

BOROUGH OF STRATFORD
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015

**BOROUGH OF STRATFORD
COUNTY OF CAMDEN**

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COUNTY OF CAMDEN**

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**BOROUGH OF STRATFORD
COUNTY OF CAMDEN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Stratford
County of Camden
Stratford, New Jersey 08084

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Stratford, County of Camden, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statements of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As discussed in Note 1 to the financial statements, the Borough of Stratford prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws 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 these regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Stratford, County of Camden, State of New Jersey, as of December 31, 2015, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Borough of Stratford adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the

auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2016, on our consideration of the Borough of Stratford'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Stratford's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
CR 473

April 21, 2016
Medford, New Jersey

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INDEPENDENT AUDITOR’S 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*

The Honorable Mayor and Members
of the Borough Council
Borough of Stratford
County of Camden
Stratford, New Jersey 08084

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Stratford (herein referred to as “the Borough”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2016. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough'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 Borough’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough’s internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Michael Holt
Certified Public Accountant
Registered Municipal Accountant
CR 473

April 21, 2016
Medford, New Jersey

FINANCIAL STATEMENTS

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**BOROUGH OF STRATFORD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 962,852.67	\$ 1,368,385.18
Change Fund	A-5	120.00	120.00
Total		962,972.67	1,368,505.18
Receivables & Other Assets With Full Reserves:			
Delinquent Taxes Receivable	A-6	419,094.76	362,191.34
Tax Title Liens Receivable	A-7	17,008.23	6,397.41
Maintenance Liens Receivable	A-8	6,575.49	4,835.00
Foreclosed Property - Assessed Valuation	A-10	613,700.00	613,700.00
Revenue Accounts Receivable	A-13	22,955.45	52,934.56
Due From Interfunds:			
Federal & State Grants Fund	A	29,257.86	-
Trust - Other Fund	B	11,160.91	3,827.55
Animal Control Fund	B	4.76	5.12
General Capital Fund	C	-	61.97
Total Receivables & Other Assets With Full Reserves		1,119,757.46	1,043,952.95
Deferred Charges To Future Taxation:			
Special Emergency Authorizations - 5-Years	A-15	101,000.00	86,000.00
Emergency Authorizations - See Note 16	A	25,000.00	-
Total		126,000.00	86,000.00
Total Regular Funds		2,208,730.13	2,498,458.13
Federal & State Grants:			
Cash	A-4	-	39,042.06
Due From Current Fund	A	-	562.72
Federal and State Grants Receivable	A-29	406,287.97	502,928.22
Total State & Federal Grants		406,287.97	542,533.00
Total Assets		\$ 2,615,018.10	\$ 3,040,991.13

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

**BOROUGH OF STRATFORD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 272,389.67	\$ 272,809.66
Reserve for Encumbrances	A-3	23,069.85	17,712.01
Prepaid Taxes	A-9	86,908.55	71,229.25
Tax Overpayments	A-11	7,998.01	6,739.16
Due to State of New Jersey for Senior Citizen & Veteran Deductions	A-12	8,023.48	9,926.30
Due to County-Added and Omitted Taxes	A-17	14,898.39	2,795.71
Due to Bank	A-20	0.60	0.60
Due to Federal & State Grant Fund	A	-	562.72
Due to General Capital Fund	C	5,925.10	-
Reserve for Property Maintenance	A-21	-	1,000.00
Reserve for:			
Tax Title Lien Redemptions	A-22	-	321.60
Premium Bids at Tax Sale	A-23	-	292,500.00
Tax Revaluation	A-25	4,711.00	4,711.00
Whitman Ave Townhouses	A-26	7,689.49	7,709.70
Revision and Codification of Ordinances	A-27	2,108.74	3,283.74
Master Plan	A-28	4,958.22	290.51
Tax Map	A	25.43	25.43
Subtotal Regular Fund		<u>438,706.53</u>	<u>691,617.39</u>
Reserve for Receivables & Other Assets	A	1,119,757.46	1,043,952.95
Fund Balance	A-1	<u>650,266.14</u>	<u>762,887.79</u>
Total Regular Fund		<u>2,208,730.13</u>	<u>2,498,458.13</u>
State & Federal Grants:			
Reserve for Federal & State Grants:			
Appropriated	A-30	350,439.26	504,197.48
Unappropriated	A-31	-	21,886.44
Contracts Payable	A-32	26,590.85	16,449.08
Due to Current Fund	A	<u>29,257.86</u>	-
Total State & Federal Grants		<u>406,287.97</u>	<u>542,533.00</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 2,615,018.10</u>	<u>\$ 3,040,991.13</u>

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

**BOROUGH OF STRATFORD
CURRENT FUND**

EXHIBIT A-1

**COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	REFERENCE	2015	2014
Revenue & Other Income Realized:			
Surplus Utilized	A-1,A-2	\$ 346,000.00	\$ 344,000.00
Miscellaneous Revenue Anticipated	A-2	2,042,091.41	2,145,628.40
Receipts From Delinquent Taxes & Tax Title Liens	A-2	354,689.52	283,852.30
Receipts From Current Taxes	A-2	16,334,332.96	16,003,243.05
Nonbudget Revenue	A-2	41,096.69	93,668.32
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-14	122,868.15	84,117.59
Cancellation of Current Year Appropriations	A-3	41.74	359.91
Lapse of Tax Sale Premiums	A-23	-	4,100.00
Cancellation of Federal and State Grants Appropriated	A-30	26,606.07	5,600.01
Cancellation of Prior Year Outstanding Checks	A-1	-	130.00
Liquidation of Reserves	A-1	-	55.71
Total		19,267,726.54	18,964,755.29
 Expenditures:			
Budget Appropriations Within "CAPS":			
Salaries & Wages	A-3	2,062,360.46	2,051,519.50
Other Expenses	A-3	2,004,505.95	2,126,788.80
Deferred Charges & Statutory Expenditures	A-3	527,834.99	502,126.55
Excluded From "CAPS":			
Salaries & Wages	A-3	35,000.00	55,000.00
Other Expenses	A-3	752,115.83	595,816.84
Capital Improvements	A-3	41,000.00	24,000.00
Municipal Debt Service	A-3	660,470.00	687,080.00
Deferred Charges	A-3	30,000.00	41,000.00
County Taxes Payable	A-6	3,570,179.34	3,424,574.54
County Share of Added and Omitted Taxes	A-6	14,259.80	2,157.12
Local District School Tax Payable	A-6	6,360,817.00	6,156,751.00
Regional High School Taxes	A-19	2,924,422.50	3,002,181.50
Open Space Trust Fund Tax Payable	A-6	57,247.36	57,247.36
Senior Citizen & Veteran Deductions Disallowed:			
Prior Year	A-12	1,000.00	1,750.00
Interfunds Advanced in the Current Year	A	36,528.89	-
Cancellation of Federal and State Grants Receivable	A-29	26,606.07	5,600.01
Total Expenditures		19,104,348.19	18,733,593.22
Excess/(Deficit) in Revenue		163,378.35	231,162.07
 Adjustment:			
Deferred Charges to Succeeding Year's Budget	A-3	70,000.00	-
Statutory Excess to Fund Balance		233,378.35	231,162.07
Fund Balance January 1	A	762,887.79	875,725.72
Total		996,266.14	1,106,887.79
Decreased by: Utilization as Anticipated Revenue	A-1,A-2	346,000.00	344,000.00
Fund Balance December 31	A	\$ 650,266.14	\$ 762,887.79

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

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	APPROPRIATED BY N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Surplus Anticipated	\$ 346,000.00	\$ -	\$ 346,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00	-	5,000.00	-
Other	7,000.00	-	14,580.00	7,580.00
Fees & Permits	54,000.00	-	51,450.50	(2,549.50)
Fines & Costs - Municipal Court	330,000.00	-	330,245.10	245.10
Interest & Costs on Taxes	66,000.00	-	93,590.88	27,590.88
Interest on Investments & Deposits	5,500.00	-	6,112.97	612.97
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Act	12,807.00	-	12,807.00	-
Energy Receipts Tax	707,825.00	-	707,825.00	-
Shared Services - Stratford Schools	18,000.00	-	18,000.00	-
Cable Television	23,799.43	-	23,799.43	-
Red Light Camera	38,954.00	-	50,824.50	11,870.50
Property Maintenance	10,000.00	-	14,125.00	4,125.00
Library Property Maintenance	40,000.00	-	40,000.00	-
Delaware River Port Authority	15,000.00	-	15,000.00	-
Conrail Property Maintenance	3,300.00	-	3,300.00	-
Contributions from Rowan University	50,000.00	-	50,000.00	-
State/Local Grants:				
Regional DWI Taskforce	-	77,400.00	77,400.00	-
Drunk Driving Enforcement	-	31,452.19	31,452.19	-
Alcohol Education and Rehabilitation Grant	-	11,727.70	11,727.70	-
Municipal Alliance on Alcoholism and Drug Abuse	-	32,728.00	32,728.00	-
DWI Enforcement Sobriety Checkpoint	4,000.00	3,700.00	7,700.00	-
Click-It or Ticket	-	4,000.00	4,000.00	-
Clean Communities Program	-	14,205.12	14,205.12	-
Body Armor Grant	-	1,931.30	1,931.30	-
Federal Bullet Proof Vest Grant	-	1,340.28	1,340.28	-
Safe & Secure Communities	30,000.00	30,000.00	60,000.00	-
Drive Sober or Get Pulled Over - Labor Day Crackdown	-	5,000.00	5,000.00	-
NJ Transportation Trust Fund	-	202,000.00	202,000.00	-
Historical Preservation Grant	-	21,780.00	21,780.00	-
COPS in Shops	2,400.00	4,000.00	6,400.00	-
Year End Crackdown	-	5,000.00	5,000.00	-
Recycling Tonnage Grant	6,886.44	-	6,886.44	-
NJAWC Private Grant	-	115,880.00	115,880.00	-
Total Miscellaneous Revenues	1,430,471.87	562,144.59	2,042,091.41	49,474.95
Receipts From Delinquent Taxes	340,000.00	-	354,689.52	14,689.52
Subtotal General Revenues	2,116,471.87	562,144.59	2,742,780.93	64,164.47
Local Tax for Municipal Purposes	3,677,008.54	-	3,742,958.23	65,949.69
Minimum Library Tax	144,088.30	-	144,088.30	-
Budget Totals	5,937,568.71	562,144.59	6,629,827.46	130,114.16
Nonbudget Revenues	-	-	41,096.69	41,096.69
Total	\$ 5,937,568.71	\$ 562,144.59	\$ 6,670,924.15	\$ 171,210.85

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

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 16,334,332.96
Less: School, County Taxes, & Open Space	<u>12,903,712.50</u>
Balance for Support of Municipal Budget Appropriations	3,430,620.46
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>456,426.07</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 3,887,046.53</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 354,689.52</u>
Total Receipts From Delinquent Taxes	<u>\$ 354,689.52</u>

ANALYSIS OF NONBUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Treasurer:	
Administration Fees	\$ 11,248.22
Police Fees & Permits	720.50
Marriage & Civil Unions	1,700.00
Donations	12,953.00
State Inspections	1,777.75
In Lieu of Taxes	60.00
Recycling	976.17
Restitution	1,350.00
Canceled Checks	<u>681.59</u> 31,467.23
Tax Collector:	
Maintenance Liens Receivable	<u>9,629.46</u>
Total	<u>\$ 41,096.69</u>

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

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS					CANCELED	
	BUDGET	BUDGET AFTER MODIFICATION		PAID OR CHARGED			RESERVED
		EXPENDED	ENCUMBERED	EXPENDED	ENCUMBERED		
General Government:							
General Administration:							
Salaries and Wages	\$ 193,851.92	\$ 193,851.92	\$ 190,528.20	\$ -	\$ 3,323.72	\$ -	
Other Expenses	16,900.00	15,650.00	12,042.51	777.70	2,829.79	-	
Elections:							
Other Expenses	4,500.00	4,500.00	4,326.86	-	173.14	-	
Financial Administration (Treasury):							
Salaries and Wages	45,891.81	45,891.81	45,891.81	-	-	-	
Other Expenses	3,416.00	3,416.00	3,377.71	38.29	-	-	
Auditing Services:							
Other Expenses	30,500.00	30,500.00	30,500.00	-	-	-	
Collection of Taxes:							
Salaries and Wages	58,038.02	58,038.02	58,038.02	-	-	-	
Other Expenses	8,405.00	8,405.00	6,483.55	864.71	1,056.74	-	
Tax Assessment:							
Salaries and Wages	16,930.49	16,930.49	16,930.49	-	-	-	
Other Expenses	7,100.00	7,100.00	3,078.00	709.00	3,313.00	-	
Legal Services and Costs:							
Salaries and Wages	10,270.00	10,270.00	9,577.92	-	692.08	-	
Other Expenses	29,000.00	29,000.00	21,883.75	-	7,116.25	-	
Engineering Services:							
Other Expenses	1,000.00	1,000.00	1,000.00	-	-	-	
Municipal Court:							
Salaries and Wages	130,297.60	130,297.60	130,292.55	-	5.05	-	
Other Expenses	34,650.00	33,150.00	31,049.12	1,412.00	688.88	-	
Land Use Administration:							
Planning Board:							
Salaries and Wages	10,571.18	10,571.18	10,397.08	-	174.10	-	
Other Expenses	5,600.00	50,600.00	47,362.42	60.15	3,177.43	-	
Public Safety Functions:							
Police:							
Salaries and Wages	1,483,589.68	1,483,018.16	1,432,256.67	-	50,761.49	-	
Other Expenses	81,400.00	81,400.00	63,816.39	8,392.43	9,191.18	-	
Office of Emergency Management:							
Other Expenses	4,400.00	4,400.00	3,700.10	430.26	269.64	-	
Aid to Volunteer Ambulance Companies	21,000.00	22,123.39	22,123.39	-	-	-	

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

BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS				CANCELED	
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED		RESERVED
		EXPENDED	PAID OR CHARGED			
Public Safety Functions:						
Fire:						
Fire Hydrant Service	51,000.00	51,000.00	45,645.57	-	5,354.43	
Fire Department	50,000.00	50,000.00	34,608.77	3,412.44	11,978.79	
Uniform Fire Safety and Inspection Act:						
Other Expenses	2,000.00	2,000.00	1,334.50	-	665.50	
Public Works Functions:						
Road Repairs & Maintenance:						
Salaries and Wages	98,320.62	108,820.62	106,719.61	-	2,101.01	
Other Expenses	15,250.00	15,250.00	14,678.74	561.78	9.48	
Solid Waste Collection:						
Other Expenses	314,624.80	317,624.80	273,994.41	1,281.50	42,348.89	
Public Buildings & Grounds:						
Other Expenses	8,500.00	8,500.00	7,610.74	889.26	-	
Shade Tree Commission:						
Other Expenses	3,500.00	29,200.00	28,950.00	250.00	-	
Vehicle Maintenance:	26,000.00	32,000.00	31,648.66	350.69	0.65	
Health & Human Services:						
Board of Health:						
Salaries and Wages	4,670.66	4,670.66	4,658.07	-	12.59	
Other Expenses	1,000.00	1,000.00	802.00	198.00	-	
Environmental Commission (N.J.S.A. 40:56A-1)						
Other Expenses	2,000.00	2,000.00	2,000.00	-	-	
Insurance:						
Other Insurance Premiums	121,815.00	120,915.00	120,813.50	-	101.50	
Worker's Compensation	57,825.00	57,825.00	57,825.00	-	-	
Group Insurance for Employees	622,545.79	622,545.79	553,582.68	1,847.34	67,115.77	
Health Benefit Waiver	6,627.84	6,913.92	6,913.92	-	-	
Other Common Operating Functions (Unclassified):						
Celebration of Public Events, Anniv. or Holiday	4,550.00	4,550.00	3,927.08	-	622.92	
Other Expenses						

BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS				CANCELED	
	BUDGET	BUDGET AFTER MODIFICATION		PAID OR CHARGED		
		EXPENDED	ENCUMBERED	RESERVED		
Utility Expenses & Bulk Purchases:						
Electricity	46,000.00	46,000.00	38,861.53	-	7,138.47	
Street Lighting	81,000.00	75,000.00	71,777.62	-	3,222.38	
Telephone	16,900.00	16,900.00	13,705.43	925.76	2,268.81	
Water	1,100.00	1,100.00	873.55	80.60	145.85	
Gas (Natural/Propane)	16,000.00	16,000.00	13,976.29	-	2,023.71	
Sewerage Processing and Disposal	1,725.00	1,725.00	1,612.50	-	112.50	
Gasoline	53,600.00	42,212.05	33,152.02	587.94	8,472.09	
Landfill/Solid Waste Disposal:						
Solid Waste Disposal	183,000.00	183,000.00	155,938.44	-	27,061.56	
Unclassified:						
Compensated Absences	10,000.00	10,000.00	10,000.00	-	-	
Total Operation Within "CAPS"	3,996,866.41	4,066,866.41	3,780,267.17	23,069.85	263,529.39	
Detail:						
Salaries and Wages	2,062,431.98	2,062,360.46	2,005,290.42	-	57,070.04	
Other Expenses (Including Contingent)	1,934,434.43	2,004,505.95	1,774,976.75	23,069.85	206,459.35	
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":						
Contribution to:						
Public Employees Retirement System	79,097.99	79,097.99	78,751.00	-	346.99	
Social Security System (O.A.S.I)	165,000.00	165,000.00	157,110.56	-	7,889.44	
Police & Fire Retirement System	281,937.00	281,937.00	281,937.00	-	-	
Unemployment Insurance	1,500.00	1,500.00	1,018.55	-	481.45	
Defined Contribution Plan	300.00	300.00	157.60	-	142.40	
Total Deferred Charges & Statutory Expenditures Within "CAPS"	527,834.99	527,834.99	518,974.71	-	8,860.28	
Total General Appropriations for Municipal Purposes Within "CAPS"	4,524,701.40	4,594,701.40	4,299,241.88	23,069.85	272,389.67	

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

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS				CANCELED	
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED			RESERVED
			EXPENDED	ENCUMBERED		
OPERATIONS - EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library:						
Other Expenses	144,088.30	144,088.30	144,088.30	-	-	
Shared Municipal Service Agreements:						
Stratford School Shared Service	18,000.00	18,000.00	18,000.00	-	-	
Municipal Court - Court Bailiff:						
Salaries and Wages	8,500.00	8,500.00	8,500.00	-	-	
Municipal Court - Court Security:						
Salaries and Wages	8,500.00	8,500.00	8,500.00	-	-	
Public & Private Programs Offset by Revenues:						
Regional DWI Taskforce	-	77,400.00	77,400.00	-	-	
Drunk Driving Enforcement	-	31,452.19	31,452.19	-	-	
Alcohol Education and Rehabilitation Grant	-	11,727.70	11,727.70	-	-	
Municipal Alliance on Alcoholism and Drug Abuse	-	32,728.00	32,728.00	-	-	
Municipal Alliance on Alcoholism and Drug Abuse						
Local Match	2,596.50	2,596.50	2,596.50	-	-	
DWI Enforcement Sobriety Checkpoint	4,000.00	7,700.00	7,700.00	-	-	
Click-It or Ticket	-	4,000.00	4,000.00	-	-	
Clean Communities Program	-	14,205.12	14,205.12	-	-	
Body Armor Grant	-	1,931.30	1,931.30	-	-	
Federal Bullet Proof Vest Grant	-	1,340.28	1,340.28	-	-	
Safe & Secure Communities	30,000.00	60,000.00	60,000.00	-	-	
Drive Sober or Get Pulled Over - Labor Day Crackdown	-	5,000.00	5,000.00	-	-	
NJ Transportation Trust Fund	-	202,000.00	202,000.00	-	-	
Historical Preservation Grant	-	21,780.00	21,780.00	-	-	
COPS in Shops	2,400.00	6,400.00	6,400.00	-	-	
Year End Crackdown	-	5,000.00	5,000.00	-	-	
Recycling Tonnage Grant	6,886.44	6,886.44	6,886.44	-	-	
NJAWC Private Grant	-	115,880.00	115,880.00	-	-	
Total Operations Excluded From "CAPS"	224,971.24	787,115.83	787,115.83	-	-	
Detail:						
Salaries and Wages	65,000.00	95,000.00	95,000.00	-	-	
Other Expenses	159,971.24	692,115.83	692,115.83	-	-	
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	38,000.00	38,000.00	38,000.00	-	-	
Capital Outlay	3,000.00	3,000.00	3,000.00	-	-	
Total Capital Improvements Excluded from "CAPS"	41,000.00	41,000.00	41,000.00	-	-	

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

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS				CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED EXPENDED	ENCUMBERED RESERVED	
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Anticipation Notes and Capital Notes	639,570.00	639,570.00	639,570.00	-	-
Interest on Notes	20,900.00	20,900.00	20,858.26	-	41.74
Total Municipal Debt Service Excluded from "CAPS"	660,470.00	660,470.00	660,428.26	-	41.74
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorizations	30,000.00	30,000.00	30,000.00	-	-
Total Deferred Charges Excluded from "CAPS"	30,000.00	30,000.00	30,000.00	-	-
Total General Appropriations Excluded from "CAPS"	956,441.24	1,518,585.83	1,518,544.09	-	41.74
Subtotal General Appropriations Reserve For Uncollected Taxes	5,481,142.64	6,113,287.23	5,817,785.97	23,069.85	41.74
	456,426.07	456,426.07	456,426.07	-	-
Total General Appropriations	\$ 5,937,568.71	\$ 6,569,713.30	\$ 6,274,212.04	\$ 23,069.85	\$ 272,389.67
Adopted Budget	\$ 5,937,568.71				
Special Emergency	70,000.00				
Added by N.J.S. 40A:4-87	562,144.59				
Total	\$ 6,569,713.30				
Reserve for Uncollected Taxes		\$ 456,426.07			
Deferred Charges		30,000.00			
Reserve for Master Plan		45,000.00			
Cash Disbursements		5,173,226.17			
Refunds		(86,467.73)			
Reserve for Federal & State Grants		605,431.03			
Due - Trust Other					
Reserve for Compensated Absences		10,000.00			
Reserve for Municipal Alliance Grant		2,596.50			
Due - General Capital Fund		38,000.00			
		\$ 6,274,212.04			

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

**BOROUGH OF STRATFORD
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash	B-3	\$ 21,604.03	\$ 22,283.85
Open Space Trust Fund:			
Cash	B-3	33,003.55	9,401.72
Other Trust Funds:			
Cash - Collector - Treasurer	B-3	932,652.49	327,163.96
Community Development Block Grants Receivable	B-8	75,000.00	46,400.00
Total Other Trust Funds		<u>1,007,652.49</u>	<u>373,563.96</u>
Total Assets		<u>\$ 1,062,260.07</u>	<u>\$ 405,249.53</u>
LIABILITIES & RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-4	\$ 21,599.27	\$ 22,278.73
Due to Current Fund	B-6	4.76	5.12
Total Animal Control Fund		<u>21,604.03</u>	<u>22,283.85</u>
Open Space Trust Fund:			
Reserve for Parks Open Space Expenditures	B-7	33,003.55	9,401.72
Trust - Other Funds:			
Due to State of New Jersey -- DCA Fees	B-9	2,250.00	705.00
Payroll Deductions Payable	B-10	29,982.22	30,235.45
Due Current Fund	B-11	11,160.91	3,827.55
Miscellaneous Trust Reserves	B-12	964,259.36	338,795.96
Total Other Trust Funds		<u>1,007,652.49</u>	<u>373,563.96</u>
Total Liabilities and Reserves		<u>\$ 1,062,260.07</u>	<u>\$ 405,249.53</u>

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

**BOROUGH OF STRATFORD
OPEN SPACE TRUST FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	REALIZED	EXCESS OR (DEFICIT)
Amount to be Raised by Taxation	\$ 57,247.36	\$ 57,247.36	\$ -
Miscellaneous	-	18,122.22	18,122.22
	<hr/>		
Total Revenues	<u>\$ 57,247.36</u>	<u>\$ 75,369.58</u>	<u>\$ 18,122.22</u>

ANALYSIS OF REALIZED REVENUES

Receipts:	
Open Space Tax Levy	\$ 57,247.36
Prior Year Refund	18,063.00
Interest Earnings	59.22
	<hr/>
Total Realized Revenues	<u>\$ 75,369.58</u>

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

**BOROUGH OF STRATFORD
OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS				LAPSED TO RESERVE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED EXPENDED	ENCUMBERED	
Operating:					
Maintenance of Land for Recreation and Conservation:					
Other Expenses	\$ 28,623.68	\$ 28,623.68	\$ 19,211.96	-	\$ 9,411.72
Historic Preservation:					
Other Expenses	28,623.68	28,623.68	23,154.07	-	5,469.61
Total Operating	\$ 57,247.36	\$ 57,247.36	\$ 42,366.03	-	\$ 14,881.33

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

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**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash	C-1	\$ 184,251.10	\$ 289,468.42
Deferred Charges to Future Taxation:			
Unfunded	C-3	3,022,158.00	2,778,228.00
Due from Current Fund	A	5,925.10	-
		<u>\$ 3,212,334.20</u>	<u>\$ 3,067,696.42</u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes	C-8	\$ 3,022,158.00	\$ 2,528,228.00
Contracts Payable	C-6	31,840.79	3,639.25
Improvement Authorizations:			
Funded	C-5	-	12,500.00
Unfunded	C-5	157,550.83	513,982.62
Capital Improvement Fund	C-7	784.58	9,284.58
Due to Current Fund	C-4	-	61.97
		<u>\$ 3,212,334.20</u>	<u>\$ 3,067,696.42</u>

There were bonds and notes authorized but not issued on December 31, 2015 of \$0.00 and on December 31, 2014 of \$250,000.00.

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BOROUGH OF STRATFORD
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

ASSETS	REFERENCE	2015	2014
Operating Fund:			
Cash - Treasurer	D-4	\$ 64,480.20	\$ 55,440.52
Change Fund	D-4	20.00	20.00
Investments	D-4	500,000.00	552,498.19
Accrued Interest Receivable	D-7	8,602.74	6,347.06
Due from Sewer Capital Fund	D	22.18	-
Total		<u>573,125.12</u>	<u>614,305.77</u>
Receivables & Other Assets With Full Reserves:			
Sewer Rents Receivable	D-6	<u>13,190.20</u>	<u>12,819.74</u>
Total Receivable & Other Assets With Full Reserves		<u>13,190.20</u>	<u>12,819.74</u>
Total Operating Fund		<u>586,315.32</u>	<u>627,125.51</u>
Capital Fund:			
Cash - Treasurer	D-4	\$ 88,759.54	\$ -
Fixed Capital	D-10	3,378,942.36	3,378,942.36
Fixed Capital - Authorized & Uncomplete	D-11	180,000.00	-
Due from Sewer Operating Fund	D	<u>-</u>	<u>9,000.00</u>
Total Capital Fund		<u>3,647,701.90</u>	<u>3,387,942.36</u>
Total Operating & Capital Fund		<u>\$ 4,234,017.22</u>	<u>\$ 4,015,067.87</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 14,109.88	\$ 43,194.44
Reserve for Encumbrances	D-3	14,870.65	2,240.41
Accrued Interest on Notes	D-3	637.69	-
Prepaid Sewer Rents	D-8	751.01	1,123.25
Due to Sewer Capital Fund	D	-	9,000.00
		<u>30,369.23</u>	<u>55,558.10</u>
Subtotal		<u>30,369.23</u>	<u>55,558.10</u>
Reserve for Receivables	D	13,190.20	12,819.74
Fund Balance	D-1	<u>542,755.89</u>	<u>558,747.67</u>
Total Operating Fund		<u>586,315.32</u>	<u>627,125.51</u>
Capital Fund:			
Reserves for Amoritzation	D-12	3,378,942.36	3,378,942.36
Reserves for Deferred Amortization	D-13	9,000.00	-
Reserve for Capital Improvement Fund	D-14	-	9,000.00
Improvement Authorizations:			
Unfunded	D-15	6,610.00	-
Contracts Payable	D-16	82,127.36	-
Bond Anticipation Notes	D-17	171,000.00	-
Due to Sewer Operating Fund	D	<u>22.18</u>	<u>-</u>
Total Capital Fund		<u>3,647,701.90</u>	<u>3,387,942.36</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 4,234,017.22</u>	<u>\$ 4,015,067.87</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
Revenue & Other Income Realized:		
Operating Surplus Anticipated	\$ 71,948.55	\$ 169,238.87
Sewer Rents and Liens	339,879.53	333,548.97
Miscellaneous	17,781.46	15,611.46
Unexpended Balance of Appropriation Reserves	32,295.78	22,635.88
	<u>461,905.32</u>	<u>541,035.18</u>
Total Income	461,905.32	541,035.18
Expenditures:		
Budget Appropriations:		
Operating	380,648.55	455,738.87
Capital Improvements	-	19,000.00
Deferred Charges & Regulatory Expenditures	25,300.00	27,500.00
	<u>405,948.55</u>	<u>502,238.87</u>
Total Expenditures	405,948.55	502,238.87
Statutory Excess to Fund Balance	55,956.77	38,796.31
Fund Balance January 1	558,747.67	689,190.23
	<u>614,704.44</u>	<u>727,986.54</u>
Total	614,704.44	727,986.54
Less: Utilized as Revenue	71,948.55	169,238.87
	<u>542,755.89</u>	<u>558,747.67</u>
Balance December 31	\$ 542,755.89	\$ 558,747.67

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

**BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANTICIPATED	REALIZED	EXCESS OR (DEFICIT)
Operating Surplus	\$ 71,948.55	\$ 71,948.55	\$ -
Sewer Rents	320,000.00	339,879.53	19,879.53
Interest on Investments	14,000.00	10,216.12	(3,783.88)
Miscellaneous	-	7,565.34	7,565.34
	<hr/>		
Total	<u>\$ 405,948.55</u>	<u>\$ 429,609.54</u>	<u>\$ 23,660.99</u>

Accrued Interest Receivable	\$ 9,830.69
Prepays Applied	1,123.25
Operating Surplus	71,948.55
Cash Receipts	<u>346,707.05</u>
Total	<u><u>\$ 429,609.54</u></u>

ANALYSIS OF REALIZED REVENUES

Sewer Rents:	
Collections	\$ 338,756.28
Prepays Applied	<u>1,123.25</u>
Total	<u><u>\$ 339,879.53</u></u>

Interest on Investments:	
Interest on Deposits	\$ 363.25
Interest on Deposits - Due from Sewer Capital	22.18
Accrued Interest Receivable	<u>9,830.69</u>
Total	<u><u>\$ 10,216.12</u></u>

Miscellaneous:	
Penalties on Delinquent Accounts	\$ 6,215.34
Miscellaneous	<u>1,350.00</u>
Total	<u><u>\$ 7,565.34</u></u>

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

**BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED
Operating:				
Salaries & Wages	\$ 197,823.55	\$ 197,823.55	\$ 195,681.19	\$ 2,142.36
Other Expenses	185,325.00	182,825.00	170,998.85	11,826.15
Statutory Expenditures:				
Contribution to:				
Public Employee's Retirement System	10,000.00	10,000.00	10,000.00	-
Social Security System (O.A.S.I.)	12,600.00	15,100.00	15,056.88	43.12
Unemployment Insurance	200.00	200.00	101.75	98.25
	<hr/>			
Total Expenditures	\$ 405,948.55	\$ 405,948.55	\$ 391,838.67	\$ 14,109.88
	<hr/> <hr/>			

Reserve for Encumbrances	\$ 14,870.65
Accrued Expenses	637.69
Cash Disbursed	377,378.83
Cash Reimbursements	(1,048.50)
	<hr/>
Total	\$ 391,838.67
	<hr/> <hr/>

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

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**BOROUGH OF STRATFORD
GENERAL FIXED ASSET ACCOUNT GROUP
COMPARATIVE STATEMENT OF FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Land (at Assessed Valuation)	\$ 996,900.00	\$ 996,900.00
Land	44,927.15	44,927.15
Buildings	2,397,124.99	2,397,124.99
Equipment	84,727.40	84,727.40
Fire Equipment	59,692.20	59,692.20
Vehicles	<u>2,133,629.59</u>	<u>2,065,213.59</u>
 Total	 <u>\$ 5,717,001.33</u>	 <u>\$ 5,648,585.33</u>
 FUND BALANCE		
 Investment in General Fixed Assets	 <u>\$ 5,717,001.33</u>	 <u>\$ 5,648,585.33</u>

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

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**BOROUGH OF STRATFORD
COUNTY OF CAMDEN**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Borough of Stratford was incorporated in February 13, 1925 and is located in southwest New Jersey approximately twenty miles southeast of the City of Philadelphia. The population according to the 2010 census is 7,040.

Component Unit

The financial statements of the component unit of the Borough of Stratford are not presented in accordance with Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and 61. If the provisions of GASBS No. 14, as amended by GASB Statements No. 39 and 61, had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Stratford Public Library
303 Union Avenue
Stratford, New Jersey 08084

Annual financial reports may be inspected directly at the office of this component unit during regular business hours.

Basis of Accounting, Measurement Focus and Basis of Presentation

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

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

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

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

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

BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Sewer Utility Operating Fund - revenue and expenditures necessary to operate a Borough owned sewer system from user fees.

Sewer Utility Capital Fund - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of sewer capital facilities, other than those acquired through the Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

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

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

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

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

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by N.J.S.A 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies. *N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch

BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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

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

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

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

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

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

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Stratford School District and the Sterling Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31 and for the regional high school district the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Camden. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

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

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

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

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

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

Impact of Recently Issued Accounting Principles - For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No.27). The implementation of the Statement requires the Borough to disclose its portion of the collective net pension liability of the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police and Firemen's Retirement System (PFRS).

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 2. Cash

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015, and reported at fair value are as follows:

Type	Carrying Value
Deposits	
Demand Deposits	\$ 2,287,743.58
Total Deposits	<u>\$ 2,287,743.58</u>
Reconciliation of Statement of Assets, Liabilities, Reserves and Fund Balance:	
Current Fund	\$ 962,972.67
Animal Control Trust Fund	21,604.03
Open Space Trust Fund	33,003.55
Trust - Other Fund	932,652.49
General Capital Fund	184,251.10
Sewer Utility Fund	64,500.20
Sewer Capital Fund	<u>88,759.54</u>
Total Cash	<u>\$ 2,287,743.58</u>

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2015, the Borough's bank balances of \$2,357,705.56 were exposed to custodial credit risk as follows:

Uninsured & Uncollateralized	\$ 1,058,421.50
Insured Under F.D.I.C.	250,000.00
Collateralized Under GUDPA	<u>1,049,284.06</u>
Total	<u>\$ 2,357,705.56</u>

BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 3. Investments

A. Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough and are held by either the counterparty or the counterparty's trust department or agent but not in the Borough's name. All of the Borough's investments are held in the name of the Borough and are collateralized by GUDPA.

B. Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Borough has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2015, are provided in the schedule on the following page.

C. Investment Credit Risk

The Borough has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Borough or bonds or other obligations of the local unit or units within which the Borough is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Borough;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or
- Agreements for the repurchase of fully collateralized securities.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 3. Investments (continued):

As of December 31, 2015, the Borough had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Fair Value</u>
Sewer Utility Fund:			
Certificate of Deposit #1	09/29/2017	2.0%	\$ 200,000.00
Certificate of Deposit #2	09/25/2016	2.0%	<u>300,000.00</u>
Total Investments			<u>\$500,000.00</u>

Note 4. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The 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.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5 5th 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.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial 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 PERS 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. Borough contributions to PERS amounted to \$88,751 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$2,409,317. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .01073%, which was a decrease of .00004% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	2,409,317	2,015,636
District's portion of the Plan's total net pension Liability	0.01073%	0.01077%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$145,388.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 2,994,486	\$ 2,409,317	\$ 1,918,715

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Pension Plan Fiduciary Net Position

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

B. Police and Firemen's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The 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 disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

Contributions - 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 amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, 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

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PFRS amounted to \$281,937 for 2015.

The employee contributions for PFRS are 10.00% of employees’ annual compensation, as defined.

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

Net Pension Liability and Pension Expense - At December 31, 2015, the Borough’s proportionate share of the PFRS net pension liability is valued to be \$6,390,636. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The Borough’s proportion measured as of June 30, 2015, was .03837%, which was an increase of .00166% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	6,390,636	4,617,431
District's portion of the Plan's total net pension Liability	0.03837%	0.03671%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$609,022.

Additionally, the State’s proportionate share of the net pension liability attributable to the Borough is \$560,437 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

measured as of June 30, 2015 was .03837%, which was an increase of .00166% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough’s.

Borough's Proportionate Share of the Net Pension Liability	\$ 6,390,636
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>560,437</u>
Total Net Pension Liability	<u><u>\$ 6,951,073</u></u>

For the year ended December 31, 2015, the Borough’s total allocated pension expense was \$678,928.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PFRS</u>
Measurement date	June 30, 2015
Acturial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Decrease	Discount Rate	Increase
▼ (4.79%)	▼ (5.79%)	▼ (6.79%)

Borough's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Borough	\$	9,163,721	\$	6,951,073	\$	5,146,856
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Pension Plan Fiduciary Net Position

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A.43:15C-1 et. seq.*

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Borough’s contributions were as follows:

Fiscal Year	Total Liability	Funded by Borough	Employee Deductions
2015	446.52	157.60	288.92
2014	446.52	157.60	288.92
2013	446.52	157.60	288.92

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

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 5. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax Rate Information

	2015	2014*	2013
Total Tax Rate	<u>\$4.041</u>	<u>\$3.929</u>	<u>\$5.832</u>
Apportionment of Tax Rate:			
Municipal	0.888	0.868	1.281
Municipal Library	0.035	0.034	0.053
Municipal Open Space	0.014	0.014	0.010
County	0.843	0.803	1.217
County Open Space	0.021	0.021	0.033
Local School	1.538	1.480	2.154
Regional High School	0.702	0.709	1.084

Net Valuation Taxable:

2015	<u>\$ 413,622,100</u>
2014*	<u>\$ 416,098,600</u>
2013	<u>\$ 281,996,698</u>

Comparison of Tax Levies and Collection Currently

YEAR	TAX LEVY	CASH COLLECTIONS	PERCENTAGE OF COLLECTION
2015	\$ 16,766,214.43	\$ 16,334,332.96	97.42%
2014	16,357,696.61	16,003,243.05	97.83%
2013	16,424,579.73	16,121,973.68	98.15%

Delinquent Taxes and Tax Title Liens

YEAR ENDED DECEMBER 31	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
2015	\$ 17,008.23	\$ 419,094.76	\$ 436,102.99	2.60%
2014	6,397.41	362,191.34	368,588.75	2.25%
2013	4,263.56	298,935.31	303,198.87	1.84%

* Tax Reassessment

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 6. Property Acquired By Tax Title Lien Liquidation

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

YEAR	AMOUNT
2015	\$ 613,700.00
2014*	613,700.00
2013	194,563.00

* Tax Reassessment

Note 7. Sewer Utility Service Charges

The following is a three-year comparison of sewer utility charges (rents) for the current and previous two years.

YEAR ENDED DECEMBER 31	BEGINNING RECEIVABLE	LEVY	TOTAL	CASH COLLECTIONS	COLLECTION PERCENTAGE
2015	\$ 12,819.74	\$ 340,249.99	\$ 353,069.73	\$ 339,879.53	96.26%
2014	11,070.14	335,298.57	346,368.71	333,548.97	96.30%
2013	15,938.04	335,827.32	351,765.36	340,695.22	96.85%

Note 8. Fund Balance Appropriated

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

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2015	\$ 650,266.14	\$ 340,000.00	52.29%
2014	762,887.79	346,000.00	45.35%
2013	875,725.75	344,000.00	39.28%
2012	546,009.98	237,600.00	43.52%
2011	152,077.75	99,000.00	65.10%
SEWER OPERATING FUND:			
2015	\$ 542,755.89	\$ 56,323.47	10.38%
2014	558,747.67	71,948.55	12.88%
2013	689,190.23	169,238.87	22.95%
2012	858,834.79	197,118.37	22.95%
2011	1,170,078.19	375,373.85	32.08%

BOROUGH OF STRATFORD

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED DECEMBER 31, 2015

Note 9. Other Post Employment Benefits

Plan Description

In addition to the pension benefits described in Note 3, the Borough contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. 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. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P.

The Borough's defined benefit postemployment healthcare plan provides post employment health care benefits, at its cost, to certain retired employees. The Borough will cover the entire cost of post-retirement health benefits for the retiree and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the Borough of Camden and remains in effect until the employee becomes Medicare eligible. The plan can be amended by the Borough subject to applicable collective bargaining and employment agreements.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. 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 S.H.B.P. 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/treasurv/pensions/.

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 S.H.B.P. are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. For 2015, 10 retirees were participating in the NJ Direct (Blue Cross, Blue Shield PPO) plans and 7 retirees were participating in the Aetna HMO plan.

The Borough contributions to SHBP for the years ended December 31, 2015, 2014, and 2013 were \$224,051.52, \$214,180.56, and \$198,247.20, respectively, which equaled the required contributions for each year. There were 17 retired participants eligible at each of the years ended December 31, 2015, 2014, and 2013.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 10. Compensated Absences

Borough Police Officers are entitled to one eight hour day per month of paid sick leave during the first calendar year of employment and one and one quarter eight hour days per month in every calendar year thereafter. All other full-time employees are entitled to one paid sick leave day per month for their first year of employment. After one year, full time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward for an indefinite period of time. In addition, other full-time employees are entitled to “sell-back”, up to a maximum of twelve days, unused sick leave days once thirty days are accumulated. Vacation days not used during the year may not be accumulated for a maximum of one week and carried forward.

The Borough of Stratford does not compensate all employees for unused sick leave upon termination or retirement. Only Borough police officers are compensated. The current policy provides once compensated day for every two days accumulated.

The Borough has established a Compensated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2015, accrued benefits for compensated absences are valued at \$80,653.69.

Note 11. Deferred Compensation Salary Account

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

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

Note 12. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2015:

Fund	Receivable	Payable
Current Fund	\$ 40,423.53	\$ 5,925.10
Federal and State Grant Fund	-	29,257.86
Animal Control Fund	-	4.76
Trust - Other Fund	-	11,160.91
General Capital Fund	5,925.10	-
Sewer Operating Fund	22.18	-
Sewer Capital Fund	-	22.18
	<u>\$ 46,370.81</u>	<u>\$ 46,370.81</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Interfunds Receivables and Payables (continued):

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 53,471.06	\$ 84,637.57
Federal and State Grant Fund	29,820.58	-
Animal Control Fund	61.65	62.01
Trust - Other Fund	21,347.75	14,014.39
General Capital Fund	33,407.59	39,394.66
Sewer Operating Fund	-	9,022.18
Sewer Capital Fund	9,022.18	-
	<u>\$ 147,130.81</u>	<u>\$ 147,130.81</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 13. Long-Term Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term 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 no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary 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. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the Borough at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

During the fiscal year ended December 31, 2015 the following changes occurred in General Capital debt and long-term liabilities:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
Bond Anticipation Notes	\$ 2,528,228.00	\$ 3,022,158.00	\$ (2,528,228.00)	\$ 3,022,158.00	\$ 3,022,158.00
Authorized but Not Issued	250,000.00	883,500.00	(1,133,500.00)	-	-
Net Pension Liability - PERS	2,015,636.00	-	-	2,015,636.00	-
Net Pension Liability - PFRS	4,617,431.00	-	-	4,617,431.00	-
Compensated Absences	82,333.63	-	(1,679.94)	80,653.69	-
Total	<u>\$ 9,493,628.63</u>	<u>\$ 3,905,658.00</u>	<u>\$ (3,663,407.94)</u>	<u>\$ 9,735,878.69</u>	<u>\$ 3,022,158.00</u>

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 13. Long-Term Debt (continued):

During the fiscal year ended December 31, 2015 the following changes occurred in Sewer Capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
Bond Anticipation Notes	\$ -	\$ 171,000.00	\$ -	\$ 171,000.00	\$ 171,000.00
Authorized but Not Issued	-	171,000.00	(171,000.00)	-	-
Total	\$ -	\$ 342,000.00	\$ (171,000.00)	\$ 171,000.00	\$ 171,000.00

Summary of Municipal Debt	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued & Outstanding			
General:			
Notes	\$ 3,022,158.00	\$ 2,528,228.00	\$ 3,180,308.00
Sewer Capital:			
Notes	<u>171,000.00</u>	<u>-</u>	<u>-</u>
Total Issued & Outstanding	<u>\$ 3,193,158.00</u>	<u>\$ 2,528,228.00</u>	<u>\$ 3,180,308.00</u>
Total Capital Debt	<u>\$ 3,193,158.00</u>	<u>\$ 2,528,228.00</u>	<u>\$ 3,180,308.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.701%

	GROSS DEBT	DEDUCTIONS	NET DEBT
Local School District Debt	\$ 4,871,000.00	\$ 4,871,000.00	\$ -
Regional School District Debt	2,213,530.88	2,213,530.88	-
Sewer Utility Debt	171,000.00	171,000.00	-
General Debt	<u>3,022,158.00</u>	<u>-</u>	<u>3,022,158.00</u>
Total	<u>\$ 10,277,688.88</u>	<u>\$ 7,255,530.88</u>	<u>\$ 3,022,158.00</u>

Net Debt, \$3,022,158.00 divided by Equalized Valuation Basis per N.J.S.A.40A:2-2, as amended, \$431,286,070.00 equals 0.701%.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 13. Long-Term Debt (continued):

Borrowing Power Under 40A:2-6:

3 1/2% of Equalized Valuation Bases (Municipal)	\$ 15,095,012.45
Net Debt	<u>3,022,158.00</u>
Remaining Borrowing Power	<u><u>\$ 12,072,854.45</u></u>

Calculation of Self-Liquidating Purpose - Sewer Utility per N.J.S.40A:2-45

Cash Receipts From Fees, Rents & Other Charges	\$ 429,609.54
Deductions:	
Operating & Maintenance Costs	<u>405,948.55</u>
Excess Revenue - Self Liquidating	<u><u>\$ 23,660.99</u></u>

Note 14. Lease Obligations

At December 31, 2015, the Borough had lease agreements in effect for the following:

Operating:

- Three (3) Copiers
- One (1) Postage Meter

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

<u>Fiscal</u>	<u>Year</u>	<u>Amount</u>
	2016	\$ 3,638.16
	2017	3,232.76
	2018	981.00
	2019	876.00
	2020	<u>876.00</u>
	Total	<u><u>\$ 9,603.92</u></u>

Rental payments under operating leases for the year 2015 were \$4,109.41.

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 15. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Borough's individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Trust Other Fund	Utility Operating Fund	Total
State Aid	\$ -	\$ 78,740.28	\$ -	\$ -	\$ 78,740.28
Federal Aid	-	305,767.69	75,000.00	-	380,767.69
Taxes	1,049,802.99	-	-	-	1,049,802.99
Rents	-	-	-	13,190.20	13,190.20
Other	29,530.94	21,780.00	-	8,602.74	59,913.68
Total	\$ 1,079,333.93	\$ 406,287.97	\$ 75,000.00	\$ 21,792.94	\$ 1,582,414.84

Note 16. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	<u>Balance 12/31/2015</u>	<u>2016 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations - 5 Years	\$ 101,000.00	\$ 37,000.00
Emergency Authorizations - 1 Year:		
Storm Damage Clean-Up	25,000.00	25,000.00

The appropriations in the 2016 budget as introduced are not less than that required by the statutes.

Note 17. Joint Insurance Pool

The Borough of Stratford is a member of the Public Alliance Insurance Coverage Fund. The Fund provides its members with the following coverage:

- Boiler & Machinery Liability
- Business Automobile Liability
- Excess Liability
- Police Professional Liability
- Property Insurance
- Public Officials Liability
- Terrorism Risk Insurance Act Terrorism Losses
- Volunteer Emergency Services Directors and Officers Liability
- Worker's Compensation

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 17. Joint Insurance Pool (continued):

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

The Fund provides the Borough with the following coverage:

- Business Automobile Liability
- Excess Liability
- Police Professional Liability
- Property Insurance
- Public Officials Liability
- Worker’s Compensation

The Fund publishes its own financial report for the year ended December 31, 2015, which can be obtained from:

Public Alliance Insurance Coverage Fund
C/O Public Entity Group
Administrative Services
51 Everett Drive, Suite 105B
Lawrence, New Jersey 08648

Note 18. New Jersey Unemployment Compensation Insurance

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

<u>Fiscal</u>	<u>Borough</u>	<u>Amount</u>	<u>Ending</u>
<u>Year</u>	<u>Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2015	3,536.26	3,178.85	27,329.85
2014	4,206.36	6,043.07	26,972.44
2013	3,369.25	9,749.39	28,809.15

Note 19. Contingent Liabilities

State and Federal Financial Assistance

The Borough receives financial assistance from the State of New Jersey and the U. S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of

BOROUGH OF STRATFORD

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 19. Contingent Liabilities (continued):

State and Federal Financial Assistance (continued):

the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the Borough estimates that no material liabilities will result from such audits.

Note 20. Subsequent Events

The Borough has evaluated subsequent events through April 21, 2016, the date the financial statements were available to be issued and has noted the following:

During April of 2016, the Borough approved one new bond ordinance. Ordinance 2016:04 was approved providing for various capital improvements of the Borough for a total of \$539,800.00 and authorizing the issuance of debt in the amount of \$514,000.00 in bonds or notes.

The Borough is currently being contested in a few legal proceedings. These proceedings are in preliminary stages and there is no dollar value available in which the Borough could potentially liable.

Note 21. Open Space Trust Fund

On November 4, 2008, pursuant to P.L. 1997, c.24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Borough of Stratford authorized the establishment of an Open Space Trust Fund effective January 1, 2009, to develop and maintain lands acquired for recreation and conservation purposes. The annual tax levy shall not exceed one cent per one hundred dollars of equalized valuation. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in the Trust Fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on investment of these funds is credited to the Open Space Trust Fund.

Note 22. Fixed Assets

The following schedule is a summarization of the General Fixed Assets by Source for the year ended December 31, 2015:

	Balance December 31, 2014	Additions	Deletions	Balance December 31, 2015
Land (at Assessed Valuation)	\$ 996,900.00	\$ -	\$ -	\$ 996,900.00
Land	44,927.15	-	-	44,927.15
Buildings	2,397,124.99	-	-	2,397,124.99
Equipment	84,727.40	-	-	84,727.40
Fire Equipment	59,692.20	-	-	59,692.20
Vehicles	2,065,213.59	68,416.00	-	2,133,629.59
Total	\$ 5,648,585.33	\$ 68,416.00	\$ -	\$ 5,717,001.33

SUPPLEMENTAL EXHIBITS

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CURRENT FUND

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BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF CURRENT CASH AND INVESTMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015

	CURRENT	GRANTS
Balance December 31, 2014	\$ 1,368,385.18	\$ 39,042.06
Increased by Receipts:		
Taxes Receivable	\$ 16,536,731.16	\$ -
Prepaid Taxes	85,414.16	-
Due From State of New Jersey - Senior Citizen & Veteran Deductions	93,876.57	-
Revenue Accounts Receivable	1,435,660.38	-
Miscellaneous Revenue Not Anticipated	38,222.13	-
Appropriation Refunds	86,467.73	-
Appropriation Reserve Refunds	5,689.71	-
Due Trust - Other Funds	1,417.89	-
Due Animal Control	62.01	-
Due General Capital Fund	1,394.66	-
Due Current Fund	-	29,820.58
Federal & State Grants Receivable	-	653,578.77
	18,284,936.40	683,399.35
Total Receipts	18,284,936.40	683,399.35
Subtotal	19,653,321.58	722,441.41
Decreased by Disbursements:		
2015 Appropriations	5,173,226.17	-
2014 Appropriations Reserves	173,343.23	-
Refund of Tax Overpayments	13,068.03	-
County Taxes Payable	3,570,179.34	-
Due to County - Added and Omitted	2,157.12	-
Local District School Tax	6,360,817.00	-
Regional District School Tax	2,924,422.50	-
Municipal Open Space Tax	57,247.36	-
Tax Title Liens Redemption	321.60	-
Reserve for Premium Bids at Tas Sale	292,500.00	-
Reserve for Codification of Ordinances	1,175.00	-
Reserve for Master Plan	40,332.29	-
Due Trust - Other Funds	19,858.69	-
Due General Capital Fund	32,000.00	-
Due Federal & State Grants Fund	29,820.58	-
Contracts Payable	-	12,449.08
Reserve for State & Federal Grants: Appropriated	-	709,992.33
	18,690,468.91	722,441.41
Total Disbursements	18,690,468.91	722,441.41
Balance December 31, 2015	\$ 962,852.67	\$ -

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Tax Collector	\$ 20.00
Court	<u>100.00</u>
Balance December 31, 2015	<u><u>\$ 120.00</u></u>

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	COLLECTED		DUE FROM STATE OF NEW JERSEY	OVERPAYMENTS APPLIED	TRANSFER TO		BALANCE DECEMBER 31, 2015
				2014	2015			TITLE LIENS	CANCELED	
2011	\$ 3,851.37	\$ -	\$ -	\$ -	\$ 3,851.37	\$ -	\$ -	\$ -	\$ -	\$ -
2012	2,765.90	-	5,119.73	-	7,885.63	-	-	-	-	-
2013	8,019.00	-	-	-	1,971.41	-	-	-	-	6,047.59
2014	347,555.07	-	756.12	-	340,981.11	(1,000.00)	-	2,951.28	-	5,378.80
Total	362,191.34	-	5,875.85	-	354,689.52	(1,000.00)	-	2,951.28	-	11,426.39
2015	-	16,699,498.26	66,716.17	71,229.25	16,166,321.07	96,779.39	3.25	6,962.64	17,250.46	407,668.37
Total	\$ 362,191.34	\$ 16,699,498.26	\$ 72,592.02	\$ 71,229.25	\$ 16,521,010.59	\$ 95,779.39	\$ 3.25	\$ 9,913.92	\$ 17,250.46	\$ 419,094.76

ANALYSIS OF 2015 PROPERTY TAX LEVY

General Purpose Tax	\$ 16,699,498.26				
Add: Omitted Taxes (54-4-6 et seq)	66,716.17				
Total	<u>\$ 16,766,214.43</u>				
TAX LEVY:					
Local District School Tax		A-18			
Regional School Tax		A-19			
Net County Taxes		A-16	\$ 3,483,930.84		
County Open Space Taxes		A-16	86,248.50		
Due County for Added & Omitted Taxes		A-17	14,259.80		
Municipal Open Space		A-24			
Municipal Library		A-2			
Local Tax for Municipal Purposes		A-2	3,677,008.54		
Add: Additional Taxes Levied		A-2	41,405.09		
Total	<u>\$ 16,766,214.43</u>				

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	6,397.41
Increased by:		
Transfers from 2015 Taxes Receivable	\$	6,962.64
Transfers from Prior Years' Taxes Receivable		2,951.28
Interest & Cost on Taxes from Tax Sale		696.90
		<u>10,610.82</u>
Balance December 31, 2015	\$	<u><u>17,008.23</u></u>

**SCHEDULE OF MAINTENANCE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	4,835.00
Increased by:		
2015 Assessments		<u>11,369.95</u>
Subtotal		16,204.95
Decreased by:		
Cash Collections		<u>9,629.46</u>
Balance December 31, 2015	\$	<u><u>6,575.49</u></u>

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	71,229.25
Increased by:		
Cash Receipts - 2016 Tax Collections	\$	85,414.16
Overpayments Applied to 2016 Taxes		1,494.39
		<u>86,908.55</u>
Subtotal		158,137.80
Decreased by:		
Application to 2015 Taxes Receivable		<u>71,229.25</u>
Balance December 31, 2015	\$	<u><u>86,908.55</u></u>

**STATEMENT OF PROPERTY AQUIRED FOR TAXES (ASSESSED VALUATION)
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$	<u><u>613,700.00</u></u>
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**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 6,739.16
Increased by:		
Overpayments Created		<u>15,824.52</u>
Subtotal		22,563.68
Decreased by:		
Overpayments Applied - 2016 Prepaid Taxes	\$ 1,494.39	
Overpayments Applied - 2015 Taxes	3.25	
Cash Disbursements - Refunds	<u>13,068.03</u>	<u>14,565.67</u>
Balance December 31, 2015		<u><u>\$ 7,998.01</u></u>

**SCHEDULE OF DUE TO STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 9,926.30
Increased by:		
Receipts - Collector		<u>93,876.57</u>
Subtotal		103,802.87
Decreased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 95,500.00	
Deductions Allowed by Tax Collector - 2015 Taxes	2,250.00	
Deductions Disallowed by Tax Collector - 2015 Taxes	(970.61)	
Deductions Disallowed by Tax Collector - Prior Year Taxes	<u>(1,000.00)</u>	<u>95,779.39</u>
Balance December 31, 2015		<u><u>\$ 8,023.48</u></u>

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED	BALANCE DECEMBER 31, 2015
Revenue Accounts Receivable:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -
Other	-	14,580.00	14,580.00	-
Fees & Permits	-	51,450.50	51,450.50	-
Fines & Costs - Municipal Court	52,934.56	300,265.99	330,245.10	22,955.45
Interest & Costs on Taxes	-	93,590.88	93,590.88	-
Interest on Investments & Deposits	-	6,112.97	6,112.97	-
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Act	-	12,807.00	12,807.00	-
Energy Receipts Tax	-	707,825.00	707,825.00	-
Shared Services - Stratford Schools	-	18,000.00	18,000.00	-
Cable Television	-	23,799.43	23,799.43	-
Red Light Camera	-	50,824.50	50,824.50	-
Property Maintenance	-	14,125.00	14,125.00	-
Library Property Maintenance	-	40,000.00	40,000.00	-
Delaware River Port Authority	-	15,000.00	15,000.00	-
Conrail Property Maintenance	-	3,300.00	3,300.00	-
Contributions from Rowan University	-	50,000.00	50,000.00	-
Total Revenue Accounts Receivable	\$ 52,934.56	\$ 1,406,681.27	\$ 1,436,660.38	\$ 22,955.45
			Cash Receipts	\$ 1,435,660.38
			Reserve for Property Maintenance	<u>1,000.00</u>
				<u><u>\$ 1,436,660.38</u></u>

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2014 ENCUMBRANCES PAYABLE	2014 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
General Government:					
General Administration:					
Salaries and Wages	-	\$ 2,472.22	\$ 2,472.22	-	\$ 2,472.22
Other Expenses	701.40	4,613.60	5,315.00	2,953.15	2,361.85
Financial Administration (Treasury):					
Other Expenses	393.39	3.42	396.81	393.39	3.42
Collection of Taxes:					
Other Expenses	74.70	1,029.46	1,104.16	1,017.15	87.01
Tax Assessment:					
Salaries and Wages	-	11.66	11.66	-	11.66
Other Expenses	429.97	1,179.61	1,609.58	673.49	936.09
Legal Services and Costs:					
Other Expenses	-	4,580.50	4,580.50	4,580.50	-
Engineering Services:					
Other Expenses	-	154.73	154.73	-	154.73
Municipal Court:					
Salaries and Wages	-	12,704.10	12,704.10	5,041.57	7,662.53
Other Expenses	770.97	21,847.75	22,618.72	22,618.72	-
Land Use Administration:					
Planning Board:					
Salaries and Wages	-	0.07	0.07	-	0.07
Other Expenses	-	166.66	166.66	166.66	-
Public Safety Functions:					
Police:					
Salaries and Wages	-	28,774.42	28,774.42	27,291.58	1,482.84
Other Expenses	2,556.22	7,550.74	10,106.96	6,903.15	3,203.81
Office of Emergency Management:					
Other Expenses	-	145.43	145.43	64.17	81.26
Fire:					
Fire Hydrant Service	-	5,677.80	5,677.80	4,120.20	1,557.60
Fire Department	168.32	8,328.33	8,496.65	8,496.65	-

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2014 ENCUMBRANCES PAYABLE	2014 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Uniform Fire Safety and Inspection Act:					
Other Expenses	-	705.15	705.15	-	705.15
Road Repairs & Maintenance:					
Salaries and Wages	-	4,443.51	4,443.51	2,617.75	1,825.76
Other Expenses	-	629.07	629.07	-	629.07
Solid Waste Collection:					
Other Expenses	6,977.63	18,690.57	25,668.20	9,909.34	15,758.86
Public Buildings & Grounds:					
Other Expenses	-	5,099.69	5,099.69	1,013.62	4,086.07
Shade Tree Commission:					
Other Expenses	75.00	-	75.00	75.00	-
Vehicle Maintenance:	2,965.63	5,398.52	8,364.15	5,174.85	3,189.30
Health & Human Services:					
Board of Health:					
Salaries and Wages	-	548.60	548.60	-	548.60
Other Expenses	-	266.50	266.50	-	266.50
Environmental Commission (N.J.S.A. 40:56A-1)					
Other Expenses	-	1,063.19	1,063.19	-	1,063.19
Insurance:					
Other Insurance Premiums	-	11,569.50	11,569.50	-	11,569.50
Group Insurance for Employees	1,280.44	50,085.16	51,365.60	29,616.12	21,749.48
Other Common Operating Functions (Unclassified):					
Celebration of Public Events, Anniv. or Holiday					
Other Expenses	-	1,586.38	1,586.38	-	1,586.38
Utility Expenses & Bulk Purchases:					
Electricity	-	5,119.79	5,119.79	3,798.05	1,321.74
Street Lighting	-	7,140.32	7,140.32	7,140.32	-
Telephone	328.52	1,372.72	1,701.24	862.83	838.41
Water	64.21	645.10	709.31	103.32	605.99
Gas (Natural/Propane)	-	1,329.87	1,329.87	1,329.87	-
Sewerage Processing and Disposal	-	135.00	135.00	135.00	-
Gasoline	925.61	9,973.26	10,898.87	3,961.57	6,937.30

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	2014 ENCUMBRANCES PAYABLE	2014 RESERVE BALANCE	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Landfill/Solid Waste Disposal:					
Solid Waste Disposal	-	42,003.54	42,003.54	14,299.45	27,704.09
Unclassified:					
Sustainable Stratford	-	500.00	500.00	392.50	107.50
Deferred Charges/Statutory Expenditures - Municipal Within "CAPS":					
Contribution to:					
Social Security System (O.A.S.I)	-	4,132.81	4,132.81	2,866.08	1,266.73
Unemployment Insurance	-	493.26	493.26	37.47	455.79
Defined Contribution Plan	-	242.40	242.40	-	242.40
OPERATIONS - EXCLUDED FROM "CAPS"					
Municipal Court - Court Security:					
Salaries and Wages	-	0.03	0.03	-	0.03
Capital Improvements - Excluded from "CAPS"					
Capital Outlay - Purchase of Computers	-	395.22	395.22	-	395.22
Total	\$ 17,712.01	\$ 272,809.66	\$ 290,521.67	\$ 167,653.52	\$ 122,868.15

Cash Disbursements	\$ 173,343.23
Cash Reimbursements	<u>(5,689.71)</u>
	<u>\$ 167,653.52</u>

**BOROUGH OF STRATFORD
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
N.J.S. 40A:4-55 SPECIAL EMERGENCY
FOR THE YEAR ENDED DECEMBER 31, 2015**

PURPOSE	DATE AUTHORIZED	NET AMOUNT AUTHORIZED	1/5 OF NET AMOUNT AUTHORIZED	BALANCE DECEMBER 31, 2014	ADDED IN 2015	RAISED IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
Master Plan Update	4/13/2010	\$ 10,000.00	\$ 2,000.00	\$ 2,000.00	-	\$ 2,000.00	\$ -
Tax Revaluation	4/10/2012	140,000.00	28,000.00	84,000.00	-	28,000.00	56,000.00
Master Plan Update	4/14/2015	45,000.00	9,000.00	-	45,000.00	-	45,000.00
Total				\$ 86,000.00	\$ 45,000.00	\$ 30,000.00	\$ 101,000.00

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	-
2015 Levy:			
Net County Taxes	\$	3,483,930.84	
County Open Spaces Taxes		86,248.50	3,570,179.34
			<hr/>
Subtotal			3,570,179.34
Decreased by:			
Disbursements			<hr/>
			3,570,179.34
Balance December 31, 2015		<hr/> <hr/>	-

**SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	2,795.71
Increased by:			
County Share of 2015 Added Taxes			<hr/>
			14,259.80
Subtotal			17,055.51
Decreased by:			
Disbursements			<hr/>
			2,157.12
Balance December 31, 2015		<hr/> <hr/>	14,898.39

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ -
2015 Levy (Calender Year)	<u>6,360,817.00</u>
Subtotal	6,360,817.00
Decreased by:	
Disbursements	<u>6,360,817.00</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

**STATEMENT OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	
Regional School Taxes Deferred	\$ 1,473,818.01
Increased by:	
Levy School Year (July 1, 2015 to June 30, 2016)	<u>2,901,209.00</u>
Subtotal	4,375,027.01
Decreased by:	
Disbursements	<u>2,924,422.50</u>
Balance December 31, 2015	
Regional School Taxes Deferred	<u><u>\$ 1,450,604.51</u></u>

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF DUE TO BANK
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	<u>\$ 0.60</u>
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**STATEMENT OF RESERVE FOR PROPERTY MAINTENANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 1,000.00
Decreased by:	
Realized as Revenue	<u>1,000.00</u>
Balance December 31, 2015	<u>\$ -</u>

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	321.60
Decreased by:		
Transfer to Trust - Other Fund		321.60
Balance December 31, 2015	\$	-

**STATEMENT OF RESERVE FOR PREMIUMS AT TAX SALE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	292,500.00
Decreased by:		
Transfer to Trust - Other Fund		292,500.00
Balance December 31, 2015	\$	-

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF PARKS OPEN SPACE TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	-
Increased by:		
2015 Levy		57,247.36
Subtotal		57,247.36
Decreased by:		
Disbursements - Open Space Trust Fund		57,247.36
Balance December 31, 2015	\$	-

**STATEMENT OF RESERVE FOR TAX REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014	\$	4,711.00
----------------------------------	----	----------

**BOROUGH OF STRATFORD
CURRENT FUND
STATEMENT OF RESERVE FOR WHITMAN AVE TOWNHOUSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 7,709.70
Decreased by:	
Transfer to 2015 Taxes	<u>20.21</u>
Balance December 31, 2015	<u><u>\$ 7,689.49</u></u>

**STATEMENT OF RESERVE FOR CODIFICATION OF ORDINANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 3,283.74
Decreased by:	
Disbursements	<u>1,175.00</u>
Balance December 31, 2015	<u><u>\$ 2,108.74</u></u>

**STATEMENT OF RESERVE FOR MASTER PLAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 290.51
Increased by:	
Current Year Budget Charges	<u>45,000.00</u>
Subtotal	45,290.51
Decreased by:	
Disbursements	<u>40,332.29</u>
Balance December 31, 2015	<u><u>\$ 4,958.22</u></u>

**BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF STATE AND FEDERAL GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	REVENUE	RECEIVED	TRANSFERRED FROM UNAPPROPRIATED	CANCELLED	BALANCE DECEMBER 31, 2015
Federal Grant Awards:						
Camden County Regional D.W.I. Task Force	\$ 70,650.00	\$ 77,400.00	\$ 70,250.00	\$ -	\$ 400.00	\$ 77,400.00
Federal Bullet Proof Vest Partnership Grant	-	1,340.28	-	-	-	1,340.28
Total Federal Grant Awards	70,650.00	78,740.28	70,250.00	-	400.00	78,740.28
State Grant Awards:						
Alcohol Education and Rehabilitation	-	11,727.70	11,727.70	-	-	-
Body Armor Replacement	585.45	1,931.30	1,931.30	-	-	585.45
Clean Communities Grant	-	14,205.12	14,205.12	-	-	-
Click-it Or Ticket	-	4,000.00	4,000.00	-	-	-
Cops in Shops	-	6,400.00	2,400.00	-	-	4,000.00
CSIP Grant	20,000.00	-	20,000.00	-	-	-
Drive Sober or Get Pulled Over	7,500.00	-	7,500.00	-	-	-
Drive Sober or Get Pulled Over - Labor Day Crackdown	-	5,000.00	5,000.00	-	-	-
Drive Sober or Get Pulled Over - Year End Crackdown	-	5,000.00	-	-	-	5,000.00
Drunk Driving Enforcement Grant	30,526.26	31,452.19	61,978.45	-	-	-
DWI Enforcement Sobriety Checkpoint	-	7,700.00	7,600.00	-	-	100.00
Green Communities Program	3,000.00	-	3,000.00	-	-	-
Municipal Drug Alliance Grant	28,957.24	32,728.00	34,603.00	-	-	27,082.24
Recycling Tonnage Grant	-	6,886.44	-	6,886.44	-	-
Safe & Secure Communitis Program	-	60,000.00	30,000.00	15,000.00	-	15,000.00
Sustainable New Jersey	5,000.00	-	5,000.00	-	-	-
Safe Streets to Transit	53,844.00	-	39,784.78	-	14,059.22	-
Taser Grant	2,000.00	-	-	-	-	2,000.00
NJ Transportation Trust Fund - Central & Grand	80,865.27	-	76,602.07	-	4,263.20	-
NJ Transportation Trust Fund - Winding Way	200,000.00	-	150,000.00	-	-	50,000.00
NJ Transportation Trust Fund - Parkview Road Imp.	-	202,000.00	-	-	-	202,000.00
Total State Grant Awards	432,278.22	389,030.75	475,332.42	21,886.44	18,322.42	305,767.69
Other Grant Awards:						
Historical Preservation Grant	-	21,780.00	-	-	-	21,780.00
NJ American Water - Parkview Avenue Reconstruction	-	115,880.00	107,996.35	-	7,883.65	-
Total Other Grant Awards	-	137,660.00	107,996.35	-	7,883.65	21,780.00
Total	\$ 502,928.22	\$ 605,431.03	\$ 653,578.77	\$ 21,886.44	\$ 26,606.07	\$ 406,287.97
Original Budget		\$ 43,286.44				
Chapter 159		<u>562,144.59</u>				
Total		<u><u>\$ 605,431.03</u></u>				

**BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVES FOR STATE AND FEDERAL GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	TRANSFERRED FROM 2015 BUDGET	EXPENDED	CONTRACTS CANCELLED	CANCELLED	BALANCE DECEMBER 31, 2015
Federal Grants:						
Camden County Regional D.W.I. Task Force	\$ 67,963.00	\$ 77,400.00	\$ 74,410.00	\$ -	\$ 400.00	\$ 70,553.00
Federal Bullet Proof Vest Partnership Grant	-	1,340.28	-	-	-	1,340.28
Total Federal Grants	67,963.00	78,740.28	74,410.00	-	400.00	71,893.28
State Grants:						
Alcohol Education and Rehabilitation	14,119.67	11,727.70	12,777.00	-	-	13,070.37
Body Armor Replacement	13,337.55	1,931.30	1,508.00	-	-	13,760.85
Clean Communities Grant	23,761.66	14,205.12	37,215.13	-	-	751.65
Click-it Or Ticket	250.00	4,000.00	3,750.00	-	-	500.00
Cops in Shops	-	6,400.00	2,800.00	-	-	3,600.00
Drive Sober or Get Pulled Over	5,250.00	-	4,850.00	-	-	400.00
Drive Sober or Get Pulled Over - Labor Day Crackdown	-	5,000.00	5,000.00	-	-	-
Drive Sober or Get Pulled Over - Year End Crackdown	-	5,000.00	3,700.00	-	-	1,300.00
Drunk Driving Enforcement Grant	46,212.98	31,452.19	22,876.54	-	-	54,788.63
DWI Enforcement Sobriety Checkpoint	400.00	7,700.00	7,200.00	-	-	900.00
Green Communities Program	1,500.00	-	1,500.00	-	-	-
Municipal Drug Alliance Grant	69,899.60	32,728.00	34,573.89	-	-	68,053.71
Recycling Tonnage Grant	23,959.39	6,886.44	24,578.80	-	-	6,267.03
Safe & Secure Communities Program	119.33	60,000.00	30,119.03	-	-	30,000.30
Sustainable New Jersey	10,000.00	-	10,000.00	-	-	-
Safe Streets to Transit	10,089.22	-	30.00	4,000.00	14,059.22	-
Taser Grant	2,000.00	-	-	-	-	2,000.00
NJ Transportation Trust Fund	4,263.20	-	-	-	4,263.20	-
NJ Transportation Trust Fund - Wind Way	200,000.00	-	200,000.00	-	-	-
NJ Transportation Trust Fund - Parkview Road Imp.	-	202,000.00	202,000.00	-	-	-
Total State Grants	425,162.60	389,030.75	604,478.39	4,000.00	18,322.42	195,392.54
Other Grants:						
DVRPC - Transportation and Community Development	5,773.29	-	-	-	-	5,773.29
Historical Preservation Grant	5,298.59	21,780.00	471.71	-	-	26,606.88
NJ American Water - Parkview Avenue Reconstruction	-	115,880.00	57,223.08	-	7,883.65	50,773.27
Total Other Grants	11,071.88	137,660.00	57,694.79	-	7,883.65	83,153.44
Total	\$ 504,197.48	\$ 605,431.03	\$ 736,583.18	\$ 4,000.00	\$ 26,606.07	\$ 350,439.26
Original Budget		\$ 43,286.44	\$ -			
Chapter 159		562,144.59	-			
Contracts Payable		-	26,590.85			
Cash Disbursed		-	709,992.33			
Total		\$ 605,431.03	\$ 736,583.18			

**BOROUGH OF STRATFORD
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF RESERVES FOR STATE GRANTS - UNAPPROPRIATED
 FOR THE YEAR ENDED DECEMBER 31, 2015**

GRANT	BALANCE DECEMBER 31, 2014	TRANSFERRED 2015 GRANT APPROPRIATED	RECEIVED	BALANCE DECEMBER 31, 2015
State Grants:				
Recycling Tonnage Grant	6,886.44	6,886.44	-	-
Safe & Secure Communitis Program	15,000.00	15,000.00	-	-
Total	\$ 21,886.44	\$ 21,886.44	\$ -	\$ -

**BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
STATEMENT OF CONTRACTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 16,449.08
Increased by:		
2015 Contract Authorized		26,590.85
Subtotal		43,039.93
Decreased by:		
Contracts Cancelled	\$ 4,000.00	
Disbursements	12,449.08	16,449.08
Balance December 31, 2015		\$ 26,590.85

Analysis of Balance

NJ American Water - Parkview Avenue Reconstruction		\$ 26,590.85
		\$ 26,590.85

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TRUST FUND

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**BOROUGH OF STRATFORD
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANIMAL CONTROL FUND	OPEN SPACE TRUST FUND	TRUST - OTHER
Balance December 31, 2014	\$ 22,283.85	\$ 9,424.05	\$ 327,163.96
Increased by Receipts:			
Reserve for Animal Control Fund Expenditures	\$ 14,225.80	-	-
State Registration Fees	985.20	-	-
Open Space Trust Revenue	-	75,369.58	-
Due Interfunds:			
Current Fund	61.65	-	21,347.75
Current Fund - Transfer of Outside Liens & Premiums	-	-	292,821.60
State of New Jersey - DCA Fees	-	-	5,710.00
Payroll Deductions Payable	-	-	2,812,115.33
Miscellaneous Trust Reserves	-	-	924,807.93
Total Increases	<u>15,272.65</u>	<u>75,369.58</u>	<u>4,056,802.61</u>
Total Increases & Balances	<u>37,556.50</u>	<u>84,793.63</u>	<u>4,383,966.57</u>
Decreased by Disbursements:			
Reserve for Animal Control Fund Expenditures	14,905.26	-	-
State Registration Fees	985.20	-	-
Due Current Fund:			
Interfunds Liquidated	62.01	-	1,417.89
2015 Open Space Trust Budget Appropriation	-	42,366.03	-
Open Space Trust Reserve	-	9,424.05	-
State of New Jersey - DCA Fees	-	-	4,165.00
Payroll Deductions Payable	-	-	2,812,368.56
Miscellaneous Trust Reserves	-	-	633,362.63
Total Disbursements	<u>15,952.47</u>	<u>51,790.08</u>	<u>3,451,314.08</u>
Balance December 31, 2015	<u>\$ 21,604.03</u>	<u>\$ 33,003.55</u>	<u>\$ 932,652.49</u>

**BOROUGH OF STRATFORD
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	22,278.73
Increased by:		
Dog License Fees	\$	9,509.80
Cat License Fees		1,680.00
Miscellaneous Other Fees		3,036.00
		14,225.80
Subtotal		36,504.53
Decreased by:		
Expenditures (R.S.4:19-15.11)		14,905.26
		14,905.26
Balance December 31, 2015	\$	21,599.27

LICENSE FEES COLLECTED

2014	\$	15,571.80
2013		18,881.60
Total	\$	34,453.40

**BOROUGH OF STRATFORD
TRUST FUND - ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - REGISTRATION FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ -
Increased by:	
Receipts	<u>985.20</u>
Subtotal	985.20
Decreased by:	
Disbursements	<u>985.20</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

**SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 5.12
Increased by:	
Interest Earned on Deposits	<u>61.65</u>
Subtotal	66.77
Decreased by:	
Disbursements	<u>62.01</u>
Balance December 31, 2015	<u><u>\$ 4.76</u></u>

**BOROUGH OF STRATFORD
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR PARKS OPEN SPACE EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 9,424.05
Increased by:		
Amount to be Raised by Taxation	\$ 57,247.36	
Refund of Prior Year Expenditures	18,063.00	
Interest Earnings	59.22	75,369.58
		<hr/>
Subtotal		84,793.63
Decreased by:		
2015 Appropriations	42,366.03	
Disbursements - Unexpended Balance of 2014 Appropriations	9,424.05	51,790.08
		<hr/>
Balance December 31, 2015		<u>\$ 33,003.55</u>

**BOROUGH OF STRATFORD
TRUST - OTHER FUND
SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 46,400.00
Increased by:	
2015 Award	<u>28,600.00</u>
Balance December 31, 2015	<u><u>\$ 75,000.00</u></u>

**SCHEDULE OF DUE STATE OF NEW JERSEY - DCA FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 705.00
Increased by:	
Receipts	<u>5,710.00</u>
Subtotal	6,415.00
Decreased by:	
Disbursements	<u>4,165.00</u>
Balance December 31, 2015	<u><u>\$ 2,250.00</u></u>

**BOROUGH OF STRATFORD
TRUST - OTHER FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	30,235.45
Increased by:		
Receipts		2,812,115.33
Subtotal		2,842,350.78
Decreased by:		
Disbursements		2,812,368.56
Balance December 31, 2015	\$	29,982.22
Analysis of Balance, December 31, 2015		
Chapter 125 Plan	\$	9,209.76
Defined Contribution Retirement Plan		111.63
New Jersey Unemployment and Disability Insurance - Employee		2,546.72
Due to Unemployment Trust Fund		302.36
Police and Firemen's Retirement System		11,165.84
Public Employee's Retirement System		6,645.91
	\$	29,982.22

**BOROUGH OF STRATFORD
TRUST - OTHER FUND
STATEMENT OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 3,827.55
Increased by:		
Cash Receipts:		
Interest Earnings	\$ 1,489.06	
Interfund Loans Received	19,858.69	21,347.75
		<hr/>
Subtotal		25,175.30
Decreased by:		
2015 Budget Appropriation:		
Reserve for Compensated Absences	10,000.00	
Local Match:		
Reserve for Municipal Alliance Grant	2,596.50	
Cash Disbursements:		
Interfund Loans Returned	1,417.89	14,014.39
		<hr/>
Balance December 31, 2015		<u>\$ 11,160.91</u>

**BOROUGH OF STRATFORD
TRUST FUND - OTHER
SCHEDULE OF MISCELLANEOUS TRUST RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	INCREASED BY		DUE CURRENT FUND	DECREASED BY DISBURSEMENTS	BALANCE DECEMBER 31, 2015
		RECEIPTS	ACCRUED IN 2015			
Community Development Block Grants	\$ 46,400.00	\$ -	\$ 28,600.00	\$ -	\$ -	\$ 75,000.00
Compensated Absences	62,215.19	-	-	10,000.00	14,195.22	58,019.97
Dedicated Funds Collected for Penalties	1,144.10	-	-	-	-	1,144.10
Developers' Escrow	45,839.65	17,493.10	-	-	21,807.19	41,525.56
Economic Development Commission	-	3,212.09	-	-	3,190.27	21.82
Green Team	1,430.35	70.00	-	-	495.24	1,005.11
Historical Preservation	1,174.00	810.00	-	-	1,187.06	796.94
Municipal Alliance Grant	29,655.49	5,909.88	-	2,596.50	8,182.00	29,979.87
Outside Liens Redemptions	-	219,210.57	-	321.60	204,253.78	15,278.39
Outside Premiums - 2011 Sale	-	-	-	30,600.00	300.00	30,300.00
Outside Premiums - 2012 Sale	-	-	-	24,200.00	12,200.00	12,000.00
Outside Premiums - 2013 Sale	-	-	-	90,700.00	22,000.00	68,700.00
Outside Premiums - 2014 Sale	-	-	-	147,000.00	64,300.00	82,700.00
Outside Premiums - 2015 Sale	-	411,800.00	-	-	43,100.00	368,700.00
Outside Police Employment	20,091.46	149,378.81	-	-	148,659.64	20,810.63
Parking Offense Adjudication Act	14.00	120.00	-	-	-	134.00
Police Training	15,015.68	9,896.00	-	-	12,385.82	12,525.86
Public Defender	6,081.97	6,161.68	-	-	11,711.02	532.63
Regular Penalties	2,452.50	-	-	-	-	2,452.50
Snow Removal	7,821.65	3,154.28	-	-	7,821.65	3,154.28
Special Law Enforcement	11,330.34	4,047.26	-	-	-	15,377.60
Unemployment Claims Payable	26,972.44	3,536.26	-	-	3,178.85	27,329.85
Uniform Construction Code and Local Enforcement Agency	61,157.14	90,008.00	-	-	54,394.89	96,770.25
Total	\$ 338,795.96	\$ 924,807.93	\$ 28,600.00	\$ 305,418.10	\$ 633,362.63	\$ 964,259.36

GENERAL CAPITAL FUND

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**BOROUGH OF STRATFORD
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 289,468.42
Increased by:		
Due Current Fund	\$ 1,407.59	
Current Fund Budget Appropriation - Capital Improvement Fund	32,000.00	
Note Proceeds	3,022,158.00	3,055,565.59
		<hr/>
Subtotal		3,345,034.01
Decreased by:		
Due Current Fund	\$ 1,394.66	
Improvement Authorization	1,270,730.25	
Bond Anticipation Notes	1,888,658.00	3,160,782.91
		<hr/>
Balance December 31, 2015		<u>\$ 184,251.10</u>

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
ANALYSIS OF CASH AT DECEMBER 31, 2015**

ORDINANCE NUMBER	BALANCE (OVERDRAFT) DECEMBER 31, 2014	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2015
		MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	FROM	TO	
	\$ 9,284.58	\$ 32,000.00	\$ -	\$ -	\$ 46,500.00	\$ 6,000.00	\$ 784.58	
Capital Improvement Fund	61.97	1,407.59	-	1,394.66	6,000.00	-	(5,925.10)	
Due Current Fund	3,639.25	-	-	-	3,639.25	31,840.79	31,840.79	
Contracts Payable	-	1,888,658.00	-	1,888,658.00	-	-	-	
Bond Anticipation Notes								
IMPROVEMENT AUTHORIZATION								
2004:23	3,305.26	-	810.36	-	-	-	2,494.90	
2005:16 (2005:10, 2006:25, 2007:02, 2007:12)	4,184.02	-	4,184.02	-	-	-	-	
2006:05 (2006:16, 2006:18, 2006:22)	11,881.94	-	10,277.64	-	-	-	1,604.30	
2012:13	181,398.44	-	181,791.24	-	-	1,468.00	1,075.20	
2013:09	63,212.96	-	64,877.21	-	-	2,171.25	507.00	
2014:19	12,500.00	250,000.00	261,206.88	-	1,293.12	-	-	
2015:06	-	883,500.00	747,582.90	-	30,547.67	46,500.00	151,869.43	
Total	\$ 289,468.42	\$ 3,055,565.59	\$ 1,270,730.25	\$ 1,890,052.66	\$ 87,980.04	\$ 87,980.04	\$ 184,251.10	

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	DESCRIPTION	BALANCE DECEMBER 31, 2014	INCREASED BY IMPROVEMENT AUTHORIZATIONS	FUNDED BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2015	ANALYSIS OF BALANCE		
						BOND ANTICIPATION NOTES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS	
	Various Capital Improvements	\$ 80,900.00	\$ -	\$ 80,900.00	\$ -	\$ -	\$ -	\$ -
2011:04, 2011:09	Various Capital Improvements	200,000.00	-	200,000.00	-	-	-	-
2005:16 (2005:18, 2007:02, 2007:12)	Various Capital Improvements	150,200.00	-	75,100.00	75,100.00	-	-	-
2006:05 (2006:16, 2006:18, 2006:22)	Various Capital Improvements	1,839,998.00	-	230,000.00	1,609,998.00	1,609,998.00	-	-
2012:13	Road Construction	257,130.00	-	28,570.00	228,560.00	228,560.00	-	-
2013:09	Road Reconstruction	250,000.00	-	25,000.00	225,000.00	225,000.00	-	-
2014:19	Various Capital Improvements	-	883,500.00	-	883,500.00	883,500.00	-	-
2015:06		-	-	-	-	-	-	-
	Total	\$ 2,778,228.00	\$ 883,500.00	\$ 639,570.00	\$ 3,022,158.00	\$ 3,022,158.00	\$ -	\$ -

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM/(TO) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	(61.97)
Increased by:		
Interest Transferred to Current	\$	1,394.66
Capital Improvement Fund - Not Received in Cash		<u>6,000.00</u>
		<u>7,394.66</u>
Subtotal		7,332.69
Decreased by:		
Interest Earned on Investments		<u>1,407.59</u>
Balance December 31, 2015	\$	<u><u>5,925.10</u></u>

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	CONTRACTS CANCELLED	EXPENDED	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
General Improvements: 2004:23	Fire House Construction	12/14/04	350,000.00	\$ -	\$ 3,305.26	\$ -	\$ -	\$ 810.36	\$ -	\$ 2,494.90
2005:16(2005:18, 2006:25, 2007:02, 2007:12)	Various Capital Improvements	6/14/05 (9/13/05, 2/13/07, 7/10/07)	2,100,000.00	-	4,184.02	-	-	4,184.02	-	-
2006:05 (2006:16, 2008:18, 2006:22)	Various Capital Improvements	4/19/06	78,557.00	-	11,881.94	-	-	10,277.64	-	1,604.30
2012:13	Various Capital Improvements	5/8/12	2,415,000.00	-	181,398.44	-	1,468.00	181,791.24	-	1,075.20
2013:09	Road Construction	5/14/13	300,000.00	-	63,212.96	-	2,171.25	64,877.21	-	507.00
2014:19	Road Reconstruction	11/11/14	262,500.00	12,500.00	250,000.00	-	-	262,500.00	-	-
2015:06	Various Capital Improvements:	5/12/15	376,500.00	-	-	376,500.00	-	374,541.79	-	1,958.21
	Roadway Projects		75,500.00	-	-	75,500.00	-	75,500.00	-	-
	Police Vehicles		28,000.00	-	-	28,000.00	-	6,282.28	-	21,717.72
	Fire Equipment		40,000.00	-	-	40,000.00	-	13,500.00	-	26,500.00
	Handicapped Ramp Project		10,000.00	-	-	10,000.00	-	-	-	10,000.00
	Building Improvements		400,000.00	-	-	400,000.00	-	308,306.50	-	91,693.50
	LED Street Lights									
				\$ 12,500.00	\$ 513,982.62	\$ 930,000.00	\$ 3,639.25	\$ 1,302,571.04	\$ -	\$ 157,550.83

Cash Disbursements \$ 1,270,730.25
 Contracts Payable 31,840.79
\$ 1,302,571.04

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 3,639.25
Increased by:	
Contracts and Change Orders	<u>31,840.79</u>
Subtotal	35,480.04
Decreased by:	
Cancellations	<u>3,639.25</u>
Balance December 31, 2015	<u><u>\$ 31,840.79</u></u>

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 9,284.58
Increased by:	
Current Fund Budget Appropriation	<u>38,000.00</u>
Subtotal	47,284.58
Decreased by:	
Down Payment for Improvement Authorization	<u>46,500.00</u>
Balance December 31, 2015	<u><u>\$ 784.58</u></u>

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
STATEMENT OF BONDS ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL ISSUE	DATE OF ISSUE	MATURITY DATE	INTEREST RATE	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
2005:01 (2007:24, 2008:06, 2008:07, 2009:06, 2010:07, 2010:09, 2011:04, 2011:09)	Various Capital Improvements	5/06/03	04/25/14	04/25/15	0.90%	\$ 80,900.00	\$ -	\$ 80,900.00	\$ -
2005:16, 2005:18, 2007:02, 2007:12	Various Capital Improvements	7/28/05	07/18/14	07/17/15	0.82%	200,000.00	-	200,000.00	-
2006:05, 2006:16, 2006:18, 2006:22	Various Capital Improvements	4/19/06	02/07/14 02/06/15	02/06/15 02/05/16	0.90% 0.69%	150,200.00 -	- 75,100.00	150,200.00 -	- 75,100.00
2012:13	Various Capital Improvements	7/20/12	07/18/14 07/17/15	07/17/15 07/15/16	0.82% 0.83%	1,839,998.00 -	- 1,609,998.00	1,839,998.00 -	- 1,609,998.00
2013:09	Various Capital Improvements	7/19/2013	07/18/14 07/17/15	07/17/15 07/15/16	0.82% 0.83%	257,130.00 -	- 228,560.00	257,130.00 -	- 228,560.00
2014:19	Various Capital Improvements	02/06/15	02/06/15	02/05/16	0.69%	-	225,000.00	-	225,000.00
2015:06	Various Capital Improvements	07/17/15	07/17/15	07/15/16	0.83%	-	883,500.00	-	883,500.00
Total						\$ 2,528,228.00	\$ 3,022,158.00	\$ 2,528,228.00	\$ 3,022,158.00

Renewal Paid by Budget Appropriation

	\$ 3,022,158.00	\$ 1,888,658.00
	-	639,570.00
	<u>\$ 3,022,158.00</u>	<u>\$ 2,528,228.00</u>

**BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	NOTES ISSUED	PAID BY APPROPRIATION	BALANCE DECEMBER 31, 2015
2014:19	Road Reconstruction	\$ 250,000.00	\$ -	225,000.00	\$ 25,000.00	\$ -
2015:06	Various Capital Improvements	-	883,500.00	883,500.00	-	-
	Total	\$ 250,000.00	\$ 883,500.00	\$ 1,108,500.00	\$ 25,000.00	\$ -

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SEWER UTILITY FUND

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**BOROUGH OF STRATFORD
SEWER UTILITY FUND
SCHEDULE OF UTILITY CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>OPERATING FUND</u>	<u>CAPITAL FUND</u>
Balance December 31, 2014	\$ 607,958.71	\$ -
Increased by Receipts:		
Accrued Interest Receivable	\$ 7,575.01	\$ -
2015 Budget Appropriation Refunds	1,048.50	-
Interest on Deposits	363.25	-
Miscellaneous	7,565.34	-
Prepaid Sewer Rents	751.01	-
Sewer Rents Receivable	338,756.28	-
Due from Sewer Capital	22,530.00	-
Due from Sewer Operating	-	31,530.00
Interest Due to Operating	-	22.18
Bond Anticipation Notes	-	-
	<u>378,589.39</u>	<u>171,000.00</u>
Subtotal	986,548.10	202,552.18
Decreased by Disbursements:		
2015 Budget Appropriations	377,378.83	-
2014 Appropriation Reserves	13,139.07	-
Due to Sewer Capital	31,530.00	-
Due to Sewer Operating	-	22,530.00
Improvement Authorizations	-	-
	<u>422,047.90</u>	<u>91,262.64</u>
Balance December 31, 2015	<u>\$ 564,500.20</u>	<u>\$ 88,759.54</u>
Recap:		
Cash	\$ 64,480.20	\$ 88,759.54
Change Fund	20.00	-
Investments	<u>500,000.00</u>	<u>-</u>
	<u>\$ 564,500.20</u>	<u>\$ 88,759.54</u>

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH AT DECEMBER 31, 2015**

	BALANCE (OVERDRAFT) DECEMBER 31, 2014	RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE (OVERDRAFT) DECEMBER 31, 2015
		MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	MISCELLANEOUS	MISCELLANEOUS	FROM	TO	
Capital Improvement Fund	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00	\$ -	\$ -
Due Sewer Operating Fund	(9,000.00)	31,552.18	-	22,530.00	-	-	-	22.18
Contracts Payable	-	-	-	-	-	-	82,127.36	82,127.36
Total	\$ -	171,000.00	91,262.64	22,530.00	82,127.36	91,127.36	9,000.00	6,610.00
Total	\$ -	202,552.18	91,262.64	22,530.00	91,127.36	91,127.36	\$ 91,127.36	\$ 88,759.54

ORDINANCE
NUMBER
2015:07

**BOROUGH OF STRATFORD
SEWER OPERATING FUND
SCHEDULE OF SEWER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$	12,819.74
Increased by:			
Sewer Rents Levied			<u>340,249.99</u>
Subtotal			353,069.73
Decreased by:			
Collections	\$	338,756.28	
Prepayments Applied		<u>1,123.25</u>	<u>339,879.53</u>
Balance December 31, 2015		\$	<u><u>13,190.20</u></u>

**BOROUGH OF STRATFORD
SEWER OPERATING FUND
SCHEDULE OF ACCRUED INTEREST RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 6,347.06
Increased by:	
2015 Accruals- Interest Earned on Deposits	<u>9,830.69</u>
Subtotal	16,177.75
Decreased by:	
Cash Receipts	<u>7,575.01</u>
Balance December 31, 2015	<u><u>\$ 8,602.74</u></u>

**BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER PREPAIDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 1,123.25
Increased by:	
Collections	<u>751.01</u>
Subtotal	1,874.26
Decreased by:	
Prepayments Applied	<u>1,123.25</u>
Balance December 31, 2015	<u><u>\$ 751.01</u></u>

**BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ENCUMBRANCES RECLASSIFIED	MODIFIED BALANCE	PAID OR CHARGED	BALANCE LAPSED
Operations:					
Salaries & Wages	\$ 14,006.60	\$ -	\$ 14,006.60	\$ 2,879.20	\$ 11,127.40
Other Expenses	25,483.93	2,240.41	27,724.34	10,036.74	17,687.60
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I)	3,308.26	-	3,308.26	220.26	3,088.00
Unemployment Insurance	395.65	-	395.65	2.87	392.78
Total	\$ 43,194.44	\$ 2,240.41	\$ 45,434.85	\$ 13,139.07	\$ 32,295.78

Cash Disbursed	\$ 13,139.07
Total	<u>\$ 13,139.07</u>

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Account</u>	BALANCE DECEMBER 31, 2015 & 2014
Infrastructure and Garage	\$ 584,309.76
Land and Land Rights	30,819.36
Hi Nella Pumping Station Renewals	229,639.86
Manhole and Pumping Station Renewals	207,321.92
Winding Way Pumping Station	31,535.00
Berlin Road Pumping Station	5,229.00
Building Improvements	60,132.61
Original Plant and Sewer Collection System	2,134,566.25
Vehicles and Equipment:	
Computers	18,247.18
Shredder	101.06
Backhoe	38,800.00
Haulmark Trailer	1,937.75
Stihlts 460 Saw	725.00
7 HP/60 G Oil Lube Compressor	577.61
Trailer Mounted Vacuum Loader	35,000.00
	35,000.00
Total	\$ 3,378,942.36

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL - AUTHORIZED & UNCOMPLETE
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	AMOUNT	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	AUTHORIZATIONS CANCELLED	BALANCE DECEMBER 31, 2015
2015:07	Pump Station #2 Upgrades	5/12/15	180,000.00	-	180,000.00	-	180,000.00
			\$	-	\$	-	\$
				\$	180,000.00	-	180,000.00

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2015 & 2014 \$ 3,378,942.36

**SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014 \$ -

Increased by:

Improvement Authorizations Funded 9,000.00

Balance December 31, 2015 \$ 9,000.00

**SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014 \$ 9,000.00

Decreased by:

Down Payment for Improvement Authorization 9,000.00

Balance December 31, 2015 \$ -

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2014		2015 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
2015:07	Pump Station #2 Upgrades	5/12/15	180,000.00	\$ -	\$ -	\$ 180,000.00	\$ 173,390.00	\$ -	\$ 6,610.00
				\$ -	\$ -	\$ 180,000.00	\$ 173,390.00	\$ -	\$ 6,610.00
						Cash Disbursements	\$ 91,262.64		
						Contracts Payable	82,127.36		
							<u>\$ 173,390.00</u>		

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$	-
Increased by:		
Contracts and Change Orders		<u>82,127.36</u>
Balance December 31, 2015	\$	<u><u>82,127.36</u></u>

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
STATEMENT OF BONDS ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL ISSUE	DATE OF ISSUE	MATURITY DATE	INTEREST RATE	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
2015:07	Pump Station Upgrades	06/17/15	06/17/15	07/15/16	0.83%	\$ -	\$ 171,000.00	\$ 171,000.00
	Total					\$ -	\$ 171,000.00	\$ 171,000.00

**BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	NOTES ISSUED	BALANCE DECEMBER 31, 2015
2015:07	Pump Station Upgrades	\$ -	\$ 171,000.00	\$ 171,000.00	\$ -
	Total	\$ -	\$ 171,000.00	\$ 171,000.00	\$ -

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GENERAL FIXED ASSETS

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**BOROUGH OF STRATFORD
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN FIXED ASSETS
DECEMBER 31, 2015 AND 2014**

	BALANCE DECEMBER 31, 2014	ADDITIONS	BALANCE DECEMBER 31, 2015
Land (at Assessed Valuation)	\$ 996,900.00	\$ -	\$ 996,900.00
Land	44,927.15	-	44,927.15
Buildings	2,397,124.99	-	2,397,124.99
Equipment	84,727.40	-	84,727.40
Fire Equipment	59,692.20	-	59,692.20
Vehicles	2,065,213.59	68,416.00	2,133,629.59
	<hr/>		<hr/>
Total	\$ 5,648,585.33	\$ 68,416.00	\$ 5,717,001.33
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BOROUGH OF STRATFORD

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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The Honorable Mayor and Members of the
Borough Council
Borough of Stratford
Stratford, New Jersey 08084

We have audited the financial statements – statutory basis of the Borough of Stratford in the County of Camden for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, and Sewer Utility Collector, the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made. The minutes indicate that bids were requested by public advertising for the following items:

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

Reconstruction of Central and Grand Avenue

A test was conducted to determine that expenditures greater than \$2,625 obtained solicitation of quotes. No exceptions were noted.

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

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

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

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500 thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 5, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

Collection of Interest on Delinquent Taxes and Assessments (continued):

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

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

Tax Collector’s Annual Report

N.J.S.54:4-91 requires that on or before May 1st of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 included real estate taxes for 2015, 2014 and 2013.

The last tax sale was held on November 19, 2015 and was complete.

Inspection of 2015 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

YEAR	NUMBER OF LIENS
2015	7
2014	6
2013	2

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

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

Deposit of Funds Paid to Local Unit

N.J.S.40A:5-15 States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

Our testing revealed no exceptions.

Payroll Fund

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

Municipal Court

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of fifteen (15) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	POSITION	AMOUNT OF BOND	
John Gentless	Mayor		
Mike Maloney	Council President		
Ben Angeli	Councilman		
John Dudley	Councilman		
David Gray	Councilman		
Frank Hartman	Councilman		
Holly Tate	Councilman		
John D. Keenan	Borough Clerk	\$1,000,000	(A), (B)
John Fabritiis	Chief Financial Officer Tax Collector	\$1,000,000	(A), (B)
Brian Schneider	Tax Assessor	\$1,000,000	(A), (B)
Albert J. Olizi, Jr.	Solicitor		
John Morelli	Judge of the Municipal Court	\$1,000,000	(A), (B)
Joanne Doorly	Municipal Court Administrator	\$1,000,000	(A), (B)

(A) Public Alliance Insurance Coverage Fund – Crime – Public Employee Dishonest Coverage (\$50,000).

(B) Municipal Excess Liability Joint Insurance Fund – Excess Crime – Public Employee Dishonest Coverage (\$50,000).

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Michael Holt
Registered Municipal Accountant
No. CR473

April 21, 2016
Medford, New Jersey

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