000%	March 15, 2023	100.00	
				3.000%	March 15, 2024	100.00	
				3.000%	March 15, 2025	120.00	
				3.000%	March 15, 2026	120.00	
				3.000%	March 15, 2027	120.00	
Total School				3.125%	March 15, 2028	120.00	1,300.00
							9,665.00
Hotel Bonds	2014	9,875	February 5, 2014	4.000%	February 15, 2018	730.00	
				4.000%	February 15, 2019	745.00	
				4.000%	February 15, 2020	765.00	
				4.000%	February 15, 2021	790.00	
				4.250%	February 15, 2022	825.00	
				4.500%	February 15, 2023	860.00	
				4.750%	February 15, 2024	900.00	
				5.000%	February 15, 2025	925.00	
				5.000%	February 15, 2026	975.00	
				5.000%	February 15, 2027	250.00	
TOTAL						\$	132,721.96

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-10

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL ISSUE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE - JUNE 30, 2016	INCREASE	DECREASE	BALANCE - JUNE 30, 2017
Various Capital Improvements	6/17/2015	6/17/2016	6/17/2017	1.600%	\$13,410,500.00	\$ -	\$ 13,410,500.00	\$ -
Various Capital Improvements		6/13/2017	6/13/2018	1.790%	-	10,667,251.00		10,667,251.00
					<u>\$13,410,500.00</u>	<u>\$ 10,667,251.00</u>	<u>\$ 13,410,500.00</u>	<u>\$10,667,251.00</u>
				Ref.	C	C-2	C-2	C
Various School Capital Improvements	6/17/2015	6/17/2016	6/17/2017	1.600%	\$ 1,625,000.00	\$ -	\$ 1,625,000.00	\$ -
Various School Capital Improvements	6/18/2014	6/13/2017	6/13/2018	1.790%	-	362,000.00	-	362,000.00
					<u>\$ 1,625,000.00</u>	<u>\$ 362,000.00</u>	<u>\$ 1,625,000.00</u>	<u>\$ 362,000.00</u>
				Ref.	C	C-2	C-2	C
							GO BANS	\$10,667,251.00
							SCHOOL BANS	<u>362,000.00</u>
							C-8	<u>\$11,029,251.00</u>
							REFUNDED	\$ -
							BANS	<u>\$11,029,251.00</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-11

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

IMPROVEMENT DESCRIPTION	ORDINANCE NUMBER	ORDINANCE DATE	AMOUNT	BALANCE - JUNE 30, 2016 FUNDED	FUNDED BY GRANTS	AUTHORIZATIONS DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED	CANCELLED	PAID OR CHARGED	BALANCE - JUNE 30, 2017
Assunpink Greenways	97-65	06/20/97	\$ 1,800,000.00	\$ 153,000.00	\$ -	\$ -	\$ -	\$ 11,375.00	\$ 141,625.00
Var Capital Improvements Of The City Of Trenton	97-137	11/25/97	12,923,226.00	(0.00)	-	-	-	-	(0.00)
Var Capital Improvements Of The City Of Trenton	99-7	01/22/99	10,834,700.00	0.00	-	-	-	-	0.00
Var Capital Improvements Of The City Of Trenton	00-11	02/04/00	8,723,500.00	(0.00)	-	-	-	-	(0.00)
Var Capital Improvements Of The City Of Trenton	01-04	01/19/01	8,274,000.00	-	-	-	-	-	-
Var Capital Improvements Of The City Of Trenton	01-101	11/20/01	10,511,035.00	-	-	-	-	-	-
Var Capital Improvements Of The City Of Trenton	02-112	11/25/02	10,138,000.00	829,233.56	106,144.63	-	106,144.63	(536.25)	829,769.81
Var Capital Improvements Of The City Of Trenton	03-94	06/05/03	12,287,660.00	390,640.03	-	-	-	15,417.66	375,222.37
Var Capital Improvements Of The City Of Trenton	04-68	08/05/04	20,267,600.00	281,821.77	-	-	-	26,630.77	255,191.00
Var Capital Improvements Of The City Of Trenton	05-86	07/19/05	14,099,373.00	1,277,077.62	-	-	206,709.03	15,955.80	1,054,412.79
Var Capital Improvements Of The City Of Trenton	06-102, 07-20	12/21/06, 2/15/07	20,006,122.00	3,523,430.58	-	-	-	1,104,061.96	2,419,368.62
Var Capital Improvements Of The City Of Trenton	07-28	04/19/07	1,600,000.00	28,898.63	-	-	-	(866.53)	29,765.16
Var Capital Improvements Of The City Of Trenton	07-079	12/06/07	11,168,000.00	1,750,678.95	-	-	-	(998,910.88)	2,749,589.83
Var Capital Improvements Of The City Of Trenton	10-035	06/17/10	12,746,529.00	6,330,127.56	-	-	-	412,009.08	5,918,118.48
Var Capital Improvements Of The City Of Trenton	13-18	06/24/13	12,993,170.00	5,742,221.57	-	-	-	1,547,223.05	4,194,998.52
Var Capital Improvements Of The City Of Trenton	13-57	01/07/14	1,765,255.53	329,311.74	-	-	-	197,063.46	132,248.28
Var Capital Improvements Of The City Of Trenton	14-38	09/05/14	1,200,000.00	1,199,200.62	-	-	-	412.49	1,198,788.13
Var Capital Improvements Of The City Of Trenton	14-40	09/05/14	7,092,500.00	4,076,848.27	-	-	-	1,343,158.03	2,733,690.24
Var Capital Improvements Of The City Of Trenton	15-01	02/26/15	2,400,000.00	2,027,402.98	-	-	-	71,196.80	1,956,206.18
Var Capital Improvements Of The City Of Trenton	16-35	07/21/15	18,243,514.00	-	1,207,714.00	17,035,800.00	-	3,804,206.97	14,439,307.03
Var Capital Improvements Of The City Of Trenton	17-37	06/15/15	206,709.03	-	-	206,709.03	-	-	206,709.03
School Capital Improvement Of The City Of Trenton	04-51	06/18/04	1,980,000.00	-	-	-	-	-	-
School Capital Improvement Of The City Of Trenton	08-43	09/04/08	600,000.00	80,908.44	-	-	-	10,650.00	70,258.44
School Capital Improvement Of The City Of Trenton	08-44	09/04/08	750,000.00	67,104.84	-	-	-	4,000.00	63,104.84
School Capital Improvement Of The City Of Trenton	12-.04	02/24/12	4,175,000.00	675,569.99	-	-	-	95,514.19	580,055.80
				<u>\$28,763,477.15</u>	<u>\$ 1,313,858.63</u>	<u>\$ 17,242,509.03</u>	<u>\$ 312,853.66</u>	<u>\$ 7,658,561.60</u>	<u>\$39,348,429.55</u>
Ref.				C	C-6	C-8, C-12			C, C-8

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-12

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

General Improvements	Ordinance	Date Authorized	Balance - June 30, 2016	FY 17 Authorizations	BANS	Loan Reclass	Cancellations	Balance - June 30, 2017
Various Capital Improvements	97-137	11/25/97	\$ 687.43	\$ -	\$ 687.00	\$ -	\$ -	\$ 0.43
Various Capital Improvements	99-7	01/22/99	(0.20)	-	-	-	-	(0.20)
Various Capital Improvements	00-11	02/04/00	1,935.25	-	-	-	-	1,935.25
Various Capital Improvements	01-4	01/19/01	(0.60)	-	-	-	-	(0.60)
Various Capital Improvements	01-101	11/20/01	13,852.22	-	13,852.00	-	-	0.22
Various Capital Improvements	02-112	11/25/02	687,744.86	-	-	106,144.63	-	581,600.23
Various Capital Improvements	03-94	09/05/03	502,560.00	-	12,000.00	-	-	490,560.00
Various Capital Improvements	04-68	08/05/04	412,600.00	-	76,800.00	-	-	335,800.00
Various Capital Improvements	05-86	07/19/05	1,549,373.00	-	100,000.00	-	206,709.03	1,242,663.97
Various Capital Improvements	06-102, 07-20	12/21/06, 2/18/07	3,917,622.00	-	400,000.00	-	-	3,517,622.00
Various Capital Improvements	07-28	04/19/07	400,000.00	-	-	-	-	400,000.00
Various Capital Improvements	07-079	12/06/07	3,034,000.00	-	260,500.00	-	-	2,773,500.00
Various Capital Improvements	10-35	06/21/10	6,446,387.00	-	1,100,000.00	-	-	5,346,387.00
Various Capital Improvements	13-18	06/24/13	5,246,095.00	-	-	-	-	5,246,095.00
Various Capital Improvements	14-38	09/05/14	1,199,200.00	-	412.00	-	-	1,198,788.00
Various Capital Improvements	14-40	09/05/14	4,640,721.00	-	1,800,000.00	-	-	2,840,721.00
Various Capital Improvements	15-01	02/26/15	2,100,000.00	-	-	-	-	2,100,000.00
Various Capital Improvements	16-35	07/21/16	-	17,035,800.00	1,000,000.00	-	-	16,035,800.00
Various Capital Improvements	17-37	06/15/17	-	206,709.03	-	-	-	206,709.03
Capital Improvements			<u>30,152,776.96</u>	<u>17,242,509.03</u>	<u>4,764,251.00</u>	<u>106,144.63</u>	<u>206,709.03</u>	<u>42,318,181.33</u>
Various School Capital Improvements	12-04	02/04/12	675,000.00	-	37,000.00	-	-	638,000.00
School Improvements			<u>675,000.00</u>	<u>-</u>	<u>37,000.00</u>	<u>-</u>	<u>-</u>	<u>638,000.00</u>
			<u>\$ 30,827,776.96</u>	<u>\$ 17,242,509.03</u>	<u>\$ 4,801,251.00</u>	<u>\$ 106,144.63</u>	<u>\$ 206,709.03</u>	<u>\$ 42,956,181.33</u>
		Ref.	C	C-8, C-11		C-8	C-8	C

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-13

**GENERAL CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

	<u>Ref.</u>			
Balance - June 30, 2016	C	\$	1,183,019.24	
Decreased By:				
Loans Paid	C-8		<u>257,517.45</u>	
Balance - June 30, 2017	C	\$	<u>925,501.79</u>	
Loans				
	<u>Green Acres</u>	<u>DCA</u>	<u>Total</u>	
Balance - June 30, 2016	\$ 322,244.61	\$ 860,774.63	\$ 1,183,019.24	
Decreased By:	<u>52,876.36</u>	<u>204,641.09</u>	<u>257,517.45</u>	
Balance - June 30, 2017	<u>\$ 269,368.25</u>	<u>\$ 656,133.54</u>	<u>\$ 925,501.79</u>	

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

C-14

GENERAL CAPITAL FUND
RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance - June 30, 2016	C	\$ 7,220,126.37
Increased By :		
Open Balance of Purchase Orders		7,167,873.68
Decreased By :		
Transfer to Improvement Authorization		<u>7,220,126.37</u>
Balance - June 30, 2017	C	<u>\$ 7,167,873.68</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

C-15

**GENERAL CAPITAL FUND
RESERVE FOR PAYMENT ON GREEN ACRES LOAN**

	<u>Ref.</u>	
Balance - June 30, 2016	C	<u>\$ 600,000.00</u>
Balance - June 30, 2017	C	<u><u>\$ 600,000.00</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D

**WATER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE**

<u>Assets</u>	<u>Ref.</u>	June 30,	
		2017	2016
Operating Fund			
Cash	D-11	\$ 5,970,144.48	\$ 4,710,065.94
Investments	D-12	32,500,968.50	35,313,652.74
Change Fund - Collector		500.00	500.00
Interfund Accounts Receivable		22,394.53	6,712.94
		<u>38,494,007.51</u>	<u>40,030,931.62</u>
Receivables with Reserves			
Consumers' Accounts Receivable		7,809,679.44	9,067,373.99
Accounts Receivable Water Liens		<u>1,069,565.48</u>	<u>640,001.70</u>
		<u>8,879,244.92</u>	<u>9,707,375.69</u>
Total Operating Fund		<u>47,373,252.43</u>	<u>49,738,307.31</u>
Capital Fund			
Cash	D-11	3,895,437.25	2,954,041.85
Investments	D-12	<u>7,177,544.28</u>	<u>10,146,974.75</u>
		11,072,981.53	13,101,016.60
Recv. W/O Resv.- Loans / Bonds Receivable-NJEIT		14,518,376.00	9,257,293.00
Recv. W Resv.- Principal Forgiveness-NJEIT Loan		1,625,202.00	1,667,217.00
Fixed Capital		299,080,229.73	281,481,547.94
Fixed Capital Authorized And Uncompleted		<u>74,367,101.39</u>	<u>94,924,561.64</u>
		<u>389,590,909.12</u>	<u>387,330,619.58</u>
Total Capital Fund		<u>400,663,890.65</u>	<u>400,431,636.18</u>
Total Operating & Capital Funds		<u>\$ 448,037,143.08</u>	<u>\$ 450,169,943.49</u>
<u>Liabilities, Reserves, And Fund Balance</u>			
Operating Fund			
Reserve for Encumbrances		\$ 3,334,636.06	\$ 3,958,596.68
Appropriation Reserve	D-3	11,894,849.16	8,805,523.33
Deposits on Consumer Receivable		21,314.00	21,314.00
Accounts Payable		684,130.40	914,961.21
Accrued Interest on Bonds and Notes		1,131,045.00	1,196,159.00
Interfund Accounts Payables		517,820.19	563,367.79
Reserve for Retro Payrolls		-	3,776,661.80
Reserve for Sick & Vacation		<u>1,462,611.24</u>	<u>500,000.00</u>
		19,046,406.05	19,736,583.81
Reserve for Receivables		8,879,244.92	9,707,375.69
Fund Balance	D-1	<u>19,447,601.46</u>	<u>20,294,347.81</u>
Total Operating Fund		<u>47,373,252.43</u>	<u>49,738,307.31</u>
Capital Fund			
Serial Bonds - NJEIT Loans / Ww Bond Payable	D-4	71,974,029.45	69,654,805.08
Serial Bonds - Qualified	D-10	46,200,000.00	42,770,000.00
Bond Anticipation Notes	D-5	19,800,000.00	18,900,000.00
Interfund Accounts Payable		3,420.03	797.75
Funded	D-6	999,734.14	999,942.47
Unfunded	D-6	61,890,512.56	80,278,293.18
Reserve For			
Amortization		173,454,437.17	164,849,162.26
Deferred Amortization		6,147,458.19	6,422,047.47
Principal Forgiveness - NJEIT Loan		1,625,202.00	1,667,217.00
Reserve Loan Receivable		407,500.00	614,891.00
Capital Improvement Fund	D-8	6,000,295.19	295.19
Encumbrances	D-13	11,476,854.69	13,646,325.99
Fund Balance	D-9	<u>684,447.23</u>	<u>627,858.79</u>
Total Capital Fund		<u>400,663,890.65</u>	<u>400,431,636.18</u>
Total Operating & Capital Funds		<u>\$ 448,037,143.08</u>	<u>\$ 450,169,943.49</u>
Bonds and Notes Authorized But Not Issued		<u>\$ 69,982,282.77</u>	<u>\$ 82,452,496.77</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-1

**WATER UTILITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

	Ref.	June 30,	
		2017	2016
Revenue and Other Income Realized			
Operating Surplus Anticipated	D-2	\$ 12,605,359.00	\$ 6,218,730.65
Rents	D-2	39,295,266.47	39,699,553.49
Fire Hydrant Service	D-2, D-4	837,990.76	849,176.80
Miscellaneous	D-2	330,118.43	181,417.12
Other Credits to Income			
Appropriation Reserves Lapsed		8,081,383.13	9,041,092.79
Unallocated Receipts		2.10	-
Cancel Reserve/Retro Payroll		3,704,448.05	-
Reserve for Retro Payrolls / Sick & Vacation			500,000.00
Prior Year Accounts Payable		679,103.12	12,452.08
Total Income		<u>65,533,671.06</u>	<u>56,502,422.93</u>
Expenditures			
Operating	D-3	29,756,074.00	28,626,716.67
Reserve for Retro Payrolls	D-3	1,000,000.00	500,000.00
Capital Improvements	D-3	7,000,000.00	2,000,000.00
Debt Service	D-3	7,289,058.52	7,056,522.49
Statutory Expenditures	D-3	1,952,937.00	1,884,972.03
Qualified Bond P&I (Current Fund)	D-3	3,620,474.50	3,641,870.39
Surplus (Current Fund)	D-3	<u>3,150,000.00</u>	<u>3,150,000.00</u>
		53,768,544.02	46,860,081.58
Lost Change Fund			
Unallocated Receipts		1.05	111.90
Refunds of Prior Years' Revenues	D-4	<u>6,513.34</u>	<u>8,283.63</u>
Total Expenditures		<u>53,775,058.41</u>	<u>46,868,477.11</u>
Excess in Revenue		11,758,612.65	9,633,945.82
Fund Balance - Beginning of Year	D	<u>20,294,347.81</u>	<u>16,879,132.64</u>
		32,052,960.46	26,513,078.46
Less: Fund Balance Utilized	D-2	<u>12,605,359.00</u>	<u>6,218,730.65</u>
Fund Balance - End of Year	D	<u>\$ 19,447,601.46</u>	<u>\$ 20,294,347.81</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-2

**WATER UTILITY FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
Year Ended June 30, 2016**

	<u>Ref.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS</u>
Surplus Anticipated	D-1	\$ 12,605,359.00	\$ 12,605,359.00	\$ -
Rents	D-1	39,650,000.00	39,295,266.47	(354,733.53)
Fire Hydrant Service	D-1, D-4	700,000.00	837,990.76	137,990.76
Miscellaneous	D-1	100,000.00	330,118.43	230,118.43
Reserve For Retro	D-1	1,000,000.00	1,000,000.00	-
Total Budget Revenues	D-3	<u>\$ 54,055,359.00</u>	<u>\$ 54,068,734.66</u>	<u>\$ 13,375.66</u>

Analysis Of Certain Realized Revenues

	<u>Ref.</u>	
Rents		
Consumer Accounts Receivable		\$ 39,263,106.68
Consumer Lien Receivable		126,664.12
Gross Revenue		<u>\$ 39,389,770.80</u>
Decreased by		
Payment Of State Tax	D-4	<u>\$ 94,504.33</u>
		94,504.33
Total Rents		<u>\$ 39,295,266.47</u>
Miscellaneous		
Interest on Investments		\$ 217,885.29
Miscellaneous		112,233.14
Total Miscellaneous	D-4	<u>\$ 330,118.43</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-3

**WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
Year Ended June 30, 2016**

	APPROPRIATED		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELLED
Operating					
Salaries and Wages	\$ 9,337,095.00	\$ 9,337,095.00	\$ 6,301,691.59	\$ 3,035,403.41	\$ -
Other Expenses	20,418,979.00	20,418,979.00	12,756,527.43	7,662,451.57	-
Reserve Sick & Vacation	1,000,000.00	1,000,000.00	1,000,000.00	-	-
Capital Improvements					
Capital Outlay	1,000,000.00	1,000,000.00	24,267.00	975,733.00	-
Capital Improvement Fund	6,000,000.00	6,000,000.00	6,000,000.00	-	-
Debt Services					
Payment of Bond Principal	6,098,481.00	6,098,481.00	6,098,479.63	-	1.37
Payment of Note Principal	-	-	-	-	-
Interest on Bonds	1,156,972.00	1,140,972.00	883,201.89	-	257,770.11
Interest on Notes	319,734.00	319,734.00	307,377.00	-	12,357.00
Deferred Charges and Statutory Expenditures					
Contribution to					
Public Employees Retirement System	1,116,982.00	1,116,982.00	1,116,982.00	-	-
Social Security System (O.A.S.I.)	770,489.00	770,489.00	549,227.82	221,261.18	-
Unemployment Compensation Insurance	65,466.00	65,466.00	65,466.00	-	-
Qualified Bond P&I (Current)	3,621,161.00	3,637,161.00	3,620,474.50	-	16,686.50
Surplus (Current Fund)	3,150,000.00	3,150,000.00	3,150,000.00	-	-
Total	<u>\$ 54,055,359.00</u>	<u>\$ 54,055,359.00</u>	<u>\$ 41,873,694.86</u>	<u>\$ 11,894,849.16</u>	<u>\$ 286,814.98</u>
	<u>Ref.</u>	<u>D-2</u>		<u>D</u>	

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

D-4

WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS – INFRASTRUCTURE LOANS (NJEIT, WW)

	<u>Ref.</u>	
Balance - June 30, 2016	D	\$ 69,654,805.08
Increased By:		
Bonds / Loans Issued		
Ewington South - C & L Loan #1111001-010		9,846,911.00
Decreased by:		
Loan Adjustments Per State		1,429,207.00
Bond Principal Payments FY'17		<u>6,098,479.63</u>
BALANCE - JUNE 30, 2017	D	<u><u>\$ 71,974,029.45</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-4A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS – WASTEWATER/INFRASTRUCTURE LOANS**

SERIES	PURPOSE OF ISSUE	DATE OF ISSUE	AMOUNT	INTEREST	MATURITY	YEARLY AMOUNT	BALANCE - JUNE 30, 2016	NEW FY'17 ISSUE	* LOAN ADJUST/STATE	PAID BY BUDGET APPROP./ADJUST	BALANCE - JUNE 30, 2017
NJ TRUST LOAN	FILTER PROJECT STATE LOAN # WM1111001-001	11/1/1998	6,745,000.00								
				4.5000%	8/1/2017	\$ 485,000.00					
				4.5000%	8/1/2018	510,000.00					
						<u>995,000.00</u>	\$ 1,460,000.00	\$ -	\$ -	\$ 465,000.00	\$ 995,000.00
NJ FUND LOAN	FILTER PROJECT STATE LOAN # W1111 - 001	11/1/1998	6,952,170.00	PAYMENTS 8/1 & 2/1							
					FY2018	348,103.94					
					FY2019	<u>349,857.46</u>					
						<u>697,961.40</u>	1,046,987.82	-	-	349,026.42	697,961.40
NJ TRUST LOAN	DEWATERING FACILITY #2 STATE LOAN # S340963-01-1	10/15/1999									
				5.5000%	8/1/2017	60,000.00					
				5.7000%	8/1/2018	65,000.00					
				5.7000%	8/1/2019	<u>48,942.00</u>					
						<u>173,942.00</u>	233,942.00	-	-	60,000.00	173,942.00
NJ FUND LOAN	DEWATERING FACILITY #2 STATE LOAN # S340963-01 -01	10/15/1999	818,942.00	PAYMENTS 8/1 & 2/1							
					FY2018	40,750.46					
					FY2019	<u>41,722.66</u>					
					FY2020	<u>33,956.96</u>					
						<u>116,430.08</u>	159,242.03	-	-	42,811.81	116,430.22
NJ TRUST LOAN	CLEAN & LINING PROJECT (C & L) STATE LOAN #W1111001-003	10/15/2004	5,415,000.00								
				5.0000%	8/1/2017	300,000.00					
				5.0000%	8/1/2018	315,000.00					
				5.0000%	8/1/2019	330,000.00					
				5.0000%	8/1/2020	345,000.00					
				5.0000%	8/1/2021	365,000.00					
				5.0000%	8/1/2022	380,000.00					
				4.2500%	8/1/2023	400,000.00					
				4.3750%	8/1/2024	<u>420,000.00</u>					
						<u>2,855,000.00</u>	3,145,000.00	-	-	290,000.00	2,855,000.00

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-4A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS – WASTEWATER/INFRASTRUCTURE LOANS (CONTINUED)**

SERIES	PURPOSE OF ISSUE	DATE OF ISSUE	AMOUNT	INTEREST	MATURITY	YEARLY AMOUNT	NEW FY'17 ISSUE	* LOAN ADJUST/STATE	BUDGET APPROP./ADJUST	
NJ FUND LOAN	CLEAN & LINING PROJECT (C & L) STATE LOAN # W1111001-003	10/15/2004	6,843,646.00	PAYMENTS 8/1 & 2/1						
					FY 2018	345,798.81				
					FY 2019	345,496.98				
					FY 2020	344,591.49				
					FY 2021	343,082.33				
					FY 2022	344,893.32				
					FY 2023	341,975.61				
					FY 2024	343,585.38				
					FY 2025	345,445.88				
						<u>2,754,869.80</u>	3,103,324.90	-	-	348,454.94 2,754,869.96
NJ TRUST LOAN	PRE-TREATMENT PROJECT SERIES 2006A STATE LOAN # W1111001-004	11/9/2006	12,365,000.00							
				4.0000%	8/1/2017	645,000.00				
				4.0000%	8/1/2018	670,000.00				
				4.0000%	8/1/2019	695,000.00				
				4.0000%	8/1/2020	725,000.00				
				4.1250%	8/1/2021	755,000.00				
				4.1250%	8/1/2022	785,000.00				
				4.2500%	8/1/2023	815,000.00				
				5.0000%	8/1/2024	850,000.00				
				4.2500%	8/1/2025	895,000.00				
				4.2500%	8/1/2026	930,000.00				
						<u>7,765,000.00</u>	8,380,000.00	-	-	615,000.00 7,765,000.00
NJ FUND LOAN	PRE-TREATMENT PROJECT SERIES 2006A -TAX EXEMPT STATE LOAN # W1111001-004	11/9/2006	4,400,424.00	PAYMENTS 8/1 & 2/1						
					FY 2018	223,472.77				
					FY 2019	223,170.07				
					FY 2020	222,634.51				
					FY 2021	223,007.07				
					FY 2022	222,990.33				
					FY 2023	222,579.93				
					FY 2024	221,762.78				
					FY 2025	220,931.79				
					FY 2026	222,033.46				
					FY 2027	221,153.02				
						<u>2,223,735.73</u>	2,446,806.49	-	-	223,071.11 2,223,735.38

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-4A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS – WASTEWATER/INFRASTRUCTURE LOANS (CONTINUED)**

SERIES	PURPOSE OF ISSUE	DATE OF ISSUE	AMOUNT	INTEREST	MATURITY	YEARLY AMOUNT		NEW FY'17 ISSUE	* LOAN ADJUST/STATE	BUDGET APPROP./ADJUST	
NJ FUND LOAN	PRE-TREATMENT PROJECT #1 SERIES 2006A-AMT STATE LOAN # W1111001-004	11/9/2006	32,269,779.00	PAYMENTS 8/1 & 2/1							
					FY 2018	1,638,800.33					
					FY 2019	1,636,580.49					
					FY 2020	1,632,653.08					
					FY 2021	1,635,385.19					
					FY 2022	1,635,262.46					
					FY 2023	1,632,252.87					
					FY 2024	1,626,260.34					
					FY 2025	1,620,166.44					
					FY 2026	1,628,245.41					
					FY 2027	1,621,788.82					
						<u>16,307,395.43</u>	17,943,250.55	-	-	1,635,854.76	16,307,395.79
NJ TRUST LOAN	PRE-TREATMENT PROJECT #2 STATE LOAN # W1111001 -004-1 * PP not revised -adjustments will be taken off invoices	11/8/2007	3,415,000.00								
				5.000%	8/1/2017	165,000.00					
				5.000%	8/1/2018	175,000.00					
				4.000%	8/1/2019	185,000.00					
				4.000%	8/1/2020	190,000.00					
				5.000%	8/1/2021	200,000.00					
				5.000%	8/1/2022	210,000.00					
				4.250%	8/1/2023	220,000.00					
				4.500%	8/1/2024	225,000.00					
				4.500%	8/1/2025	235,000.00					
				4.500%	8/1/2026	21,225.00					
				4.250%	8/1/2027	-					
						<u>1,826,225.00</u>	1,998,348.00	-	12,123.00	160,000.00	1,826,225.00
NJ FUND LOAN	PRE-TREATMENT # 2 STATE LOAN # W1111001-004-1 * PP not revised -adjustments will be taken off invoices	11/82007	9,660,870.00	PAYMENTS 8/1 & 2/1							
					FY 2018	486,731.10					
					FY 2019	489,478.67					
					FY 2020	493,004.72					
					FY 2021	488,425.44					
					FY 2022	490,623.49					
					FY 2023	490,165.56					
					FY 2024	490,302.94					
					FY 2025	471,123.55					
					FY 2026	-					
					FY 2027	-					
					FY 2028	-					
						<u>3,899,855.46</u>	4,428,679.66	-	36,369.00	492,455.20	3,899,855.46

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-4A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS – WASTEWATER/INFRASTRUCTURE LOANS (CONTINUED)**

<u>SERIES</u>	<u>PURPOSE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT</u>	<u>INTEREST</u>	<u>MATURITY</u>	<u>YEARLY AMOUNT</u>	<u>NEW FY'17 ISSUE</u>	<u>* LOAN ADJUST/STATE</u>	<u>BUDGET APPROP./ADJUST</u>	
NJ TRUST LOAN	CENTRAL PUMPING (CPS) STATE LOAN # W1111001-006	3/10/2010	2,085,000.00							
				5.000%	8/1/2017	95,000.00				
				5.000%	8/1/2018	100,000.00				
				4.000%	8/1/2019	105,000.00				
				5.000%	8/1/2020	110,000.00				
				3.000%	8/1/2021	115,000.00				
				4.000%	8/1/22&8/1/23	240,000.00				
				4.000%	8/1/2024	125,000.00				
				4.000%	8/1/2025	130,000.00				
				3.500%	8/1/2026	140,000.00				
				4.000%	8/1/2027	140,000.00				
				4.000%	8/1/2028	150,000.00				
				4.000%	8/1/2029	155,000.00				
						<u>1,605,000.00</u>	1,695,000.00	-	-	90,000.00
										1,605,000.00
NJ FUND LOAN	CENTRAL PUMPING (CPS) STATE LOAN # W1111001-006	3/10/2010	6,412,500.00	PAYMENTS 8/1 & 2/1						
					FY 2018	326,059.32				
					FY 2019	326,059.32				
					FY 2020	326,059.32				
					FY 2021	326,059.32				
					FY 2022	326,059.32				
					FY 2023	326,059.32				
					FY 2024	326,059.32				
					FY 2025	326,059.32				
					FY 2026	326,059.32				
					FY 2027	326,059.32				
					FY 2028	326,059.32				
					FY 2029	326,059.32				
					FY 2030	<u>217,372.92</u>				
						<u>4,130,084.76</u>	4,456,144.08	-	-	326,059.32
										4,130,084.76
NJ TRUST LOAN	RESERVOIR COVER STATE LOAN # W1111001-009	12/2/2010	5,465,000.00							
				5.000%	8/1/2017	230,000.00				
				5.000%	8/1/2018	240,000.00				
				5.000%	8/1/2019	250,000.00				
				5.000%	8/1/2020	265,000.00				
				5.000%	8/1/2021	280,000.00				
				5.000%	8/1/2022	290,000.00				
				5.000%	8/1/2023	305,000.00				
				5.000%	8/1/2024	320,000.00				
				5.000%	8/1/2025	335,000.00				
				5.000%	8/1/2026	355,000.00				
				5.000%	8/1/2027	370,000.00				
				5.000%	8/1/2028	390,000.00				
				5.000%	8/1/2029	410,000.00				
				5.000%	8/1/2030	<u>430,000.00</u>				
						<u>4,470,000.00</u>	4,690,000.00	-	-	220,000.00
										4,470,000.00

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-4A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS – WASTEWATER/INFRASTRUCTURE LOANS (CONTINUED)**

SERIES	PURPOSE OF ISSUE	DATE OF ISSUE	AMOUNT	INTEREST	MATURITY	YEARLY AMOUNT		NEW FY'17 ISSUE	* LOAN ADJUST/STATE	BUDGET APPROP./ADJUST					
NJ FUND LOAN	RESERVOIR COVER STATE LOAN # W1111001-009	12/2/2010	5,117,500.00	PAYMENTS 8/1 & 2/1											
					FY'18	260,211.85									
					FY'19	260,211.85									
					FY'20	260,211.85									
					FY'21	260,211.85									
					FY'22	260,211.85									
					FY'23	260,211.85									
					FY'24	260,211.85									
					FY'25	260,211.85									
					FY'26	260,211.85									
					FY'27	260,211.85									
					FY'28	260,211.85									
					FY'29	260,211.85									
					FY'30	260,211.85									
					FY'31	173,474.85									
	<u>3,556,228.90</u>	3,816,440.76	-	-	260,211.86	3,556,228.90									
NJ TRUST LOAN 2015A-1	5 yr-CLEAN & LINING STATE LOAN # W1111001-008	5/28/2015	2,615,000.00	5.000%	8/1/2016 & 8/1/17	90,000.00									
					8/1/2018	95,000.00									
					8/1/2019	100,000.00									
					8/1/2020	105,000.00									
					8/1/2021	110,000.00									
					8/1/2022	115,000.00									
					8/1/2023	125,000.00									
					8/1/2024	130,000.00									
					8/1/2025	135,000.00									
					8/1/2026	145,000.00									
					8/1/2027	150,000.00									
					8/1/2028	155,000.00									
					8/1/2029	160,000.00									
					8/1/2030	170,000.00									
					8/1/2031	175,000.00									
					8/1/2032	180,000.00									
					8/1/2033	39,822.00									
						<u>2,179,822.00</u>	2,615,000.00	-	345,178.00	90,000.00	2,179,822.00				
					NJ FUND LOAN 2015A-1	5 yr-CLEAN & LINING STATE LOAN # W1111001-008	5/28/2015	8,467,173.00	PAYMENTS 8/1 & 2/1	FY'16 THRU FY'34	7,319,081.57				
										FY'35	287,023.01				
2017 loan adjust	(1,035,537.00)														
	<u>6,570,567.58</u>	8,036,638.79	-	1,035,537.00						430,534.21	6,570,567.58				
	5 yr-CLEAN & LINING STATE LOAN # W1111001-010	5/26/2017	9,846,911.00		Interim	<u>9,846,911.00</u>	-	9,846,911.00	-	-	9,846,911.00				
						<u>\$ 69,654,805.08</u>	<u>\$ 9,846,911.00</u>	<u>\$ 1,429,207.00</u>	<u>\$ 6,098,479.63</u>	<u>\$ 71,974,029.45</u>					
Ref.						D				D					

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

ORDINANCE NUMBER	DATE OF ORIGINAL NOTE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JUNE 30, 2016	CR SALES INCREASE	DB MATURITY DECREASE	BALANCE JUNE 30, 2017
04-066	6/17/2014	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	\$ 150,000.00	\$ -	\$ 150,000.00	\$ -
06-103	6/17/2014	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	150,000.00	-	150,000.00	-
12-020	6/17/2014	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	300,000.00	-	300,000.00	-
13-019	6/17/2014	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	1,200,000.00	-	1,200,000.00	-
04-066	6/17/2015	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	200,000.00	-	200,000.00	-
06-103	6/17/2015	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	680,000.00	-	680,000.00	-
12-020	6/17/2015	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	400,000.00	-	400,000.00	-
13-19	6/17/2015	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	2,200,000.00	-	2,200,000.00	-
14-39	6/17/2015	VARIOUS IMPROVEMENTS TO THE WATER DISTRIBUTION AND SUPPLY SYSTEM	6/17/2016	6/17/2017	1.60 BONDED	120,000.00	-	120,000.00	-
95-186	6/17/2016	VARIOUS IMPROVEMENTS TO THE WATER	6/17/2016	6/17/2017	1.60	8,422.00	-	8,422.00	-
			6/13/2017	6/13/2018	1.79	-	8,422.00	-	8,422.00
06-103	6/17/2016	VARIOUS IMPROVEMENTS TO THE WATER	6/17/2016	6/17/2017	1.60	580,000.00	-	580,000.00	-
			6/13/2017	6/13/2018	1.79	-	580,000.00	-	580,000.00
12-020	6/17/2016	VARIOUS IMPROVEMENTS TO THE WATER	6/17/2016	6/17/2017	1.60	512,000.00	-	512,000.00	-
			6/13/2017	6/13/2018	1.79	-	512,000.00	-	512,000.00
13-19	6/17/2016	VARIOUS IMPROVEMENTS TO THE WATER	6/17/2016	6/17/2017	1.60	5,700,000.00	-	5,700,000.00	-
			6/13/2017	6/13/2018	1.79	-	5,700,000.00	-	5,700,000.00
14-39	6/17/2016	VARIOUS IMPROVEMENTS TO THE WATER	6/17/2016	6/17/2017	1.60	6,699,578.00	-	6,699,578.00	-
			6/13/2017	6/13/2018	1.79	-	6,699,578.00	-	6,699,578.00
12-020	6/13/2017	VARIOUS IMPROVEMENTS TO THE WATER	6/13/2017	6/13/2018	1.79	-	300,000.00	-	300,000.00
13-019	6/13/2017	VARIOUS IMPROVEMENTS TO THE WATER	6/13/2017	6/13/2018	1.79	-	4,500,000.00	-	4,500,000.00
14-039	6/13/2017	VARIOUS IMPROVEMENTS TO THE WATER	6/13/2017	6/13/2018	1.79	-	1,200,000.00	-	1,200,000.00
16-037	6/13/2017	VARIOUS IMPROVEMENTS TO THE WATER	6/13/2017	6/13/2018	1.79	-	300,000.00	-	300,000.00
						<u>\$ 18,900,000.00</u>	<u>\$ 19,800,000.00</u>	<u>\$ 18,900,000.00</u>	<u>\$ 19,800,000.00</u>
						Ref. D			D

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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**WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

IMPROVEMENT DESCRIPTION	NUMBER	FISCAL YEAR	ORDINANCE		June 30, 2016		FY'17 AUTHORIZATIONS	AUTHORIZATION CANCELLED	PRIOR YEAR RESERVE FOR ENCUMBRANCES	CURRENT YEAR RESERVE FOR ENCUMBRANCES	PAID OR CHARGED	June 30, 2017	
			DATE	AMOUNT	FUNDED	UNFUNDED						FUNDED	UNFUNDED
Improvements To Water Distribution And Supply	95-186	FY'96	12/22/1995	\$ 8,365,000.00	\$ -	\$ 2,971,578.46	\$ -	\$ 2,971,578.46	\$ -	\$ -	\$ -	\$ -	\$ -
Improvements To Water Lines & Delivery System	03 - 093	FY'04	9/5/2003	5,800,000.00	-	-	-	-	-	-	-	-	-
Improvements To Water Lines & Delivery System	04-066	FY'05	8/5/2004	15,700,000.00	-	19.35	-	-	52,722.48	33,522.48	-	-	19,219.35
Various Improvements To Water Lines & Delivery System	06-103	FY'07	12/21/2006	10,000,000.00	-	-	-	-	442,232.64	425,011.04	17,221.60	-	0.00
Various Improvements To Water Lines & Delivery System	07-046	FY'08	8/23/2007	5,500,000.00	-	3,012,797.04 (0.14)	-	-	170,126.71 0.14	24,104.51	146,022.34	-	3,012,796.90
Various Improvements To Water Lines & Delivery System	07-075	FY'08	11/20/2007	3,500,000.00	-	-	-	-	-	-	-	-	-
Installation Of A Cover To Pennington Ave. Reservoir	10-034	FY'10	6/21/2010	14,000,000.00	-	9,755,517.96	-	-	193,146.73	134,742.14	71,304.59	-	9,742,617.96
Capital Improvement Fund-Various Improvements To Water Utility	11-017	FY'11	4/21/2011	6,000,000.00	208.33	-	-	-	8,820.00	-	9,028.33	-	-
VARIOUS IMPROVEMENTS TO THE WATER UTILITY	12-020	FY'12	5/17/2012	5,843,000.00	-	1,772,757.53	-	-	887,169.38	432,015.17	592,073.11	-	1,635,838.63
Various Improvements To The Water Utility	13-019	FY'13	6/24/2013	24,190,500.00	-	14,964,730.78	-	-	4,705,489.65	3,486,851.69	6,402,045.24	-	9,781,323.50
Various Improvements To The Water Utility	13-21	FY'13	6/24/2013	4,000,000.00	-	-	-	-	354,909.19	89,348.24	265,560.95	-	-
Improvements To Water Utility Five Year Cleaning & Lining -NJET	13-059	FY'14	12/19/13 & 4/3/2014	24,500,000.00	-	15,084,633.73	-	-	145,937.17	4,916,510.02	3,291,066.68	-	7,022,994.20
Various Improvements To The Water Utility	14-039	FY'15	9/4/2014	23,740,000.00	-	16,216,258.47	-	-	6,685,771.90	961,576.40	6,538,049.25	-	15,402,404.72
Improvements To Water Utility Capital Improvement Fund	16-013	FY'16	4/21/2016	1,000,000.00	999,734.14	-	-	-	-	-	-	999,734.14	-
Improvements To Water Utility	16-037	FY'16	6/16/2016	16,500,000.00	-	16,500,000.00	-	-	-	973,173.00	253,509.70	-	15,273,317.30
Ref.					\$ 999,942.47	\$ 80,278,293.18	\$ -	\$ 2,971,578.46	\$ 13,646,325.99	\$ 11,476,854.69	\$ 17,585,881.79	\$ 999,734.14	\$ 61,890,512.56
					D	D			D-13	D-13		D	D

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

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

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE JUNE 30, 2016	CANCEL AUTHORIZA- TION	SUPP. LOAN STATE-004-01 PRE-TREAT. TRUST/FUND BONDS	STATE-009 RESERVOIR TRUST/FUND BONDS	NEW LOAN FY'15 STATE -C & L-5 YR TRUST/FUND BONDS	BAN'S ISSUED	FY'17 BALANCE JUNE 30, 2017
95-186	VARIOUS IMPROVEMENTS TO WATER SUPPLY AND DISTRIBUTION SYSTEM	\$ 2,971,578.00	\$ 2,971,578.00	\$ -	\$ -	\$ -	\$ -	\$ -
04-066	VARIOUS IMPROVEMENTS TO WATER LINES & DELIVERY SYSTEM	25,000.00	-	-	-	-	-	25,000.00
06-103 12/21/2006	VARIOUS IMPROVEMENTS TO WATER LINES & DELIVERY SYSTEM	420,775.00	-	-	-	-	-	420,775.00
07-046 8/23/2007	COMPLETION OF THE REPAIR OF & IMPROVEMENTS TO WATER FILTRATION PLANT	3,249,420.00	-	151,508.00	-	-	-	3,097,912.00
10-034 6/21/2010	IMPROVEMENTS TO WATER UTILITY - COVER FOR PENNINGTON AVE. RESERVOIR	10,005,921.00	-	-	226,712.00	-	-	9,779,209.00
12-020 5/24/2013	VARIOUS IMPROVEMENTS TO WATER LINES & DELIVERY SYSTEM	2,329,856.00	-	-	-	-	300,000.00	2,029,856.00
13-19 6/24/2013	VARIOUS IMPROVEMENTS TO WATER LINES & DELIVERY SYSTEM	15,090,500.00	-	-	-	-	4,500,000.00	10,590,500.00
13-59 1/14 OR 4/14	FIVE YEAR CLEANING & LINING WATER LINES	14,939,025.00	-	-	-	2,820,416.00	-	12,118,609.00
14-039	VARIOUS IMPROVEMENTS TO WATER LINES & DELIVERY SYSTEM	16,920,422.00	-	-	-	-	1,200,000.00	15,720,422.00
16-037 6/21/2016	VARIOUS IMPROVEMENTS TO WATER LINES & DELIVERY SYSTEM	16,500,000.00	-	-	-	-	300,000.00	16,200,000.00
		<u>\$ 82,452,497.00</u>	<u>\$ 2,971,578.00</u>	<u>\$ 151,508.00</u>	<u>\$ 226,712.00</u>	<u>\$ 2,820,416.00</u>	<u>\$ 6,300,000.00</u>	<u>\$ 69,982,283.00</u>

Ref.

D

D

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

D-8

WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance - June 30, 2016	D	\$ 295.19
Increased by:		
FY '17 Budget Appropriation	D - 3	<u>6,000,000.00</u>
Balance - June 30, 2017	D	<u>\$ 6,000,295.19</u>

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

D-9

WATER UTILITY CAPITAL FUND
SCHEDULE OF CHANGES IN FUND BALANCE

	<u>Ref.</u>	
Balance - June 30, 2016	D	\$627,858.79
Increased By: Premium on Bonds		<u>56,588.44</u>
Balance - June 30, 2017	D	<u><u>\$684,447.23</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-10

**WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS - QUALIFIED**

	<u>Ref.</u>	
Balance - June 30, 2016	D	\$ 42,770,000
Increased by Bonds Issued - Bonds Issue 6/2017		<u>5,400,000</u>
Decreased By: 2017 Budget Appropriation To Pay Bonds		<u>1,970,000</u>
Balance - June 30, 2017	D	<u><u>\$ 46,200,000</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-10A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS – QUALIFIED – MATURITIES SCHEDULE
Year Ended June 30, 2014**

PURPOSE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	DATE OF MATURITY	YEARLY MATURITIES	INTEREST RATE	BALANCE - JUNE 30, 2017
REFUNDING BONDS - SERIES 2010	6/15/2010 # 5	10,677,000.00	7/15/2017-7/15/2018	350,000	5.000%	
			7/11/2019-7/15/2020	380,000	5.000%	
			7/15/2021-7/15/2022	380,000	5.000%	
			7/15/2023-7/15/2026	380,000	4.250%	
			7/15/2027-7/15/2028	380,000	4.380%	
			7/15/2029-7/15/2031	380,000	4.500%	
			07/15/32	380,000	4.630%	
			7/15/2033-7/15/2036	380,000	4.750%	
			7/15/2037-7/15/2040	380,000	5.000%	9,060,000
IMPROVEMENT TO WATER DISTRIBUTION AND SUPPLY SYSTEM (bonded outstanding BANS)	1/18/2012 # 6	19,348,000.00	02/01/18	805,000	4.000%	
			02/01/19	810,000	5.000%	
			02/01/20	810,000	4.000%	
			02/01/21	810,000	3.000%	
			02/01/22	810,000	5.000%	
			2/1/23-2/1/2025	810,000	3.000%	
			02/01/26	810,000	3.250%	
			02/01/27	810,000	3.375%	
			02/01/28	810,000	3.500%	
			02/01/29	810,000	3.625%	
			2/1/2030-2/1/2031	810,000	3.750%	
			2/1/2032-2/1/2036	810,000	4.000%	
			02/01/37	810,000	4.125%	
						16,195,000
NEW REFUNDING QUALIFIED BONDS 2013 ORD.# 13-2	3/25/2013 # 7	9,510,000	2018-2022	495,000	4.00%	
			2023-2024	490,000	4.00%	
			2025	490,000	3.00%	
			2026-2027	485,000	3.00%	
			2028	480,000	3.13%	
			2029	470,000	3.25%	
			2030	465,000	3.38%	
			2031	455,000	3.38%	
			2032	450,000	3.50%	
			2033	330,000	3.38%	
			2034	325,000	3.50%	
			2035	320,000	3.50%	
						8,210,000

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-10A

**WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS – QUALIFIED – MATURITIES SCHEDULE (CONTINUED)
Year Ended June 30, 2014**

PURPOSE OF ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	DATE OF MATURITY	YEARLY MATURITIES	INTEREST RATE	BALANCE - JUNE 30, 2017
IMPROVEMENT TO WATER DISTRIBUTION AND SUPPLY SYSTEM (bonded outstanding BANS fr FY'12&FY'13) # 8	6/17/2015	5,252,000.00	04/15/18	140,000	5.000%	
			4/15/19-4/15/2023	140,000	4.000%	
			4/15/2024-4/15/2027	140,000	3.000%	
			04/15/28	140,000	3.125%	
			04/15/29	140,000	3.250%	
			04/15/30	140,000	3.375%	
			4/15/31-4/15/32	140,000	3.500%	
			04/15/33	140,000	3.625%	
			04/15/34	140,000	3.750%	
			4/15/35-4/15/37	145,000	4.000%	
			4/15/38-4/15/45	270,000	4.000%	4,975,000
NEW REFUNDING BONDS - OLD 2005 SERIES	9/4/2015	2,575,000.00	12/01/17	190,000	4.000%	
NEW ISSUE 7/29/15 - CLOSING 9/4/15	# 9		12/1/18-12/1/19	185,000	5.000%	
			12/01/20	190,000	5.000%	
			12/01/21	185,000	5.000%	
			12/1/22-12/1/26	180,000	5.000%	
			12/01/27	180,000	3.750%	
			12/01/28	175,000	3.750%	
			12/01/29	170,000	3.750%	2,360,000
IMPROVEMENT TO WATER DISTRIBUTION AND SUPPLY SYSTEM (bonded outstanding BANS fr FY'14&FY'15) # 10	6/13/2017	5,400,000.00	3/15/18-3/15/19	100,000	4.000%	
			3/15/20-3/15/22	150,000	4.000%	
			3/15/23	150,000	3.000%	
			3/15/24-3/15/32	200,000	3.000%	
			3/15/33-3/15/34	200,000	3.125%	
			3/15/35-3/15/37	200,000	3.375%	
			3/15/38-3/15/41	200,000	3.500%	
			3/15/42-3/15/46	200,000	3.500%	5,400,000

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-11

**WATER UTILITY FUNDS
SCHEDULE OF CASH - TREASURER**

	REFERENCE (EXHIBIT)	OPERATING	CAPITAL
Balance - June 30, 2016	D	\$ 4,710,065.94	\$ 2,954,041.85
INCREASED BY RECEIPTS			
CAPITAL IMPROVEMENT FUND		6,000,000.00	6,000,000.00
BOND ANTICIPATION NOTES	D-14		19,800,000.00
QUALIFIED BOND SALE			5,400,000.00
NJEIT - TRUST/FUND LOANS & BONDS	D-14		3,156,621.00
NJEIT LOAN - PRINCIPAL FORGIVENESS			42,015.00
INVESTMENTS MATURED	D-12	454,887,360.40	62,137,135.59
INTEREST ON INVESTMENTS DUE TO WATER OPERATING FUND AND WATER CAPITAL FUND	D-14	28,096.94	30,719.22
IMPROVEMENT AUTH. PAID BY OTHER FUNDS			
INTERFUND ADVANCE RETURNED		31,397,322.95	28,099,396.10
COLLECTION OF SEWER FEES		11,791,868.34	
RENTS		39,462,618.52	
LIEN COLLECTIONS	D-2	126,664.12	
FIRE HYDRANT REVENUE	D-1, D-2	837,990.76	
MISCELLANEOUS REVENUE	D-2	330,118.43	
UNALLOCATED CASH-COLLECTIONS		1.05	
PREMIUM ON NOTES			56,588.44
ACCOUNTS PAYABLE - VOID CHECK		28.00	
TOTAL RECEIPTS		<u>544,862,069.51</u>	<u>124,722,475.35</u>
SUBTOTAL		<u>549,572,135.45</u>	<u>127,676,517.20</u>
DECREASED BY DISBURSEMENTS			
BOND ANTICIPATION NOTES	D-14		18,900,000.00
INVESTMENTS PURCHASED	D-12	452,074,676.16	59,167,705.12
INTEREST ON INVESTMENTS DUE TO WATER WATER CAPITAL FUND		30,719.22	28,096.94
IMPROVEMENT AUTHORIZATIONS	D-6, D-14		17,585,881.79
INTERFUND ADVANCES		31,361,438.32	28,099,396.10
CAPITAL IMPROVEMENT FUND		6,000,000.00	
BUDGET APPROPRIATION		34,698,005.41	
APPROPRIATION RESERVES		4,039,264.07	
ACCOUNTS PAYABLE		195,228.50	
ACCRUED INTEREST ON BONDS AND NOTES		2,906,167.39	
RESERVE FOR RETRO PAYROLLS		72,213.75	
RESERVE FOR SICK & VACATION		37,388.76	
PAYMENT OF SEWER FEES		11,886,359.88	
PAYMENT OF SEWER FEES - PRIOR YEAR			
PAYMENT OF STATE TAX	D-2	94,504.33	
REFUND OF PRIOR YEARS' REVENUES	D-1	6,513.34	
REFUND OF WATER RENTS		199,511.84	
TOTAL DISBURSEMENTS		<u>543,601,990.97</u>	<u>123,781,079.95</u>
Balance - June 30, 2017	D	<u>\$ 5,970,144.48</u>	<u>\$ 3,895,437.25</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-12

**WATER UTILITY FUNDS
SCHEDULE OF INVESTMENTS**

	<u>Ref.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance - June 30, 2016	D	\$ 35,313,652.74	\$ 10,146,974.75
Increased by Investments			
Purchased		<u>452,074,676.16</u>	<u>59,167,705.12</u>
		<u>487,388,328.90</u>	<u>69,314,679.87</u>
Decreased by Investments			
Matured		<u>454,887,360.40</u>	<u>62,137,135.59</u>
Balance - June 30, 2017	D	<u>\$ 32,500,968.50</u>	<u>\$ 7,177,544.28</u>

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

D-13

WATER UTILITY CAPITAL FUNDS
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance - June 30, 2016	D	\$ 13,646,325.99
Increased By: Charges 2016 / 2017 Open Balance Of PO'S	D-6	<u>11,476,854.69</u>
Decreased By: Transferring to Improvement Authorization	D-6	<u>13,646,325.99</u>
Balance - June 30, 2017	D	<u><u>\$ 11,476,854.69</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

D-14

**WATER UTILITY FUNDS
SCHEDULE OF CASH AND INVESTMENTS**

	BALANCE - JUNE 30, 2016	BOND ANTICI- PATION NOTES	RECEIPTS MISC	BOND SALE	C/R INFRA. - LOANS SRF - BONDS	C/D IMPROVE- MENT AUTH.	C/D BANS	DISB. MISC	TRANSFERS		BALANCE - JUNE 30, 2017
									FROM	TO	
Fund Balance	\$ 627,858.79	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,588.44	\$ 684,447.23
Premium on Sale of Notes	-	-	56,588.44	-	-	-	-	-	56,588.44	-	-
Interfund - Accounts Payable	797.75	-	28,130,115.32	-	-	-	-	28,127,493.04	-	-	3,420.03
Capital Improvement Fund	295.19	-	6,000,000.00	-	-	-	-	-	-	-	6,000,295.19
ORDINANCE NUMBERS											
95-186	0.46	8,422.00	-	-	-	-	8,422.00	-	-	-	0.46
02-111	0.23	-	-	-	-	-	-	-	-	-	0.23
03-093	-	-	-	-	-	-	-	-	-	-	-
04-066	27,741.83	-	-	350,000.00	-	-	350,000.00	-	-	-	27,741.83
06-103	21,457.64	580,000.00	-	830,000.00	-	17,221.60	1,410,000.00	-	-	-	4,236.04
07-046	(66,496.25)	-	-	-	151,508.00	146,022.34	-	-	-	-	(61,010.59)
07-075	-	-	-	-	-	-	-	-	-	-	-
10-034	(57,256.31)	-	-	-	226,712.00	71,304.59	-	-	-	-	98,151.10
11-017	9,028.33	-	-	-	-	9,028.33	-	-	-	-	-
12-020	330,070.91	812,000.00	-	700,000.00	-	592,073.11	1,212,000.00	-	-	-	37,997.80
13-019	4,579,720.43	10,200,000.00	-	3,400,000.00	-	6,402,045.24	9,100,000.00	-	-	-	2,677,675.19
13-021	354,909.19	-	-	-	-	265,560.95	-	-	-	-	89,348.24
13-59	291,545.90	-	-	-	2,820,416.00	3,291,066.68	-	-	-	-	(179,104.78)
14-039	5,981,608.37	7,899,578.00	-	120,000.00	-	6,538,049.25	6,819,578.00	-	-	-	643,559.12
16-013 -CIF	999,734.14	-	-	-	-	-	-	-	-	-	999,734.14
16-037	-	300,000.00	-	-	-	253,509.70	-	-	-	-	46,490.30
	<u>\$ 13,101,016.60</u>	<u>\$ 19,800,000.00</u>	<u>\$ 34,186,703.76</u>	<u>\$ 5,400,000.00</u>	<u>\$ 3,198,636.00</u>	<u>\$ 17,585,881.79</u>	<u>\$ 18,900,000.00</u>	<u>\$ 28,127,493.04</u>	<u>\$ 56,588.44</u>	<u>\$ 56,588.44</u>	<u>\$ 11,072,981.53</u>
	D										D

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E

**PARKING UTILITY FUNDS
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES**

<u>ASSETS</u>	<u>Ref.</u>	<u>June 30,</u>	
		<u>2017</u>	<u>2016</u>
Operating Fund			
Cash	E-8	\$ 1,387,650.38	\$ 1,090,505.26
Investments		20,356.05	20,244.00
Total Operating Fund		<u>1,408,006.43</u>	<u>1,110,749.26</u>
Capital Fund			
Cash	E-8	401,664.18	201,664.18
Fixed Capital		2,131,465.61	2,131,465.61
Fixed Capital Authorized and Uncompleted		552,000.00	552,000.00
Total Capital Fund		<u>3,085,129.79</u>	<u>2,885,129.79</u>
Total Operating & Capital		<u>\$ 4,493,136.22</u>	<u>\$ 3,995,879.05</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Operating Fund			
Reserve For Encumbrances		\$ -	\$ 2,025.02
Appropriation Reserve	E-3	325,667.95	284,817.73
Reserve For Retro Payrolls		-	107,208.65
Accrued Interest On Bonds and Notes		1,220.00	1,334.00
Reserve For Sick & Vacation		80,000.00	40,000.00
		<u>406,887.95</u>	<u>435,385.40</u>
Fund Balance	E-1	1,001,118.48	675,363.86
Total Operating Fund		<u>1,408,006.43</u>	<u>1,110,749.26</u>
Capital Fund			
Serial Bonds - Qualified	E-7	60,000.00	65,000.00
Capital Improvement Fund		400,000.00	200,000.00
Improvement Authorizations			
Unfunded	E-4	552,000.00	552,000.00
Reserve For			
Amortization		1,983,465.61	1,978,465.61
Deferred Amortization		88,000.00	88,000.00
Fund Balance	E-1A	1,664.18	1,664.18
Total Capital Fund		<u>3,085,129.79</u>	<u>2,885,129.79</u>
Total Operating & Capital		<u>\$ 4,493,136.22</u>	<u>\$ 3,995,879.05</u>

There were bonds and notes authorized but not issued at June 30, 2017 and 2016, of \$552,000 and \$552,000, respectively. (E-6)

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-1

**PARKING UTILITY FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

	Ref.	June 30,	
		2017	2016
Operating Surplus Anticipated	E-2	\$ 248,833.00	\$ 446,394.00
Parking Fees and Charges	E-2	22,875.00	17,205.30
Lease Agreement with Tdec	E-2	184,576.68	184,576.98
Lease Agreement with Justice Complex	E-2	1,299,996.00	1,299,996.00
Interest Income	E-2	189.97	121.26
Reserve for Retro Pay /Sick & Vacation	E-2	40,000.00	40,000.00
Other Credits to Income:			
Other-Cancel		67,208.65	-
Appropriation Reserves Lapsed		283,580.32	124,705.99
Total Income		<u>2,147,259.62</u>	<u>2,112,999.53</u>
<u>Expenditures</u>			
Operating	E-3	295,116.00	500,553.00
Reserve for Sick & Vacation		40,000.00	40,000.00
Capital Improvement Fund	E-3	200,000.00	200,000.00
Capital Outlay	E-3	200,000.00	200,000.00
Statutory Expenditures		29,895.00	20,432.00
Qualified Bond P&I - (Current Fund)	E-3	7,661.00	7,912.00
Surplus (Current Fund)	E-3	800,000.00	800,000.00
		<u>1,572,672.00</u>	<u>1,768,897.00</u>
Statutory Excess to Fund Balance		<u>574,587.62</u>	<u>344,102.53</u>
Fund Balance			
Balance, Beginning of the Year		<u>675,363.86</u>	<u>777,655.33</u>
		1,249,951.48	1,121,757.86
Less: Fund Balance Utilized	E-2	<u>248,833.00</u>	<u>446,394.00</u>
Balance, End of the Year	E	<u>\$ 1,001,118.48</u>	<u>\$ 675,363.86</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-1A

**PARKING UTILITY FUNDS
STATEMENT OF CHANGES IN FUND BALANCE**

	Ref.	
Balance - June 30, 2016	<u>E</u>	<u>\$ 1,664.18</u>
Balance - June 30, 2017	E	<u>\$ 1,664.18</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-2

**PARKING UTILITY OPERATING FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
Year Ended June 30, 2017**

	Ref.	Anticipated	Realized	Excess (Deficit)
Operating Surplus Anticipated	E-1	\$ 248,833.00	\$ 248,833.00	\$ -
Parking Fees and Charges	E-1	1,100,000.00	1,322,871.00	222,871.00
Lease Agreement with Tdec	E-1	184,576.00	184,576.68	0.68
Interest Income	E-1, E-8	-	189.97	189.97
Reserve for Retro Pay	E-1	40,000.00	40,000.00	-
		<u>\$ 1,573,409.00</u>	<u>\$ 1,796,470.65</u>	<u>\$ 223,061.65</u>
	<u>Ref.</u>	E-3		

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-3

**PARKING UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
Year Ended June 30, 2017**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 154,383.00	\$ 154,383.00	\$ 57,058.76	\$ 97,324.24	\$ -
Other Expenses	140,733.00	140,733.00	119,767.64	20,965.36	-
Reserve for Sick & Vacation	40,000.00	40,000.00	40,000.00	-	-
Capital Improvements Fund	200,000.00	200,000.00	200,000.00	-	-
Capital Outlay	200,000.00	200,000.00	-	200,000.00	-
Debt Services					
Interest on Notes	736.00	736.00	-	-	736.00
Deferred Charges and Statutory Expenditures					
Contribution to					
Public Employees Retirement System	17,082.00	17,082.00	17,082.00	-	-
Social Security System (O.A.S.I.)	11,810.00	11,810.00	4,431.65	7,378.35	-
Unemployment Compensation Insurance	1,003.00	1,003.00	1,003.00	-	-
Qualified Bond Principal & Interest	7,662.00	7,662.00	7,661.00	-	1.00
Surplus (Current Fund)	800,000.00	800,000.00	800,000.00	-	-
Total	<u>\$ 1,573,409.00</u>	<u>\$ 1,573,409.00</u>	<u>\$ 1,247,004.05</u>	<u>\$ 325,667.95</u>	<u>\$ 737.00</u>
Ref.	E-2			E	
	<u>Ref.</u>				
Cash Disbursed	E-8		\$ 1,204,343.05		
Reserve for Encumbrance			-		
Accrued Interest Payable			2,661.00		
Reserve for Sick & Vacation	E-2		40,000.00		
			<u>\$ 1,247,004.05</u>		

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-4

**PARKING UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS – UNFUNDED**

IMPROVEMENT DESCRIPTION	ORDINANCE		AMOUNT	June 30,	
	NUMBER	DATE		2017	2016
Improvements to Mill Hill Lot & Front St Parking Garage	95-185 FY '96	12/22/1995	\$ 250,000.00	\$ 105,000.00	\$ 105,000.00
Improvements to Mill Hill Lot, New Police Lot, Smart Meters, New Stockton St. Lot	97-16 FY '97	1/17/1997	480,000.00	197,000.00	197,000.00
Various Improvements to Parking Lots & Front St. Garage	97-136 FY '98	11/25/1997	400,000.00	35,000.00	35,000.00
Various Improvements to Parking Lots & Purchase Of Vehicles	99-6	1/22/1999	470,000.00	81,000.00	81,000.00
Renovate Mill Hill Parking Lot, Install Electronic Park Meters, & Vehicle	00-13	2/4/2000	240,000.00	134,000.00	134,000.00
				<u>\$ 552,000.00</u>	<u>\$ 552,000.00</u>
			<u>Ref.</u>	E	E

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-6

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance June 30, 2017</u>	<u>Balance June 30, 2016</u>
95-185	Improvements to Mill Hill Lot & Front St Parking Garage	\$ 105,000.00	\$ 105,000.00
97-16	Improvements to Mill Hill Lot, New Police Lot, Smart Meters, New Stockton St. Lot	197,000.00	197,000.00
97-136	Improvements to Various Parking Lots & Broad St Parking Garage	35,000.00	35,000.00
99-6	Improvements to Various Parking Lots & Vehicles	81,000.00	81,000.00
00-13	Improvements to Mill Hill Park Lot, Purchase of Park Meters & Vehicle	<u>134,000.00</u>	<u>134,000.00</u>
		<u>\$ 552,000.00</u>	<u>\$ 552,000.00</u>
	Ref.	E	E

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-7

**PARKING UTILITY FUND
SCHEDULE OF QUALIFIED SERIAL BONDS**

						<u>Ref.</u>		
Balance - June 30, 2016						E	\$	65,000.00
Decreased by:								
2017 Budget Appropriation to Pay Bonds								<u>5,000.00</u>
Balance - June 30, 2017						E	\$	<u>60,000.00</u>
<u>PURPOSE OF ISSUE</u>		<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>DATE OF MATURITY</u>	<u>YEARLY MATURITIES</u>	<u>INTEREST RATE</u>	<u>BALANCE - JUNE 30, 2017</u>	
NEW REFUNDING - QUALIFIED BONDS	#5	6/15/2010	\$ 91,000.00	2017-2020	\$ 5,000.00	5.00%		
				2021-2022	10,000.00	4.00%		
				2023-2024	10,000.00	4.25%		
								<u>60,000.00</u>
						<u>Ref.</u>	E	

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

E-8

**PARKING UTILITY CAPITAL FUND
SCHEDULE OF CASH**

	<u>Ref.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance - June 30, 2016	E	<u>\$ 1,090,505.26</u>	<u>\$ 201,664.18</u>
Increased by Receipts			
Interest on Investments	E-2	189.97	-
Investments Matured		263,817.16	-
Parking Fees and Charges		1,507,447.68	-
Interfund Advances Returned		1,036,003.84	200,000.00
Capital Improvement Fund		-	200,000.00
Total Receipts		<u>2,807,458.65</u>	<u>400,000.00</u>
Subtotal		3,897,963.91	601,664.18
Decreased by Disbursements			
Budget Appropriations	E-3	1,204,343.05	-
Investments Purchased		263,929.21	-
Appropriation Reserves		3,262.43	-
Interfund Advances		1,036,003.84	200,000.00
Interest on Bonds and Notes		2,775.00	-
Total Disbursements		<u>2,510,313.53</u>	<u>200,000.00</u>
Balance - June 30, 2017	E	<u>\$ 1,387,650.38</u>	<u>\$ 401,664.18</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F

**SEWER UTILITY FUND
STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCES**

<u>Assets</u>	<u>Ref.</u>	June 30,	
		2017	2016
Operating Fund			
Cash	F-10	\$ 2,409,882.33	\$ 2,652,437.64
Change Fund - Collector		500.00	500.00
Investments		3,539,229.95	3,519,751.42
Interfund Accounts Receivable		525,681.23	569,548.00
		<u>6,475,293.51</u>	<u>6,742,237.06</u>
Receivable with Reserves			
Sewer Utility Fees & Charges Receivable		2,290,922.86	4,064,148.07
Sewer Liens Receivable		876,435.76	561,170.04
		<u>3,167,358.62</u>	<u>4,625,318.11</u>
Total Operating Fund		<u>9,642,652.13</u>	<u>11,367,555.17</u>
Capital Fund			
Cash	F-10	3,130,885.57	2,311,719.86
Investment		469,567.33	466,983.02
		<u>3,600,452.90</u>	<u>2,778,702.88</u>
Fixed Capital		67,400,012.76	66,831,301.89
Fixed Capital Authorized and Uncompleted		5,933,396.62	6,580,221.05
		<u>76,933,862.28</u>	<u>76,190,225.82</u>
Total Capital Fund		<u>76,933,862.28</u>	<u>76,190,225.82</u>
Total Operating and Capital Fund		<u>\$ 86,576,514.41</u>	<u>\$ 87,557,780.99</u>
<u>Liabilities Reserves and Fund Balance</u>			
Operating Fund			
Appropriation Reserve	F-4	\$ 1,794,903.02	\$ 2,606,310.90
Reserve for Retro Payrolls		-	673,149.58
Reserve for Encumbrances		717,928.31	692,241.90
Accounts Payable		25,587.00	-
Accrued Interest on Bonds - Notes - Loans		103,770.00	104,571.32
Reserve for Sick & Vacation		555,165.03	300,000.00
		<u>3,197,353.36</u>	<u>4,376,273.70</u>
Reserve for Receivables		3,167,358.62	4,625,318.11
Fund Balance	F-1	3,277,940.15	2,365,963.36
Total Operating Fund		<u>9,642,652.13</u>	<u>11,367,555.17</u>
Capital Fund			
Interfund Accounts Payable		310.17	36.71
Bond Anticipation Notes	F-8	2,050,000.00	1,065,000.00
Serial Bonds - Qualified	F-9	6,610,000.00	6,625,000.00
Loans/Bonds Payable - NJEIT Loans		388,361.68	463,285.40
Improvement Authorizations			
Funded	F-5	1,819,361.18	2,032,442.19
Unfunded	F-5	3,929,636.43	4,282,756.65
Reserve For			
Amortization		59,871,579.92	59,114,269.76
Deferred Amortization		1,978,962.21	2,244,462.21
Encumbrances		184,399.01	265,022.21
Capital Improvement Fund	F-7	19,177.84	19,177.84
Fund Balance	F-2	82,073.84	78,772.85
Total Capital Fund		<u>76,933,862.28</u>	<u>76,190,225.82</u>
Total Operating & Capital Fund		<u>\$ 86,576,514.41</u>	<u>\$ 87,557,780.99</u>

THERE WERE BONDS AND NOTES AUTHORIZED BUT NOT ISSUED AT JUNE 30, 2017 AND 2016, OF \$ 2,598,314.52 AND \$4,038,314.52(F-6), RESPECTIVELY.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-1

**SEWER UTILITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

	Ref.	Year Ended June 30,	
		2017	2016
Revenue and Other Income Realized			
Operating Surplus Anticipated	F-3	\$ 929,455.00	\$ 2,644,114.74
Sewer Fees and Charges	F-3	11,831,224.07	12,127,667.51
Sewer Rentals	F-3	31,900.00	31,900.00
Interest on Investment	F-3	22,492.85	10,189.30
Other Credits To Income			
Unexpended Balances Appropriation			
Reserves - Lapsed		1,749,630.58	1,030,532.11
Reserve for Retro Payrolls / Sick & Vacation		638,867.39	300,000.00
Total Income		<u>15,203,569.89</u>	<u>16,144,403.66</u>
Expenditures			
Operating	F-4	8,936,506.00	10,166,276.74
Capital Outlay	F-4	1,143,259.00	1,343,259.00
Reserve for Sick & Vacation	F-4	300,000.00	300,000.00
Debt Service	F-4	113,799.52	84,084.91
Statutory Expenditures	F-4	770,041.00	734,551.00
Capital Improvement Fund	F-4	-	1,000,000.00
Qualified Bond P&I - (Current Fund)	F-4	595,848.28	600,064.27
Surplus (Current Fund)	F-4	1,500,000.00	1,500,000.00
Refund of Prior Years' Receivable		2,684.30	291.50
		<u>13,362,138.10</u>	<u>15,728,527.42</u>
Excess in Revenue		<u>1,841,431.79</u>	<u>415,876.24</u>
Statutory Excess		<u>1,841,431.79</u>	<u>415,876.24</u>
Fund Balance			
Balance, Beginning of the Year		<u>2,365,963.36</u>	<u>4,594,201.86</u>
		4,207,395.15	5,010,078.10
Less: Fund Balance Utilized	F-3	<u>929,455.00</u>	<u>2,644,114.74</u>
Balance, End of the Year	F	<u><u>3,277,940.15</u></u>	<u><u>2,365,963.36</u></u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-2

**SEWER UTILITY CAPITAL FUND
STATEMENT OF CHANGES IN FUND BALANCE**

	<u>Ref.</u>	
Balance - June 30, 2016	F	\$ 78,772.85
Increased By: Premium Sale of Bonds	F-5, F-7	<u>3,300.99</u>
Balance - June 30, 2017	F	<u>\$ 82,073.84</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-3

**SEWER UTILITY FUND
STATEMENT OF REVENUES**

	Ref.	Anticipated	Realized	Excess (Deficit)
Surplus Anticipated	F-1	\$ 929,455.00	\$ 929,455.00	\$ -
Sewer Fees and Charges	F-1	12,100,000.00	11,831,224.07	(268,775.93)
Sewer Rentals	F-1	31,900.00	31,900.00	-
Interest on Investment	F-1	1,000.00	22,492.85	21,492.85
Reserve for Sick & Vacation		<u>300,000.00</u>	<u>300,000.00</u>	<u>-</u>
 Total Budget Revenue	 F-4	 <u>\$13,362,355.00</u>	 <u>\$13,115,071.92</u>	 <u>\$ (247,283.08)</u>

ANALYSIS OF SEWER FEES AND CHARGES

Sewer Fees and Charges	
Sewer Charges - Collections	\$11,657,867.53
Lien Charges - Collections	115,159.27
Other Accounts Receivable	52,496.77
Misc. Rev. Not Anticipated	<u>5,700.50</u>
 Total Sewer Fees & Charges	 <u>\$11,831,224.07</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-4

**SEWER UTILITY FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
Year Ended June 30, 2016**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating					
Salaries and Wages	\$ 3,876,318.00	\$ 3,423,318.00	\$ 3,175,330.47	\$ 247,987.53	\$ -
Other Expenses	5,063,188.00	5,513,188.00	5,010,580.90	502,607.10	-
Capital Outlay	1,143,259.00	1,143,259.00	140,299.95	1,002,959.05	-
Reserve Sick & Vacation	300,000.00	300,000.00	300,000.00	-	-
Debt Services					
Interest on Notes	18,440.00	19,440.00	18,111.34	-	1,328.66
Interest on Bonds-NJEIT	20,780.00	20,780.00	20,764.46	-	15.54
Payment on Bonds-NJEIT	74,924.00	74,924.00	74,923.72	-	0.28
Qualified Bond Debt Serv. - Current P&I	595,405.00	597,405.00	595,848.28	-	1,556.72
Deferred Charges and Statutory Expenditures					
Contribution to					
Public Employees Retirement System	449,324.00	449,324.00	449,324.00	-	-
Social Security System (O.A.S.I.)	295,601.00	295,601.00	254,251.66	41,349.34	-
Unemployment Insurance	25,116.00	25,116.00	25,116.00	-	-
Surplus (Current Fund)	1,500,000.00	1,500,000.00	1,500,000.00	-	-
Total	<u>\$ 13,362,355.00</u>	<u>\$ 13,362,355.00</u>	<u>\$ 11,564,550.78</u>	<u>\$ 1,794,903.02</u>	<u>\$ 2,901.20</u>
Ref.	F-3			F	
	Ref.				
Analysis of Paid or Charged					
Cash Disbursed	F-10		\$ 10,241,895.39		
Reserve for Encumbrances			717,928.31		
Interest on Bonds and Notes			304,727.08		
Reserve Sick & Vacation			300,000.00		
			<u>\$ 11,564,550.78</u>		

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-5

**SEWER UTILITY FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance		Amount	Balance - June 30, 2016		Reverse Prior Year Open PO's	FY'17 Authorizations	FY'17 Cancelled	Paid or Charged	FY'17 OPEN PO'S	Balance - June 30, 2017	
	Number	Date		Funded	Unfunded						Funded	Unfunded
Improvements To Sanitary Sewer System	76-23	3/4/1976	\$ 33,400,000.00									
	81-132	12/7/1981	10,600,000.00									
	82-144	9/2/1982	805,000.00									
	84-44	4/19/1984	2,800,000.00									
	85-66	7/9/1985	855,000.00									
				\$ 461,026.79	\$ -	\$ -	\$ -	\$ -	\$ 27,976.00	\$ -	\$ 433,050.79	\$ -
Improvements To Sewer	95-184	12/22/1995	600,000.00	-	165,000.00	-	-	165,000.00	-	-	-	-
Improvements To Sewer Disposal System	01-002	1/19/2001	1,000,000.00	-	-	-	-	-	-	-	-	-
Improvements To Sewer	05-085	7/20/2005	1,050,000.00	-	728,137.73	-	-	728,137.73	-	-	-	-
Improvements To Sewer	06-101	12/21/2006	650,000.00	-	499,441.80	-	-	-	-	-	-	499,441.80
Improvements To Sewer	12-021	5/17/2012	370,000.00	-	257,744.38	228.21	-	-	1,189.13	-	-	256,783.46
Improvements To Sewer	13-020	6/24/2013	1,200,000.00	-	779,091.50	-	-	-	186,909.30	-	-	592,182.20
Improvements To Sewer	13-022	6/24/2013	500,000.00	95,550.24	-	-	-	-	-	-	95,550.24	-
Improvements To Sewer	14-037	9/4/2016	435,000.00	434,320.16	-	-	-	-	-	184,399.01	249,921.15	-
Improvements To Sewer	14-041	9/4/2016	1,100,000.00	-	1,078,341.24	-	-	-	-	-	-	1,078,341.24
Improvements To Sewer	15-006	5/21/2016	360,000.00	42,145.00	-	264,794.00	-	-	265,500.00	-	41,439.00	-
Improvements To Sewer	16-014	4/21/2016	1,000,000.00	999,400.00	-	-	-	599,700.00	-	-	399,700.00	-
Improvements To Sewer	16-038	6/16/2016	775,000.00	-	775,000.00	-	-	-	250.00	-	-	774,750.00
Trickling Filter Arm Replacement	17-038	6/15/2017		-	-	-	599,700.00	-	-	-	599,700.00	-
Large Diameter Sewer Cleaning & Special Maintenance	17-039	6/15/2017		-	-	-	728,137.73	-	-	-	-	728,137.73
				<u>\$ 2,032,442.19</u>	<u>\$ 4,282,756.65</u>	<u>\$ 265,022.21</u>	<u>\$ 1,327,837.73</u>	<u>\$ 1,492,837.73</u>	<u>\$ 481,824.43</u>	<u>\$ 184,399.01</u>	<u>\$ 1,819,361.18</u>	<u>\$ 3,929,636.43</u>
				F	F						F	F
	Ref.											

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-6

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

Ordinance Number	Improvement Description	Balance - June 30, 2016	FY 2017 Authorization	Cancelled or Reappropriated	BANs Issued	Balance - June 30, 2017
95-184	Various Improvements To Sewer System	\$ 165,000.00	\$ -	\$ 165,000.00	\$ -	\$ -
00-14	Various Improvements To Sewer System	0.52	-	-	-	0.52
01-002	Various Improvements To Sewer System	-	-	-	-	-
04-067	Various Improvements To Sewer System	-	-	-	-	-
05-085	Various Improvements To Sewer System	728,314.00	-	728,314.00	-	-
06-101	Various Improvements To Sewer System	500,000.00	-	-	500,000.00	-
07-076	Various Improvements To Sewer System	-	-	-	-	-
12-021	Various Improvements To Sewer System	245,000.00	-	-	215,000.00	30,000.00
13-20	Various Improvements To Sewer System	575,000.00	-	-	400,000.00	175,000.00
14-41	Various Improvements To Sewer System	1,075,000.00	-	-	185,000.00	890,000.00
16-038	Various Improvements To Sewer System	775,000.00	-	-	-	775,000.00
17-039	Various Improvements To Sewer System	-	728,314.00	-	-	728,314.00
		<u>\$ 4,063,314.52</u>	<u>\$ 728,314.00</u>	<u>\$ 893,314.00</u>	<u>\$ 1,300,000.00</u>	<u>\$2,598,314.52</u>
	Ref.	F	F-5		F-8	F

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

F-7

SEWER UTILITY FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance - June 30, 2016	F	\$ 19,177.84
Increased By:		
Cancel Project Ord.# 16-14	F-4	599,700.00
Decreased By:		
Improvement Authorization - Ord.# 17-038	F-5	<u>599,700.00</u>
Balance - June 30, 2017	F	<u>\$ 19,177.84</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-8

**SEWER UTILITY FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Ordinance Number	Date of Original Note	Improvement Description	Date of Maturity	Interest Rate	Balance - June 30, 2016	Rollover & New Issues Increase	Rollover & Bonded Decrease	Balance - June 30, 2017
01-002	6/17/2014	Improvements To Sanitary Sewer System	6/17/2016	1.19%	\$ 115,000.00	\$ -	\$ 115,000.00	\$ -
	6/17/2016	Improvements To Sanitary Sewer System	6/17/2017	1.60%	100,000.00	-	100,000.00	-
	6/17/2016	Improvements To Sanitary Sewer System	6/13/2018	1.79%	-	100,000.00	-	100,000.00
01-002	6/17/2015	Improvements To Sanitary Sewer System	6/17/2017	1.60%	75,000.00	-	75,000.00	-
06-101	6/13/2017	Improvements To Sanitary Sewer System	6/13/2018	1.79%	-	500,000.00	-	500,000.00
12-021	6/17/2015	Improvements To Sanitary Sewer System	6/17/2017	1.60%	125,000.00	-	125,000.00	-
12-021	6/13/2017	Improvements To Sanitary Sewer System	6/13/2018	1.79%	-	215,000.00	-	215,000.00
13-020	6/17/2016	Improvements To Sanitary Sewer System	6/17/2017	1.60%	625,000.00	-	625,000.00	-
			6/13/2018	1.79%	-	625,000.00	-	625,000.00
13-20	6/13/2017	Improvements To Sanitary Sewer System	6/13/2018	1.79%	-	400,000.00	-	400,000.00
14-041	6/17/2016	Improvements To Sanitary Sewer System	6/17/2017	1.60%	25,000.00	-	25,000.00	-
			6/13/2018	1.79%	-	25,000.00	-	25,000.00
14-041	6/13/2017	Improvements To Sanitary Sewer System	6/13/2018	1.79%	-	185,000.00	-	185,000.00
					<u>\$1,065,000.00</u>	<u>\$ 2,050,000.00</u>	<u>\$ 1,065,000.00</u>	<u>\$ 2,050,000.00</u>
					Ref. F	F-10	F-10	F

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-9

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

Balance - June 30, 2016			<u>Ref.</u> F		\$ 6,625,000.00	
Increased By:						
New Bonds Issued FY'17					315,000.00	
Decreased By:						
2017 Budget Appropriation to Pay Bonds				<u>\$ 330,000.00</u>		
Balance - June 30, 2017			F		<u>\$ 6,610,000.00</u>	
<u>Purpose of Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date of Maturity</u>	<u>Annual Maturities</u>	<u>Interest Rate</u>	<u>Balance - June 30, 2017</u>
Refunding Qualified Bonds- Ord.# 13-1 FY'2013	3/25/13 closing	\$ 1,415,000.00	2018 2019 2020-2024 2025 2026-2027 2028 2029 2030-2031 2032 2033 2034-2035	\$ 65,000.00 70,000.00 75,000.00 75,000.00 70,000.00 70,000.00 70,000.00 70,000.00 65,000.00 65,000.00 65,000.00	4.00% 4.00% 4.00% 3.00% 3.00% 3.13% 3.25% 3.38% 3.50% 3.38% 3.50%	\$1,265,000.00
New Bond Issue 7/29/15 -Closing 9/4/16	9/14/2015	1,490,000.00 # 9	2018 2019-2020 2021-2027 2029	- 110,000.00 110,000.00 105,000.00 300,000.00	2.00% 4.00% 5.00% 5.00% 3.75%	1,365,000.00
Refunding Qualified Bond Issue FY'08 - 2007 Series Replaced By #11-12/30/15	7/1/2007	2,294,000.00 # 5	FY'17 2018	- 80,000.00	4.50% 4.50%	80,000.00
Refunding Qualified Bond Issue	12/30/2015 fy'16	1,715,000.00 # 11	FY'18 FY'19-FY'21 FY'22 FY'23-FY'24 FY'25 FY'26 FY'27 FY'28 FY'29 FY'30-FY'31 FY'32 FY'33-FY'34	5,000.00 90,000.00 90,000.00 100,000.00 100,000.00 95,000.00 95,000.00 95,000.00 95,000.00 90,000.00 150,000.00 150,000.00	2.00% 4.00% 5.00% 5.00% 3.13% 3.25% 3.50% 3.63% 3.75% 4.00% 4.00% 4.13%	1,675,000.00
Refunding Qualified Bond Issue FY'2010 Series A	6/15/2010 # 6 A	1,106,000.00	2018-2020 2021-2022 2023-2026 2027-2029 2030-2032 2033 2034-2037 2038-2041	- 40,000.00 40,000.00 40,000.00 40,000.00 40,000.00 40,000.00 40,000.00 40,000.00	5.00% 5.00% 4.00% 4.25% 4.38% 4.50% 4.63% 4.75% 5.00%	960,000.00
Refunding Qualified Bond Issue FY'10 Series B	6/15/2010 # 6B	535,000.00 # 6B	2018-2020 2021-2022 2023-2026 2027-2028 2029-2031 2032 2033 2033-2036 2037-2040	15,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00 20,000.00	5.00% 4.00% 4.25% 4.38% 4.50% 4.63% 4.63% 4.75% 5.00%	465,000.00
Qualified Bond Issue FY'12	1/18/2012 # 7	60,000.00 # 7	2017 2018 2019 2020 2021 2022 2023-2024	- 5,000.00 5,000.00 5,000.00 5,000.00 5,000.00 5,000.00	3.00% 4.00% 5.00% 4.00% 3.00% 5.00% 3.00%	35,000.00
Qualified Bond Issue FY'2015	6/17/15	470,000.00 #10	2018 2019-2023 2024-2027 2028 2029 2030 2031-2032 2033 2034 2035-2045	10,000.00 10,000.00 15,000.00 15,000.00 15,000.00 15,000.00 15,000.00 15,000.00 15,000.00 20,000.00 20,000.00	5.00% 4.00% 3.00% 3.13% 3.25% 3.38% 3.50% 3.63% 3.75% 4.00%	450,000.00
Qualified Bond Issue FY'17	6/13/2017	315,000.00 # 12	FY'18-FY'22 2023-2032 2033-2034 2035-2037 2038-2041 2042-2046	50,000.00 100,000.00 20,000.00 30,000.00 40,000.00 75,000.00	4.00% 3.00% 3.13% 3.38% 3.50% 3.50%	315,000.00
						<u>\$6,610,000.00</u>
						<u>Ref.</u> F

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

F-10

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

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - June 30, 2016	F	<u>\$ 2,652,437.64</u>	<u>\$ 2,311,719.86</u>
Increased By Receipts			
Interest on Investments	F-3	22,492.85	-
Sewer Fees and Charges		11,712,576.56	-
Sewer Rentals	F-1, F-3	31,900.00	-
Sewer Liens	F-3	115,159.27	-
Misc. Rev.	F-3	5,700.50	-
Investments Matured		45,868,914.48	6,085,658.27
Interest of Investments Due Sewer Operating Fund		2,310.85	2,584.31
Bond Anticipation Notes Issued	F-8	-	2,050,000.00
Qualified Bonds Issued		-	315,000.00
Other Accounts Receivable		52,496.77	-
Sewer Fees Received		11,886,359.88	-
Interfund Advances Returned		11,331,051.46	481,824.43
Premium Sale of Notes/Bonds		-	3,300.99
Total Receipts		<u>81,028,962.62</u>	<u>8,938,368.00</u>
Subtotal		<u>83,681,400.26</u>	<u>11,250,087.86</u>
Decreased By Disbursements			
Overpaid Sewer Charges Refunded		54,709.03	-
Prior Years Rev Refunded		2,684.30	-
Budget Appropriation	F-4	10,241,898.39	-
Investments Purchased		45,888,393.01	6,088,242.58
Interfund Advances		11,381,402.77	481,824.43
Sewer Fees Collected		11,791,868.34	-
Interest in Investments		2,584.31	2,310.85
Improvement Authorizations		-	481,824.43
Bond Anticipation Notes	F-8	-	1,065,000.00
Appropriation Reserves		1,523,335.22	-
Interest on Bonds And Notes		305,525.40	-
Reserve for Retro Payrolls		34,282.19	-
Budget Revenue Appropriation		44,834.97	-
Total Disbursements		<u>81,271,517.93</u>	<u>8,119,202.29</u>
Balance - June 30, 2017	F	<u>\$ 2,409,882.33</u>	<u>\$ 3,130,885.57</u>

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

G

**GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS**

	<u>June 30, 2016</u>	<u>Adjustment</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
<u>Assets</u>					
General Fixed Assets					
Land	\$ 59,149,850	\$ -	\$ -	\$ -	\$ 59,149,850
Buildings and Improvements	172,103,500	-	-	-	172,103,500
Furniture, Fixtures and Equipment	<u>51,352,324</u>	<u>110,650</u>	<u>1,810,329</u>	<u>1,432,185</u>	<u>51,841,118</u>
Total General Fixed Assets	<u>\$ 282,605,674</u>	<u>\$ 110,650</u>	<u>\$ 1,810,329</u>	<u>\$ 1,432,185</u>	<u>\$ 283,094,468</u>
<u>Reserve</u>					
Investment in General Fixed Assets	<u>\$ 282,605,674</u>	<u>\$ 110,650</u>	<u>\$ 1,810,329</u>	<u>\$ 1,432,185</u>	<u>\$ 283,094,468</u>

**INDEPENDENT AUDITORS' 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**

To the Honorable Mayor
and Members of the City Council
City of Trenton
County of Mercer, State of New Jersey

We have audited, 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 requirements of audit prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of various funds and account group of the City of Trenton, County of Mercer, State of New Jersey (the “City”), as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2017, in which we expressed an adverse opinion on the conformity of the financial statements with accounting principles generally accepted in the United States of America due to differences between those principles and accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

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

INDEPENDENT AUDITORS' 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 (CONTINUED)

Internal Control Over Financial Reporting (Continued)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of current year findings and recommendations as findings 2017-001 through 2017-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of current year findings and recommendations as findings 2017-003 and 2017-005 to be a significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of current year findings and recommendations as findings 2017-003, 2017-004 and 2017-005.

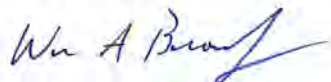
City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying Schedule of Current Year Findings and Recommendations. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**INDEPENDENT AUDITORS' 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
(CONTINUED)**

Purpose of this Report

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



Warren A. Broudy, CPA, CGFM, PSA, CGMA
Registered Municipal Accountant
License No. 554

December 29, 2017

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SUPPLEMENTARY INFORMATION

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY, NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Finding 2017-001

Criteria

All utility receivables and reserves should be evaluated regularly to determine collectability and adjusted accordingly.

Condition

There are various utility receivables that may not be collectable. There are also several utility payments received for unidentified payees, several unexplained adjustments and credit balances that exist in the receivable balance.

Cause

Inadequate monitoring and management of utility receivables and reserve balances.

Effect

An overstatement or understatement of utility receivables and reserve balances.

Recommendation

Utility receivables should be monitored periodically throughout the year to determine the current status. Any amounts deemed uncollectable should be written off. Also, inactive accounts, duplicate customers, credit balances and unexplained adjustments should be investigated further by the City.

Finding 2017-002

Criteria

Management is responsible for establishing and maintaining effective internal control over the payroll function. Management is also responsible for maintaining adequate payroll information in employee personnel files and all personnel files should be maintained with required documentation.

Condition

For the pay periods audited, several instances of inadequate recordkeeping and internal control were noted in the following areas:

- Many City new hire forms or DCA monitoring approval forms were not provided or were not consistently completed and signed by City Management.
- Two of twenty-five terminated employee change status forms were not provided and 5 of 25 had final payouts inconsistent with the termination dates noted in the payroll system.
- Required documentation and information was not consistently maintained in the employee personnel files for various files tested. Documents such as current salary and position worksheets, employment application, W-4, I-9, residency forms, DCA approval form, and new hire/termination documentation was not maintained on a consistent basis.
- Inconsistent review by management of department summary timesheets entered into the payroll system and inconsistent review of completed payroll registers for errors and variances to the information transmitted to the service provider.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY, NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Finding 2017-002 (Continued)

Cause

Inconsistent payroll policies across City departments and inconsistent adherence by management to payroll policies over timesheets and personnel records.

Effect

An opportunity exists for payroll misappropriation and possible noncompliance with certain federal and or state compliance requirements.

Recommendation

- We recommend that the City adopt a written policy for effective internal controls in the human resources and payroll functions and that the payroll department and other city departments involved in processing payroll adhere to the policies established.
- Personnel files should include current pertinent payroll information for each active employee.
- Employee changes should be reviewed and approved by City Department Directors and City management, and consistently documented in employee personnel files, and updated in the City payroll system by employees without access to payroll transmissions.
- Summary department timesheet submissions should be consistently reviewed and completed payroll registers should be obtained by the appropriate management staff and reviewed for accuracy to the payroll data transmitted to the payroll service provider in order to detect errors in payroll.

Finding 2017-003

Criteria

Management is responsible for monitoring budget to actual expenditures to avoid over-expenditures as of April 30, 2017.

Condition

Over-expenditures of budget appropriations in the amount of \$127,553 were noted prior to the budget transfer period.

Cause

The City did not monitor its budget versus actual expenditures as of April 30, 2017.

Effect

Management override of controls and noncompliance with requirements of audit.

Recommendation

We recommend the City adopt a written policy for effective internal controls in the finance and purchasing functions. We also recommend that the City Finance and Budget staff continue to monitor its budget appropriations throughout the year to avoid over-expenditures and instances of override of budget controls.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY, NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Finding 2017-004

Criteria

Management is responsible for compliance with the applicable rules and regulations mandated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services ("DLGS"), including those established by the Memorandum of Understanding.

Condition

Several instances of noncompliance were noted in the following areas:

- Prohibition of costs for receptions and cost reimbursements for officer and employee meals or entertainment.
- Filing any litigation costs above \$100,000 with DLGS.
- Restriction on the hiring or retention of consultants or professionals, directly or through sub-contract, without prior written approval of DLGS. The restriction includes consultants and professionals regardless of contract value.

Cause

Inadequate monitoring of compliance requirements set forth by the DLGS.

Effect

The City could lose its transitional aid due to non-compliance with the Transitional Aid Memorandum of Understanding.

Recommendation

We recommend that the City provide the complete Memorandum of Understanding to all key City management personnel. We also recommend the City establish policies and procedures to monitor its compliance with the rules and regulations mandated by the DLGS, including those established by the Memorandum of Understanding.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY, NEW JERSEY**

SCHEDULE OF CURRENT YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Finding 2017-005

Criteria

Court management is responsible for completing bank reconciliations timely. Additionally, the court is required to maintain compliance with applicable State of New Jersey municipal court administrative requirements.

Condition

The bail and operating municipal court accounts were not reconciled as of audit fieldwork dates. Additionally, related municipal court administrative reports and procedures were not completed.

Cause

The City municipal court relied upon a third-party accountant to perform the monthly municipal court bank reconciliations. The contract for this professional service was not renewed and a new contract was not awarded timely in order to complete a timely reconciliation of the accounts. Additionally, no staff was hired or trained to perform the duties of the court staff that retired during the fiscal year who were responsible for various municipal court administrative matters.

Effect

Potential exists for a misstatement of June 30, 2017, municipal court balances as well as noncompliance with State of New Jersey municipal court requirements.

Recommendation

We recommend that the City municipal court administrator monitor its bank reconciliation process to ensure that the bank reconciliations are completed timely. We also recommend that proper training be provided to all new employees as to their roles and responsibilities to ensure compliance with municipal court requirements.

Management's Response

Management has reviewed the findings and is in agreement. A corrective action plan will be completed within 45 days.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Finding 2016-001

Condition

There are various utility receivables that may not be collectable. There are also several utility payments received for unidentified payees, several unexplained adjustments and credit balances that exist in the receivable balance.

Status

The condition still exists as current year finding 2017-001.

Finding 2016-002

Condition

For the pay periods audited, several instances of inadequate recordkeeping and internal control were noted in the following areas:

- Thirteen of fifty new hire and terminated employee change status forms or DCA monitoring approval forms were not provided or did not contain the approval signature of City Management.
- Required documentation and information was not properly maintained in the employee personnel files for various files tested. Documents such as current salary and position worksheets, employment application, W-4, I-9, residency forms, DCA approval form, and new hire/termination documentation was not maintained on a consistent basis.
- Limited segregation of duties allowed the Payroll Supervisor the ability to edit, add and remove employees from the payroll system and also transmit payroll to the payroll service provider.
- We noted instances of department Payroll Clerks preparing and submitting the summary payroll reports to the payroll department without evidence of Supervisor or Department Head review and approval. This is not in line with City policy requiring department heads or supervisors to directly submit or provide approval of the summary payroll reports provided to the City payroll department.
- The Payroll Supervisor did not maintain copies of the completed payroll registers provided by the third-party payroll service provider, indicating a lack of timely management review of completed payroll registers for errors and variances to the information transmitted to the service provider.
- The City did not monitor its tax liability payments to the federal and state authorities made by its payroll company.

Status

The condition still exists as current year finding 2017-002.

Finding 2016-003

Condition

Over-expenditures of budget appropriations were noted prior to the budget transfer period.

Status

The condition still exists as current year finding 2017-003.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS (CONTINUED)

Finding 2016-004

Condition

Several instances of noncompliance were noted in the following areas:

- Prohibition of costs for receptions and cost reimbursements for officer and employee meals or entertainment.
- Restriction on the hiring or retention of consultants or professionals, directly or through sub-contract, without prior written approval of DLGS. The restriction includes consultants and professionals regardless of contract value.
- Surety bond coverage for applicable City employees that was not in compliance with the minimum requirements established by N.J.A.C. 5:30-8.

Status

The condition still exists as current year finding 2017-004.

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

CURRENT YEAR

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states that "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

N.J.S. 40A:11-3a states, in part, "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant subsection b. of section 9 of P.L. 1971, c. 198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$40,000."

Subsection c of N.J.S. 40A:11-3 directs the Governor, in consultation with the Department of the Treasury, to adjust the threshold amounts every fifth year after enactment of P.L. 1999 c.440. The bid threshold amount for the City was \$40,000 for the period from July 1, 2016 to June 30, 2017.

There were no exceptions to the above-referenced purchasing requirements noted during the audit.

It is also noted that, as an alternative to public advertising, the City uses state contracts to purchase certain approved items.

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

Any interpretation as to possible violations of N.J.S. 40A:11-4 and N.J.A.C. 5:30-14 would be in the province of the municipal solicitor.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 28, 2017, and was complete.

SCHEDULES

**CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY**

OFFICIALS IN OFFICE

The following officials were in office during the fiscal year 2017:

Eric E. Jackson, Mayor

Marge Caldwell-Wilson, Councilwoman

Alex Bethea, Councilman

Zachary Chester, Councilman

Phyllis Holly Ward, Councilwoman

Verlina Reynolds-Jackson, Councilwoman

Duncan W. Harrison, Jr., Councilman

George Muschal, Councilman

Walter Denson, Attorney

Dwayne M. Harris, Municipal Clerk

Terry McEwen, Business Administrator

Janet Schoenhaar, Comptroller/CFO

Edward Kirkendoll, Acting Tax Collector

Kevin Maloney, Chief Assessor

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

SCHEDULE OF TAX RATE, TAX LEVY AND TAX COLLECTIONS

Comparison of Tax Rate Information

	2017	2016	2015
Total Tax Rate	<u>4.96</u>	<u>5.75</u>	<u>5.69</u>
Apportionment of Tax Rate			
Municipal	3.42	3.97	3.90
County	0.60	0.68	0.71
Local School	0.92	1.07	1.06
County Open Space	0.03	0.03	0.03

Assessed Valuation - Net Valuation Taxable

2017	\$ 2,395,945,829.00
2016	2,019,401,562.00
2015	1,996,653,658.00

Comparison of Current Tax Levies and Collections:

Year Ended June 30,	Tax Levy	Cash Collection	Percentage of Collection
2017	\$ 118,307,103.89	\$ 110,750,467.63	93.61%
2016	119,481,026.62	110,689,267.48	92.64%
2015	114,340,916.71	107,516,676.17	94.03%

Year Ended June 30,	Amount of Tax Title Liens	Amount of Delinquent Taxes	Percentage of Collection
2017	\$ 27,130,613.24	\$ 392,289.18	24.85%
2016	25,643,101.23	462,591.01	23.58%
2015	20,384,958.83	904,376.85	19.80%

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

SCHEDULE OF SUPPLEMENTARY DATA (UNAUDITED)

Property Acquired by Tax Title Liens Liquidation:

The value of property acquired by liquidation of tax title liens on the basis of the last assessed valuation of such properties was as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 55,982,000.00
2016	56,699,800.00
2015	56,994,200.00

Comparison of Water Utility Charges

<u>Year</u>	<u>Water Charges</u>	<u>Other Charges</u>	<u>Total</u>
2017	\$ 39,295,266.47	\$ 2,168,109.19	\$ 41,463,375.66
2016	39,699,553.49	1,530,593.92	41,230,147.41
2015	40,052,281.14	1,066,937.15	41,119,218.29

Comparison of Parking Utility Charges

<u>Year</u>	<u>Parking Charges</u>	<u>Other Charges</u>	<u>Total</u>
2017	\$ 1,322,871.00	\$ 224,766.95	\$ 1,547,637.95
2016	1,317,201.30	224,698.24	1,541,899.54
2015	1,328,201.43	184,639.94	1,512,841.37

Comparison of Sewer Utility Charges

<u>Year</u>	<u>Sewer Charges</u>	<u>Other Charges</u>	<u>Total</u>
2017	\$ 11,831,224.07	\$ 354,392.85	\$ 12,185,616.92
2016	12,127,667.51	342,089.30	12,469,756.81
2015	13,418,059.26	34,850.37	13,452,909.63

CITY OF TRENTON
COUNTY OF MERCER, STATE OF NEW JERSEY

SCHEDULE OF SUPPLEMENTARY DATA (UNAUDITED) (CONTINUED)

Delinquent Water Utility Charges

Year	Delinquent Water Charges	Water Liens Receivable	Total Delinquent	Percentage of Charges
2017	\$ 7,809,679.44	\$ 1,069,565.48	\$ 8,879,244.92	22.60%
2016	9,067,373.99	640,001.70	9,707,375.69	24.45%
2015	8,947,282.22	486,677.66	9,433,959.88	23.55%

Delinquent Sewer Utility Charges

Year	Delinquent Sewer Charges	Sewer Liens Receivable	Total Delinquent	Percentage of Charges
2017	\$ 2,290,922.86	\$ 876,435.76	\$ 3,167,358.62	26.77%
2016	4,064,148.07	561,170.04	4,625,318.11	38.14%
2015	3,640,778.23	425,183.75	4,065,961.98	30.30%

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APPENDIX C

Form of Legal Opinions for the Bonds

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

December 21, 2018

Mayor and City Council of the
City of Trenton
Trenton, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of \$32,489,000 aggregate principal amount of General Obligation Bonds, Series 2018, consisting of \$10,648,000 aggregate principal amount of General Improvement Bonds, Series 2018 (the "General Improvement Bonds"), \$19,791,000 aggregate principal amount of Water Utility Bonds, Series 2018 (the "Water Utility Bonds"), and \$2,050,000 aggregate principal amount of Sewer Utility Bonds, Series 2018 (the "Sewer Utility Bonds" and together with the General Improvement Bonds and the Water Utility Bonds, the "Bonds") (Qualified Pursuant to the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended) of the City of Trenton, in the County of Mercer (the "City"), a municipal corporation of the State of New Jersey (the "State").

The Bonds are authorized by and are issued pursuant to the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), various bond ordinances duly adopted by the City Council and approved and published as required by law, and by resolutions duly adopted by the City Council of the City on December 4, 2018. The Bonds are also entitled to the benefits of the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended.

The General Improvement Bonds are being issued to provide for the permanent financing of various general capital improvements in and by the City.

The Water Utility Bonds are being issued to provide for the permanent financing of various water utility capital improvements in and by the City.

The Sewer Utility Bonds are being issued to provide for the permanent financing of various sewer utility capital improvements in and by the City.

The Bonds are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of the Bonds of each series maturing in each year. Purchases of the Bonds will be made in book-entry only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that those Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in denominations of \$1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by a duly designated paying agent directly to Cede & Co., as nominee for DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semiannually on the first (1st) day of February and August (each an "Interest Payment Date"), commencing August 1, 2019, in each year until maturity or earlier redemption, as applicable. The Bonds shall mature on August 1 in each of the years, in the principal amounts and at the interest rates as follows:

\$10,648,000 GENERAL IMPROVEMENT BONDS, SERIES 2018

(Qualified Pursuant to the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended)

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2019	\$ 703,000	%	2025	\$1,200,000	%
2020	700,000		2026	1,200,000	
2021	700,000		2027	1,250,000	
2022	700,000		2028	1,350,000	
2023	700,000		2029	1,400,000	
2024	745,000				

\$19,791,000 WATER UTILITY BONDS, SERIES 2018

(Qualified Pursuant to the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended)

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$ 601,000	%	2032	\$ 725,000	%
2020	600,000		2033	750,000	
2021	600,000		2034	800,000	
2022	600,000		2035	850,000	
2023	600,000		2036	900,000	
2024	600,000		2037	950,000	
2025	600,000		2038	990,000	
2026	625,000		2039	1,050,000	
2027	625,000		2040	1,050,000	
2028	650,000		2041	1,200,000	
2029	650,000		2042	1,200,000	
2030	675,000		2043	1,200,000	
2031	700,000				

\$2,050,000 SEWER UTILITY BONDS, SERIES 2018

(Qualified Pursuant to the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended)

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$ 50,000	%	2034	\$ 70,000	%
2020	50,000		2035	75,000	
2021	50,000		2036	75,000	
2022	50,000		2037	80,000	
2023	50,000		2038	80,000	
2024	50,000		2039	85,000	
2025	50,000		2040	85,000	
2026	50,000		2041	90,000	
2027	50,000		2042	90,000	
2028	50,000		2043	100,000	
2029	60,000		2044	100,000	
2030	60,000		2045	100,000	
2031	65,000		2046	100,000	
2032	65,000		2047	100,000	
2033	70,000				

The Bonds are subject to optional redemption prior to their stated maturities as stated therein.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the authorization, sale, issuance and delivery of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance and delivery of the Bonds pursuant to the New Jersey Statutes, including the Local Bond Law, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the City enforceable in accordance with their terms, and (iii) the City has pledged its full faith and credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds. The Bonds are also entitled to the benefits of the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The City will represent in its tax certificate relating to the Bonds that it expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In our opinion, assuming continuing compliance by the City with the aforementioned covenant in its tax certificate, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not "specified private activity bonds" within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

[The Bonds maturing on August 1 in the years _____ through _____, inclusive (the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction

allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.]

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 1 in the years _____ through _____, inclusive, (the "Discount Bonds") and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity).]

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the General Improvement Bonds, one of the Water Utility Bonds, and one of the Sewer Utility Bonds, as executed by the City, and, in our opinion, the form of each such Bond and its execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

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90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

December 21, 2018

Mayor and City Council of the
City of Trenton
Trenton, New Jersey

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the authorization, sale, issuance and delivery of \$362,000 aggregate principal amount of School Bonds, Series 2018 (Secured by the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003)) (the "Bonds") of the City of Trenton, in the County of Mercer (the "City"), a municipal corporation of the State of New Jersey (the "State").

The Bonds are authorized by and are issued pursuant to Title 18A, Education, Chapter 24 of the New Jersey Statutes, the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the "Local Bond Law"), and a bond ordinance finally adopted on February 16, 2012 by the City Council and duly approved and published as required by law, and by a resolution duly adopted by the City Council of the City on December 4, 2018. The Bonds are secured under the provisions of the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003).

The School Bonds are being issued to provide for the permanent financing of capital improvements to various schools in and by the City.

The Bonds are issued in fully registered form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year. Purchases of the Bonds will be made in book-entry only form, without certificates, in principal denominations of \$5,000 each or any integral multiple thereof, with a minimum purchase of \$5,000 required, except that those Bonds in excess of the largest principal amount thereof not equaling a multiple of \$5,000 shall be in

denominations of \$1,000 or any integral multiple thereof. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the a duly designated paying agent directly to Cede & Co., as nominee for DTC. Disbursal of such payments to the DTC participants is the responsibility of DTC and disbursal of such payments to the beneficial owners of the Bonds is the responsibility of the DTC participants.

The Bonds are dated and shall bear interest from their date of delivery, which interest shall be payable semiannually on the first (1st) day of February and August (each an "Interest Payment Date"), commencing August 1, 2019, in each year until maturity. The Bonds shall mature on August 1 in each of the years, in the principal amounts and at the interest rates as follows:

\$362,000 SCHOOL BONDS, SERIES 2018

(Secured by the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003))

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$ 32,000	%	2025	\$ 30,000	%
2020	30,000		2026	30,000	
2021	30,000		2027	30,000	
2022	30,000		2028	30,000	
2023	30,000		2029	60,000	
2024	30,000				

The Bonds are not subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including all authorization proceedings for the Bonds, and other documents and proofs relative to the authorization, sale, issuance and delivery of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that (i) such proceedings and proofs show lawful authority for the authorization, sale, issuance and delivery of the Bonds pursuant to Title 18A, Education, of the New Jersey Statutes and the Local Bond Law, (ii) the Bonds have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the City enforceable in accordance with their terms, and (iii) the City has pledged its full faith and

credit for the payment of the principal of and interest on the Bonds, and, unless paid from other sources, all the taxable property within the City is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds. The Bonds are secured under the provisions of the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003).

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance and delivery of the Bonds in order for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The City will represent in its tax certificate relating to the Bonds that it expects and intends to comply, and will comply, to the extent permitted by law, with such requirements.

In our opinion, assuming continuing compliance by the City with the aforementioned covenant in its tax certificate, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not "specified private activity bonds" within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

[The Bonds maturing on August 1 in the years ____ through ____, inclusive (the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bond and not as interest.]

[Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 1 in the years ____ through ____, inclusive (the "Discount Bonds"), and their respective initial public offering prices to the

public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is treated as interest and is excludable from gross income for federal income tax purposes to the same extent described above. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity).]

Except as stated in the preceding paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the School Bonds, as executed by the City, and, in our opinion, the form of such Bond and its execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

Form of Continuing Disclosure Certificate for the Bonds

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated December __, 2018 (the "Disclosure Certificate") is executed and delivered by the City of Trenton, in the County of Mercer, State of New Jersey (the "City" or the "Issuer") in connection with the issuance of its \$32,489,000 aggregate principal amount of General Obligation Bonds, Series 2018 (Qualified Pursuant to the Municipal Qualified Bond Act, P.L. 1976, c. 38, as amended), consisting of (i) \$10,648,000 aggregate principal amount of General Improvement Bonds, Series 2018 (the "General Improvement Bonds"), \$19,791,000 aggregate principal amount of Water Utility Bonds, Series 2018 (the "Water Utility Bonds"), \$2,050,000 aggregate principal amount of Sewer Utility Bonds, Series 2018 (the "Sewer Utility Bonds" and together with the Water Utility Bonds and the General Improvement Bonds, the "General Obligation Bonds") and \$362,000 aggregate principal amount of School Bonds, Series 2018 (Secured by the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003)) (the "School Bonds" and together with the General Obligation Bonds, the "Bonds"), all such Bonds being dated their date of delivery. The Bonds are being issued pursuant to various bond ordinances duly adopted by the City Council of the City, approved by the Mayor, and published as required by law, and, as applicable, a resolution combining general improvement bond ordinances for purposes of sale of the General Improvement Bonds, a resolution combining water utility bond ordinances for purposes of sale of the Water Utility Bonds, a resolution combining sewer utility bond ordinances for purposes of sale of the Sewer Utility Bonds and a resolution entitled, "Resolution Determining the Form and Other Details of the Offering of (i) \$32,489,000 General Obligation Bonds, Series 2018, Consisting of \$10,648,000 General Improvement Bonds, Series 2018, \$19,791,000 Water Utility Bonds, Series 2018, and \$2,050,000 Sewer Utility Bonds, Series 2018, and (ii) \$362,000 School Bonds, Series 2018 of the City of Trenton, in the County of Mercer, State of New Jersey and Providing for Their Sale" (the "Bond Resolution"), all such resolutions, including the Bond Resolution, being duly adopted by the City Council of the City on December 4, 2018. The City covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Bonds to assist the Underwriter in complying with the Rule (as defined below). The City acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for Federal income tax purposes.

“Continuing Disclosure Information” shall mean, collectively, (i) each Annual Report, (ii) any notice required to be electronically filed by the City with the MSRB at EMMA pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the City with EMMA pursuant to Section 5 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Chief Financial Officer of the City or her designee, or such other person as the City shall designate in writing from time to time for the purposes of this Disclosure Certificate.

“Dissemination Agent” shall mean, Digital Assurance Certification, L.L.C., Orlando, Florida, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the City which has filed with the City a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system, a website created by the MSRB and approved by the SEC to provide a central location where investors can obtain municipal bond information including disclosure documents. The City or Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“State” shall mean the State of New Jersey.

“Underwriter(s)” shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The City shall provide or cause to be provided to the Dissemination Agent not later than 265 days after the close of each year (commencing June 30, 2018), an Annual Report which is consistent with the

requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the City are not available by such date, the City shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the City, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the City.

(b) Not later than 270 days after the close of each year (commencing June 30, 2018), the Dissemination Agent shall file with EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the City does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall, in a timely manner, send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the City (if the Dissemination Agent is not the City).

(d) Each year the Dissemination Agent shall file a report with the City (if the Dissemination Agent is not the City), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, and stating the date it was provided.

(e) If the fiscal year of the City changes, the City shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the City, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. (a) The City's Annual Report shall contain or incorporate by reference the following:

1. The audited financial statements of the City (as of June 30).

The audited financial statements are to be prepared in accordance with generally accepted auditing standards and audit requirements prescribed by the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division") that demonstrate compliance with the modified accrual basis, with certain exceptions, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP) and the budget laws of the State;

2. The most current annual debt statement of the City (as of June 30); and

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the City is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds, as applicable:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances of the Bonds;
10. Release, substitution or sale of property securing repayment of the Bonds, if material;
11. Rating changes relating to the Bonds;

12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material.

The City shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB, through the EMMA system, in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in subsection (a) of this Section 5 that require a materiality determination, the City may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the City has or obtains knowledge of the occurrence of any of the Listed Events that require a materiality determination, the City shall, as soon as possible, determine if such event would constitute information material, if applicable, to the Beneficial Owners of the Bonds.

(c) If the City (i) has or obtains knowledge of the occurrence of any of the Listed Events not requiring a materiality determination, or (ii) determines that the occurrence of a Listed Event requiring a materiality determination would be material to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the City is not the Dissemination Agent) and the City shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the City determines that the occurrence of a Listed Event requiring a materiality determination would not be material to the Beneficial Owners of the Bonds, the City shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the City) and the Dissemination Agent (if the Dissemination Agent is not the City) shall be instructed by the City not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB, through the EMMA system, in a timely manner not in excess of ten (10) business days after the occurrence thereof, with a copy to the City (if the

Dissemination Agent is not the City). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Bondholders of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the City is no longer an "Obligated Person" (as defined in the Rule). The City shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. The City previously failed to timely file its 2012 through 2016 annual financial and operating data as required in accordance with the Rule. In addition, the City failed to timely file notices with respect to such late filings and event notices with respect to certain underlying and insured rating changes. The City subsequently filed all required annual financial information and operating data for the years ended June 30, 2012 through 2017, and event notices with respect to the certain underlying and insured rating changes, along with the required failure to file notices with respect to such late filings. The City has engaged Digital Assurance Certification, L.L.C. to ensure future compliance with its continuing disclosure obligations.

SECTION 8. Dissemination Agent; Compensation. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be DAC. The City shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel who is an expert in Federal securities laws acceptable to the City to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the City, such determination being supported by an opinion of counsel expert in Federal securities laws, or by the approving vote of a

majority of Beneficial Owners of the Bonds at the time of the amendment. The City shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Holders of at least 25% of the aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate and, to the extent permitted by law, which the City agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the City) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of

its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. To the extent permitted by law, the City further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Underwriter, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile or electronic transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the City

Janet Schoenhaar
Chief Financial Officer
City of Trenton
319 East Main Street
Trenton, New Jersey 08608

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds:

Digital Assurance Certification, L.L.C.
315 East Robinson Street, Suite 300
Orlando, Florida 32801
Attention: Lisa Olsen

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the responsible party or address of anyone listed herein.

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the City and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the City and the Dissemination Agent should be contrary to law, then such covenant or covenants,

agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State, as applicable.

**CITY OF TRENTON,
IN COUNTY OF MERCER, NEW JERSEY**

By: _____
JANET SCHOENHAAR,
Chief Financial Officer

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Dissemination Agent

By: _____
LISA OLSEN, Senior Executive
Director

EXHIBIT A

**NOTICE TO REPOSITORIES OF FAILURE
TO FILE ANNUAL REPORT**

Name of Issuer: City of Trenton, in the County of Mercer, State of New Jersey

Name of Bond Issue: \$32,489,000 General Obligation Bonds, Series 2018
Dated: December 21, 2018
(CUSIP Number ____)

\$362,000 School Bonds, Series 2018
Dated: December 21, 2018
(CUSIP Number ____)

Date of Issuance: December 21, 2018

NOTICE IS HEREBY GIVEN that the above designated City has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate dated December 21, 2018 executed by the City.

DATED: _____

DISSEMINATION AGENT
(on behalf of the City)

cc: City of Trenton