

BOROUGH OF STRATFORD
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2016

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BOROUGH OF STRATFORD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Stratford, in the County of Camden, State of New Jersey, as of December 31, 2016, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

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

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

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

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

Opinion on Regulatory Basis of Accounting

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

Prior Period Financial Statements

The financial statements of the Borough of Stratford as of December 31, 2015, were audited by other auditors whose report dated April 21, 2016, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Other Matters

Other Information

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

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

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Other Reporting Required by Government Auditing Standards

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 29, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Stratford
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 the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Stratford, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 29, 2017. That report indicated that the Borough of Stratford's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 29, 2017

BOROUGH OF STRATFORD
CURRENT FUND

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

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Cash	SA-1	\$ 1,067,841.56	\$ 962,852.67
Change Funds	SA-3	<u>120.00</u>	<u>120.00</u>
		<u>1,067,961.56</u>	<u>962,972.67</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	328,775.98	419,094.76
Tax Title Liens Receivable	SA-6	26,436.23	17,008.23
Maintenance Liens Receivable	SA-7	14,261.43	6,575.49
Revenue Accounts Receivable	SA-8	26,287.23	22,955.45
Property Acquired for Taxes (at Assessed Valuation)	SA-9	613,700.00	613,700.00
Interfund Accounts Receivable:			
Due from Federal and State Grant Fund	SA-24		29,257.86
Due from Animal Control Fund	SB-2	4.96	4.76
Due from Trust - Other Fund	SB-7	19,633.35	11,160.91
Due from General Capital Fund	SC-4	<u>50.49</u>	
		<u>1,029,149.67</u>	<u>1,119,757.46</u>
Deferred Charges:			
Emergency Authorization	SA-10		25,000.00
Special Emergency Authorizations (40A:4-55)	SA-11	<u>214,000.00</u>	<u>101,000.00</u>
		<u>214,000.00</u>	<u>126,000.00</u>
Total Regular Fund		<u>2,311,111.23</u>	<u>2,208,730.13</u>
Federal and State Grant Fund:			
Cash	SA-1	239,970.47	
Federal and State Grants Receivable	SA-23	<u>190,115.73</u>	<u>406,287.97</u>
Total Federal and State Grant Fund		<u>430,086.20</u>	<u>406,287.97</u>
Total Assets		<u>\$ 2,741,197.43</u>	<u>\$ 2,615,018.10</u>

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-12	\$ 261,102.70	\$ 272,389.67
Reserve for Encumbrances	A-3, SA-12	60,650.44	23,069.85
Due to Bank	A	0.60	0.60
Due to State of New Jersey - Veterans' and Senior Citizens' Deductions	SA-13	7,119.54	8,023.48
Prepaid Taxes	SA-14	90,912.56	86,908.55
Tax Overpayments	SA-15	5,214.58	7,998.01
Due to County - Added and Omitted Taxes	SA-17	2,217.84	14,898.39
Reserve for Whitman Ave Townhouses	SA-21	7,668.95	7,689.49
Reserve for Master Plan	SA-22	4,363.71	4,958.22
Reserve for Tax Revaluation	A	4,711.00	4,711.00
Reserve for Revision and Codification of Ordinances	A	2,108.74	2,108.74
Reserve for Tax Map	A	25.43	25.43
Due to General Capital Fund	SC-4		5,925.10
		<u>446,096.09</u>	<u>438,706.53</u>
Reserves for Receivables and Other Assets		1,029,149.67	1,119,757.46
Fund Balance	A-1	<u>835,865.47</u>	<u>650,266.14</u>
Total Regular Fund		<u>2,311,111.23</u>	<u>2,208,730.13</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-24		29,257.86
Reserve for Federal and State Grants -- Appropriated	SA-26	430,086.20	350,439.26
Contracts Payable	SA-27		<u>26,590.85</u>
Total Federal and State Grant Fund		<u>430,086.20</u>	<u>406,287.97</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,741,197.43</u>	<u>\$ 2,615,018.10</u>

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

BOROUGH OF STRATFORD
CURRENT FUND

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

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 340,000.00	\$ 346,000.00
Miscellaneous Revenues Anticipated	1,698,901.33	2,042,091.41
Receipts from Delinquent Taxes	421,287.43	354,689.52
Receipts from Current Taxes	16,635,398.90	16,334,332.96
Non-Budget Revenues	131,318.50	41,096.69
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	136,887.00	122,868.15
Cancellation of Current Year Appropriations		41.74
Cancellation of Prior Year Due County for Added and Omitted Taxes	638.59	
Cancellation of Federal and State Grants Appropriated		26,606.07
Lapsed Tax Sale Premium Bids - Due Trust Other Fund	15,700.00	
Overpayments Cancelled	0.94	
Liquidation of Reserves for:		
Due from Federal and State Grant Fund	29,257.86	
	<hr/>	<hr/>
Total Income	19,409,390.55	19,267,726.54
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,208,467.21	2,062,360.46
Other Expenses	2,117,247.14	2,004,505.95
Deferred Charges and Statutory Expenditures Within "CAPS"	587,901.11	527,834.99
Operations Excluded from "CAPS":		
Salaries and Wages	180,778.30	35,000.00
Other Expenses	269,720.52	752,115.83
Capital Improvements Excluded from "CAPS"	27,000.00	41,000.00
Municipal Debt Service Excluded from "CAPS"	471,552.50	660,470.00
Deferred Charges Excluded from "CAPS"	37,000.00	30,000.00
County Taxes Payable	3,555,713.11	3,570,179.34
County Share of Added and Omitted Taxes	2,217.84	14,259.80
Local School District Taxes Payable	6,680,258.00	6,360,817.00
Regional High School Taxes	2,828,665.00	2,924,422.50
Open Space Trust Fund Tax Payable	57,247.36	57,247.36
Due to State of New Jersey - Prior Year Veteran and Senior Citizens' Deduction Disallowed by Collector	1,500.00	1,000.00
Cancellation of Federal and State Grants Receivable		26,606.07

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND

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

	<u>2016</u>	<u>2015</u>
<u>Expenditures (Cont'd)</u>		
Creation of Reserves for:		
Interfund Advances in the Current Year:		\$ 36,528.89
Due from Animal Control Fund	\$ 0.20	
Due from Trust - Other Fund	8,472.44	
Due from General Capital Fund	<u>50.49</u>	
Total Expenditures	<u>19,033,791.22</u>	<u>19,104,348.19</u>
Excess in Revenue	375,599.33	163,378.35
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred		
Charges to Budget of Succeeding Year	<u>150,000.00</u>	<u>70,000.00</u>
Statutory Excess to Fund Balance	525,599.33	233,378.35
<u>Fund Balance</u>		
Balance January 1	<u>650,266.14</u>	<u>762,887.79</u>
	1,175,865.47	996,266.14
Decreased by:		
Utilization as Anticipated Revenue	<u>340,000.00</u>	<u>346,000.00</u>
Balance December 31	<u>\$ 835,865.47</u>	<u>\$ 650,266.14</u>

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, 2016

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Surplus Anticipated	\$ 340,000.00		\$ 340,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00		5,000.00	
Other	10,000.00		14,319.00	\$ 4,319.00
Fees and Permits	49,000.00		113,683.70	64,683.70
Fines and Costs:				
Municipal Court	325,000.00		323,897.91	(1,102.09)
Interest and Costs on Taxes	70,000.00		95,151.89	25,151.89
Interest on Investments and Deposits	5,500.00		6,304.46	804.46
Total Local Revenues	464,500.00		558,356.96	93,856.96
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax				
Relief Aid	12,807.00		12,807.00	
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	707,825.00		707,825.00	
Total State Aid Without Offsetting Appropriations	720,632.00		720,632.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset With Appropriations Shared Services Stratford Schools	18,000.00		18,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Alcohol Education and Rehabilitation Grant		\$ 9,971.18	9,971.18	
Body Armor Replacement Fund		1,863.38	1,863.38	
Bulletproof Vest Partnership Grant		2,100.00	2,100.00	
Camden County Open Space Preservation Trust Fund:				
Vassar Avenue Sports Complex		25,000.00	25,000.00	
Camden County DWI Task Force		73,800.00	73,800.00	
Clean Communities Program		16,240.80	16,240.80	
Click It or Ticket		5,000.00	5,000.00	
COPs In Shops		3,400.00	3,400.00	
Drive Sober or Get Pulled Over --				
Labor Day Crackdown		5,000.00	5,000.00	
Year End Crackdown		5,000.00	5,000.00	
Drunk Driving Enforcement Fund		26,657.12	26,657.12	
DWI Sobriety Checkpoint		5,300.00	5,300.00	
Municipal Alliance Against Drug and Alcohol Abuse		32,728.00	32,728.00	
Pedestrian Safety Education & Enforcement Fund		11,650.00	11,650.00	
Recycling Tonnage Grant	5,715.80		5,715.80	
Safe and Secure Community Program - P.L. 1994, Chapter 220		30,000.00	30,000.00	
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations	5,715.80	253,710.48	259,426.28	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Property Maintenance	10,000.00		11,125.00	1,125.00
Library Property Maintenance	40,000.00		37,400.00	(2,600.00)
Delaware River Port Authority	15,000.00		15,000.00	
Conrail Property Maintenance	3,300.00		3,300.00	
Cable Television Franchise Fees	25,661.09		25,661.09	
Contributions from Rowan University	50,000.00		50,000.00	

(Continued)

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

	<u>Anticipated</u>	Special		Excess or
	<u>Budget</u>	N.J.S. 40A:4-87	<u>Realized</u>	<u>(Deficit)</u>
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items	\$ 143,961.09		\$ 142,486.09	\$ (1,475.00)
Total Miscellaneous Revenues Anticipated	1,352,808.89	\$ 253,710.48	1,698,901.33	92,381.96
Receipts from Delinquent Taxes	340,000.00		421,287.43	81,287.43
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	3,778,017.32		3,897,244.00	119,226.68
Minimum Library Tax	142,270.04		142,270.04	
Total Amount to be Raised by Taxes for Support of Municipal Budget	3,920,287.36		4,039,514.04	119,226.68
Total General Revenues	5,953,096.25	253,710.48	6,499,702.80	292,896.07
Non-Budget Revenues			131,318.50	131,318.50
Total Revenues	<u>\$ 5,953,096.25</u>	<u>\$ 253,710.48</u>	<u>\$ 6,631,021.30</u>	<u>\$ 424,214.57</u>

(Continued)

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 16,635,398.90
Allocated to:		
Schools, County Taxes and Open Space Trust Fund		<u>13,051,557.31</u>
Balance for Support of Municipal Budget Appropriations		3,583,841.59
Add: Appropriation "Reserve for Uncollected Taxes"		<u>455,672.45</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 4,039,514.04</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		\$ 414,411.56
Tax Title Lien Collections		<u>6,875.87</u>
		<u>\$ 421,287.43</u>
Licenses -- Other:		
Clerk:		
Mercantile License	\$ 3,326.00	
Food License	120.00	
Sign License	<u>10,777.00</u>	
		\$ 14,223.00
Registrar of Vital Statistics:		
Marriage/ Civil Union Licenses		<u>96.00</u>
		<u>\$ 14,319.00</u>
Fees and Permits:		
Registrar of Vital Statistics:		
Birth Certificates	\$ 27,260.00	
Death Certificates	2,830.00	
Vital Statistics Direct State of NJ	1,180.00	
Marriage/ Domestic Partnership Certificate Copies	<u>440.00</u>	
		\$ 31,710.00
Clerk:		
Machine Copies	0.70	
Miscellaneous Fees	165.00	
OPRA Requests	8.00	
Street Opening Permits	81,780.00	
200 Foot Search	10.00	
Zoning Ordinance Maps	<u>10.00</u>	
		<u>81,973.70</u>
		<u>\$ 113,683.70</u>

(Continued)

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

Analysis of Realized Revenues (Cont'd)

Interest Earned on Investments and Deposits:

Revenue Accounts Receivable:

Collections by Treasurer	\$ 3,599.09
Due from Animal Control Fund	60.06
Due from Trust - Other Fund	1,986.49
Due from General Capital Fund	658.82
	658.82
	\$ 6,304.46

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:

Treasurer:

Receipts:

Administration Fees	\$ 11,455.77
Donations	20,483.00
FEMA Refunds	39,761.58
Marriage and Civil Unions	1,300.00
Miscellaneous Refunds	95.68
Payment in Lieu of Taxes	37,560.00
Police Fees and Permits	1,639.20
Recycling Fees	1,730.99
Red Light Camera	992.00
Restitution	300.00
Sale of Assets	2,358.75
State Motor Vehicle Inspections	4,022.17
	4,022.17

121,699.14

Collections made by Collector:

Maintenance Liens	9,619.36
	9,619.36
	\$ 131,318.50

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, 2016

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 199,292.47	\$ 199,292.47	\$ 187,937.79		\$ 11,354.68	
Other Expenses	16,370.00	16,370.00	14,219.24	\$ 606.58	1,544.18	
Elections:						
Other Expenses	4,500.00	4,500.00	4,500.00			
Financial Administration (Treasury):						
Salaries and Wages	42,809.65	42,809.65	42,809.65			
Other Expenses	3,833.00	3,833.00	3,833.00			
Audit Services:						
Other Expenses	38,900.00	38,900.00	38,900.00			
Collection of Taxes						
Salaries and Wages	65,398.78	65,398.78	65,398.78			
Other Expenses	8,630.00	8,630.00	7,017.34	712.05	900.61	
Assessment of Taxes:						
Salaries and Wages	17,643.64	17,643.64	17,612.00		31.64	
Other Expenses	8,500.00	8,500.00	4,167.24	1,148.72	3,184.04	
Legal Services and Costs						
Salaries and Wages	13,500.00	13,500.00	13,500.00			
Other Expenses	29,000.00	29,000.00	15,010.75	785.00	13,204.25	
Engineering Services and Costs						
Other Expenses	3,000.00	3,000.00	2,340.00		660.00	
Municipal Court						
Salaries and Wages	143,787.80	143,787.80	141,510.85		2,276.95	
Other Expenses	38,830.00	38,830.00	28,758.02	4,691.56	5,380.42	
Public Defender						
Salaries and Wages	1,500.00	892.12	892.12			
Land Use Administration:						
Municipal Land Use Law (N.J.S.. 40:55D-1)						
Planning Board						
Salaries and Wages	10,782.61	10,782.61	10,198.89		583.72	
Other Expenses (N.J.S.A. 40A:4-55 +\$150,000.00)	6,100.00	156,100.00	152,550.15		3,549.85	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Insurance:						
Other Insurance Premiums	\$ 126,050.00	\$ 136,652.50	\$ 135,705.76		\$ 946.74	
Worker Compensation Insurance	59,805.00	59,805.00	59,805.00			
Group Insurance for Employees	670,109.56	670,109.56	579,657.07	\$ 31,967.02	58,485.47	
Health Benefits Waivers	10,227.84	11,127.84	11,127.84			
Public Safety Functions:						
Police						
Salaries and Wages	1,582,805.84	1,579,138.91	1,525,945.65		53,193.26	
Other Expenses	87,716.04	87,716.04	76,994.64	8,013.45	2,707.95	
Office of Emergency Management						
Other Expenses	4,400.00	4,400.00	2,925.76	918.97	555.27	
Aid to Volunteer Ambulance Companies	23,000.00	15,278.90	15,278.90			
Fire						
Fire Hydrant Service	52,650.00	52,650.00	46,881.45		5,768.55	
Fire Department	42,000.00	42,000.00	28,469.55	8,691.86	4,838.59	
Uniform Fire Safety and Inspection Act						
Other Expenses	2,000.00	2,000.00	1,334.50		665.50	
Public Work Functions:						
Public Works Department:						
Salaries and Wages	130,478.01	130,478.01	118,719.20		11,758.81	
Other Expenses	17,300.00	17,300.00	11,546.25	456.84	5,296.91	
Solid Waste Collection						
Other Expenses	321,000.00	321,000.00	308,677.53		12,322.47	
Public Buildings and Grounds						
Other Expenses	10,400.00	10,400.00	9,877.19	484.32	38.49	
Shade Tree Commission						
Other Expenses	3,400.00	3,400.00	2,639.14	37.50	723.36	
Maintenance of Motor Vehicles:						
Other Expenses	37,500.00	37,500.00	30,238.53	686.06	6,575.41	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Health and Human Services Functions:						
Board of Health						
Salaries and Wages	\$ 4,743.22	\$ 4,743.22	\$ 4,241.47		\$ 501.75	
Other Expenses	1,100.00	1,100.00	773.50		326.50	
Environmental Commission (N.J.S.. 40:56A-1)						
Other Expenses	2,200.00	2,200.00	2,050.00	\$ 150.00		
Utility Expenses and Bulk Purchases:						
Electricity	45,000.00	45,000.00	36,608.20		8,391.80	
Street Lighting	25,500.00	25,500.00	16,935.84		8,564.16	
Telephone	16,000.00	16,000.00	14,774.83	501.54	723.63	
Water	1,200.00	2,000.00	1,573.32	157.35	269.33	
Gas (Natural or Propane)	16,500.00	16,500.00	9,358.01		7,141.99	
Sewerage Processing and Disposal	1,810.00	1,810.00	1,647.50		162.50	
Gasoline	39,500.00	35,034.30	26,630.19	641.62	7,762.49	
Landfill / Solid Waste Disposal Costs:						
Solid Waste Disposal	178,500.00	178,500.00	160,528.96		17,971.04	
Other Common Operating Functions (Unclassified)						
Compensated Absences	10,000.00	10,000.00	10,000.00			
Celebration of Public Events, Anniversaries or Holiday						
Other Expenses	4,600.00	4,600.00	4,548.23		51.77	
Total Operations Including Contingent - within "CAPS"	4,179,873.46	4,325,714.35	4,006,649.83	60,650.44	258,414.08	
Detail:						
Salaries and Wages	2,212,742.02	2,208,467.21	2,128,766.40		79,700.81	
Other Expenses (Including Contingent)	1,967,131.44	2,117,247.14	1,877,883.43	60,650.44	178,713.27	

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL -- WITHIN "CAPS"						
Deferred Charges:						
Emergency Authorizations	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00			
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	82,274.00	82,866.18	82,866.18			
Police and Firemen's Retirement System of N.J.	311,868.00	311,868.00	311,868.00			
Defined Contribution Retirement Program	100.00					
Unemployment Compensation Insurance	1,500.00	1,500.00	1,054.22		\$ 445.78	
Social Security System (O.A.S.I.)	163,000.00	166,666.93	164,424.09		2,242.84	
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	583,742.00	587,901.11	585,212.49		2,688.62	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	4,763,615.46	4,913,615.46	4,591,862.32	\$ 60,650.44	261,102.70	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance						
Employee Group Health	11,206.00	11,206.00	11,206.00			
Maintenance of Free Public Library						
Other Expenses	142,270.04	142,270.04	142,270.04			
Municipal Court - Court Baliff						
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			
Total Other Operations - Excluded from "CAPS"	170,476.04	170,476.04	170,476.04			

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)						
Interlocal Municipal Service Agreements:						
Stratford School Shared Service	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00			
Public and Private Programs Offset by Revenues:						
Alcohol Education and Rehabilitation (N.J.S. 40A:4-87, \$9,971.18+)		9,971.18	9,971.18			
Body Armor Replacement Fund (N.J.S. 40A:4-87, \$1,863.38+)		1,863.38	1,863.38			
Bulletproof Vest Partnership Grant (N.J.S. 40A:4-87, \$2,100.00+)		2,100.00	2,100.00			
Camden County Open Space Preservation Trust Fund:						
Vassar Avenue Sports Complex (N.J.S. 40A:4-87, \$25,000.00+)		25,000.00	25,000.00			
Camden County DWI Task Force (N.J.S. 40A:4-87, \$73,800.00+)		73,800.00	73,800.00			
Clean Communities Program (N.J.S. 40A:4-87, \$16,240.80+)		16,240.80	16,240.80			
Click It or Ticket (N.J.S. 40A:4-87, \$5,000.00+)		5,000.00	5,000.00			
COPs in Shops (N.J.S. 40A:4-87, \$3,400.00+)		3,400.00	3,400.00			
Drive Sober or Get Pulled Over --						
Labor Day Crackdown (N.J.S. 40A:4-87, \$5,000.00+)		5,000.00	5,000.00			
Year-End Crackdown (N.J.S. 40A:4-87, \$5,000.00+)		5,000.00	5,000.00			
Drunk Driving Enforcement Fund (N.J.S. 40A:4-87, \$26,657.12+)		26,657.12	26,657.12			
DWI Sobriety Checkpoint (\$5,300.00+)		5,300.00	5,300.00			
Municipal Alliance Against Drug and Alcohol Abuse - Matching Funds	2,596.50	2,596.50	2,596.50			
Municipal Alliance Against Drug and Alcohol Abuse (N.J.S. 40A:4-87, \$32,728.00+)		32,728.00	32,728.00			
Pedestrian Safety Education & Enforcement Fund (N.J.S. 40A:4-87, \$11,650.00+)		11,650.00	11,650.00			
Recycling Tonnage Grant	5,715.80	5,715.80	5,715.80			
Safe and Secure Grant Program (N.J.S. 40A:4-87, \$30,000.00+)		30,000.00	30,000.00			
Total Public and Private Programs Offset by Revenues	8,312.30	262,022.78	262,022.78			
Total Operations -- Excluded from "CAPS"	196,788.34	450,498.82	450,498.82			

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
Detail:						
Salaries and Wages	\$ 35,000.00	\$ 180,778.30	\$ 180,778.30			
Other Expenses	161,788.34	269,720.52	269,720.52			
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	27,000.00	27,000.00	27,000.00			
Total Capital Improvement Excluded from "CAPS"	27,000.00	27,000.00	27,000.00			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	447,020.00	447,020.00	447,020.00			
Interest on Notes	26,000.00	26,000.00	24,532.50			\$ 1,467.50
Total Municipal Debt Service -- Excluded from "CAPS"	473,020.00	473,020.00	471,552.50			1,467.50
DEFERRED CHARGES - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations	37,000.00	37,000.00	37,000.00			
Total Deferred Charges - Municipal -- Excluded from "CAPS"	37,000.00	37,000.00	37,000.00			
Total General Appropriations for Municipal Purposes -- Excluded from "CAPS"	733,808.34	987,518.82	986,051.32			1,467.50
Subtotal General Appropriations	5,497,423.80	5,901,134.28	5,577,913.64	\$ 60,650.44	\$ 261,102.70	1,467.50
Reserve for Uncollected Taxes	455,672.45	455,672.45	455,672.45			
Total General Appropriations (Carried Forward)	<u>\$ 5,953,096.25</u>	<u>\$ 6,356,806.73</u>	<u>\$ 6,033,586.09</u>	<u>\$ 60,650.44</u>	<u>\$ 261,102.70</u>	<u>\$ 1,467.50</u>

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Total General Appropriations (Brought Forward)	\$ 5,953,096.25	\$ 6,356,806.73	\$ 6,033,586.09	\$ 60,650.44	\$ 261,102.70	\$ 1,467.50
Appropriated by N.J.S. 40A:4-87		\$ 253,710.48				
Appropriated by Special Emergency N.J.S. 40A:4-55		150,000.00				
Budget		<u>5,953,096.25</u>				
		<u>\$ 6,356,806.73</u>				
Refunds -- Receipts			\$ (59,471.48)			
Reserve for Federal and State Grants -- Appropriated			259,426.28			
Due Trust - Other Fund:						
Reserve for Compensated Absence Payable			10,000.00			
Reserve for Municipal Alliance Grant			2,596.50			
Reserve for Master Plan			150,000.00			
Due General Capital Fund			27,000.00			
Deferred Charges						
Emergency Appropriation			25,000.00			
Special Emergencies			37,000.00			
Reserve for Uncollected Taxes			455,672.45			
Disbursements			<u>5,126,362.34</u>			
			<u>\$ 6,033,586.09</u>			

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

BOROUGH OF STRATFORD
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 21,705.84	\$ 21,604.03
Open Space Trust Fund:			
Cash	SB-1	40,368.05	33,003.55
Other Funds:			
Cash	SB-1	983,778.95	932,652.49
Community Development Block Grants Receivable	SB-6	66,500.00	75,000.00
Total Other Funds		1,050,278.95	1,007,652.49
Total Assets		\$ 1,112,352.84	\$ 1,062,260.07

(Continued)

BOROUGH OF STRATFORD
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
LIABILITIES AND RESERVES:			
Animal Control Fund:			
Due to Current Fund	SB-2	\$ 4.96	\$ 4.76
Due to State of New Jersey -- Registration Fees	SB-3	1.20	
Reserve for Animal Control Fund Expenditures	SB-4	<u>21,699.68</u>	<u>21,599.27</u>
Total Animal Control Fund		<u>21,705.84</u>	<u>21,604.03</u>
Open Space Trust Fund			
Reserve for Parks Open Space Expenditures	SB-5	<u>40,368.05</u>	<u>33,003.55</u>
Total Open Space Trust Fund		<u>40,368.05</u>	<u>33,003.55</u>
Other Funds:			
Due Current Fund	SB-7	19,633.35	11,160.91
Payroll Deductions Payable	SB-8	34,705.52	29,982.22
Due to State of New Jersey -- DCA Fees	SB-9	2,982.00	2,250.00
Miscellaneous Trust Reserves:			
Community Development Block Grants	SB-10		75,000.00
Compensated Absences	SB-10	68,019.97	58,019.97
Dedicated Funds Collected for Penalties	SB-10	1,144.10	1,144.10
Developers' Escrow	SB-10	56,124.11	41,525.56
Economic Development Commission	SB-10	11.95	21.82
Green Team	SB-10	1,005.11	1,005.11
Historical Preservation	SB-10	1,853.95	796.94
Municipal Alliance Grant	SB-10	28,756.23	29,979.87
Outside Liens Redemption	SB-10	790.86	15,278.39
Outside Premiums - 2011 Sale	SB-10		30,300.00
Outside Premiums - 2012 Sale	SB-10	12,000.00	12,000.00
Outside Premiums - 2013 Sale	SB-10	40,500.00	68,700.00
Outside Premiums - 2014 Sale	SB-10	77,500.00	82,700.00
Outside Premiums - 2015 Sale	SB-10	171,800.00	368,700.00
Outside Premiums - 2016 Sale	SB-10	335,000.00	
Outside Police Employment	SB-10	47,317.83	20,810.63
Parking Offense Adjudication Act	SB-10	234.00	134.00
Police Training	SB-10	10,001.19	12,525.86
Public Defender	SB-10	2,327.96	532.63
Regular Penalties	SB-10	2,452.50	2,452.50
Snow Removal	SB-10	285.17	3,154.28
Special Law Enforcement	SB-10	14,824.16	15,377.60
Unemployment Claims Payable	SB-10	28,771.59	27,329.85
Uniform Construction Code and Local Enforcement Agency	SB-10	<u>92,237.40</u>	<u>96,770.25</u>
Total Other Funds		<u>1,050,278.95</u>	<u>1,007,652.49</u>
Total Liabilities and Reserves		<u>\$ 1,112,352.84</u>	<u>\$ 1,062,260.07</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, 2016

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 57,247.36	\$ 57,247.36	
Miscellaneous		<u>95.51</u>	<u>\$ 95.51</u>
	<u>\$ 57,247.36</u>	<u>\$ 57,342.87</u>	<u>\$ 95.51</u>

Analysis of Realized Revenues:

Receipts:

Open Space Tax Levy	\$ 57,247.36	
Interest Earned on Deposits	<u>95.51</u>	
	<u>\$ 57,342.87</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, 2016

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Lapsed to Reserve</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
Operating:					
Development of Lands for Recreation and Conservation:					
Other Expenses	\$ 28,623.68	\$ 28,623.68	\$ 15,855.47		\$ 12,768.21
Maintenance of Lands for Recreation and Conservation:					
Other Expenses	<u>28,623.68</u>	<u>28,623.68</u>	<u>28,623.68</u>		
	<u>\$ 57,247.36</u>	<u>\$ 57,247.36</u>	<u>\$ 44,479.15</u>	<u>\$ -</u>	<u>\$ 12,768.21</u>

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

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

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	SC-1	\$ 228,598.05	\$ 184,251.10
Deferred Charges to Future Taxation:			
Unfunded	SC-3	3,089,138.00	3,022,158.00
Due from Current Fund	SC-4	<u>5,925.10</u>	<u>5,925.10</u>
Total Assets		<u>\$ 3,317,736.05</u>	<u>\$ 3,212,334.20</u>
LIABILITIES AND RESERVES:			
Due to Current Fund	SC-4	\$ 50.49	
Improvement Authorizations:			
Funded	SC-5	4,209.20	
Unfunded	SC-5	177,852.07	\$ 157,550.83
Contracts Payable	SC-6	44,501.71	31,840.79
Capital Improvement Fund	SC-7	1,984.58	784.58
Bond Anticipation Notes	SC-8	<u>3,089,138.00</u>	<u>3,022,158.00</u>
Total Liabilities and Reserves		<u>\$ 3,317,736.05</u>	<u>\$ 3,212,334.20</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2016 and 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Cash	SD-1	\$ 636,130.02	\$ 64,480.20
Investments	SD-1		500,000.00
Change Fund	D	20.00	20.00
Accrued Interest Receivable	SD-4	6,676.30	8,602.74
Due from Sewer Utility Capital Fund	SD-11	0.01	22.18
		<u>642,826.33</u>	<u>573,125.12</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-5	<u>17,338.86</u>	<u>13,190.20</u>
Total Operating Fund		<u>660,165.19</u>	<u>586,315.32</u>
Capital Fund:			
Cash	SD-1	0.01	88,759.54
Fixed Capital	SD-6	3,558,942.36	3,378,942.36
Fixed Capital Authorized & Uncompleted	SD-7		180,000.00
Total Capital Fund		<u>3,558,942.37</u>	<u>3,647,701.90</u>
		<u>\$ 4,219,107.56</u>	<u>\$ 4,234,017.22</u>

BOROUGH OF STRATFORD
SEWER UTILITY FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2016 and 2015

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3/SD-8	\$ 40,658.49	\$ 14,109.88
Reserve for Encumbrances	D-3/SD-8	3,149.76	14,870.65
Prepaid Sewer Rents	SD-9	1,249.10	751.01
Accrued Interest on Bond Anticipation Notes	SD-10	597.72	637.69
		<u>45,655.07</u>	<u>30,369.23</u>
Reserve for Receivables		17,338.86	13,190.20
Fund Balance	D-1	597,171.26	542,755.89
		<u>660,165.19</u>	<u>586,315.32</u>
Total Operating Fund			
		<u>660,165.19</u>	<u>586,315.32</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-11	0.01	22.18
Reserve for Amortization	SD-12	3,405,042.36	3,378,942.36
Reserve for Deferred Amortization	SD-13		9,000.00
Improvement Authorizations Unfunded	SD-14		6,610.00
Contracts Payable	SD-15		82,127.36
Bond Anticipation Notes	SD-16	153,900.00	171,000.00
		<u>153,900.00</u>	<u>171,000.00</u>
		<u>3,558,942.37</u>	<u>3,647,701.90</u>
Total Capital Fund		<u>3,558,942.37</u>	<u>3,647,701.90</u>
		<u>\$ 4,219,107.56</u>	<u>\$ 4,234,017.22</u>

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

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

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2016</u>	<u>2015</u>
Operating Surplus Anticipated	\$ 56,323.47	\$ 71,948.55
Sewer Rents and Liens	428,244.45	339,879.53
Miscellaneous	15,410.27	17,781.46
Unexpended Balance of Appropriation Reserves	<u>6,155.57</u>	<u>32,295.78</u>
Total Income	<u>506,133.76</u>	<u>461,905.32</u>
 <u>Expenditures</u>		
Operating	350,723.47	380,648.55
Debt Service	18,471.45	
Deferred Charges and Regulatory Expenditures	<u>26,200.00</u>	<u>25,300.00</u>
Total Expenditures	<u>395,394.92</u>	<u>405,948.55</u>
Excess in Revenue	110,738.84	55,956.77
 <u>Fund Balance</u>		
Balance Jan. 1	<u>542,755.89</u>	<u>558,747.67</u>
Decreased by:	653,494.73	614,704.44
Utilized as Revenue	<u>56,323.47</u>	<u>71,948.55</u>
Balance Dec. 31	<u><u>\$ 597,171.26</u></u>	<u><u>542,755.89</u></u>

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, 2016

	<u>Anticipated</u> <u>Budget</u>	<u>Realized</u>	<u>Excess</u> <u>(Deficit)</u>
Sewer Operating Surplus Anticipated	\$ 56,323.47	\$ 56,323.47	
Sewer Rents	325,000.00	428,244.45	\$ 103,244.45
Miscellaneous	15,000.00	15,410.27	410.27
	<u>\$ 396,323.47</u>	<u>\$ 499,978.19</u>	<u>\$ 103,654.72</u>

Analysis of Realized Revenues:

Sewer Rents Receivable:

Collections	\$ 427,493.44
Prepayments Applied	751.01
	<u>\$ 428,244.45</u>

Miscellaneous:

Treasurer:	
Accrued Interest Receivable	\$ 10,061.52

Interest and Costs on Delinquent Accounts:

Collector	5,253.81
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Due from Sewer Utility Capital Fund:

Interest Earned on Deposits	94.94
	<u>\$ 15,410.27</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, 2016

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbrances</u>	<u>Reserves</u>	
Operating:						
Salaries and Wages	\$ 187,136.47	\$ 187,136.47	\$ 172,480.33		\$ 14,656.14	
Other Expenses	163,587.00	163,587.00	137,164.70	\$ 3,149.76	23,272.54	
Total Operating	<u>350,723.47</u>	<u>350,723.47</u>	<u>309,645.03</u>	<u>3,149.76</u>	<u>37,928.68</u>	
Debt Service:						
Payment of Bond Anticipation Notes	17,100.00	17,100.00	17,100.00			
Interest on Notes	2,300.00	2,300.00	1,371.45			\$ 928.55
Total Debt Service	<u>19,400.00</u>	<u>19,400.00</u>	<u>18,471.45</u>			<u>928.55</u>
Deferred Charges and Regulatory Expenditures:						
Regulatory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	16,000.00	16,000.00	13,370.16		2,629.84	
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)	200.00	200.00	100.03		99.97	
Public Employees Retirement System	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Regulatory Expenditures	<u>26,200.00</u>	<u>26,200.00</u>	<u>23,470.19</u>		<u>2,729.81</u>	
	<u>\$ 396,323.47</u>	<u>\$ 396,323.47</u>	<u>\$ 351,586.67</u>	<u>\$ 3,149.76</u>	<u>\$ 40,658.49</u>	<u>\$ 928.55</u>
Receipts -- Refunds			\$ (151.68)			
Disbursements			350,366.90			
Accrued Interest on Notes			1,371.45			
			<u>\$ 351,586.67</u>			

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

BOROUGH OF STRATFORD
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Additions	Deletions	Adjustments	Balance Dec. 31, 2016
Fixed Assets:					
Land (at Assessed Valuation)	\$ 996,900.00				\$ 996,900.00
Land	44,927.15			\$ (44,927.15)	
Buildings	2,397,124.99	\$ 112,200.00		44,927.15	2,554,252.14
Equipment	84,727.40	9,100.00		53,995.00	147,822.40
Fire Equipment	59,692.20				59,692.20
Vehicles	2,133,629.59	34,958.00	\$ 32,629.00	(53,995.00)	2,081,963.59
Total Fixed Assets	\$ 5,717,001.33	\$ 156,258.00	\$ 32,629.00	\$ -	\$ 5,840,630.33
Total Investment in Fixed Assets	\$ 5,717,001.33	\$ 156,258.00	\$ 32,629.00	\$ -	\$ 5,840,630.33

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

BOROUGH OF STRATFORD
Notes to Financial Statements
For the Year Ended December 31, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Stratford (hereafter referred to as the "Borough") was incorporated as a Borough by an act of the New Jersey legislature on February 13, 1925 from Clementon Township, one of seven municipalities created from the now-defunct township. The Borough, located in Camden County, New Jersey, has a total area of 1.548 square miles, and is located approximately sixteen and one half miles from the City of Philadelphia. The Borough borders Gloucester Township, and the Boroughs Hi-Nella, Laurel Springs, Lindenwold and Somerdale. According to the 2010 census, the population is 7,040.

The Borough is governed under the Mayor-Council form of government, with a six-member Borough Council and a Mayor. The Borough Council members are elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with two seats coming up for election each year. The Mayor is elected directly by the voters for a four-year term of office. Legislative and executive power is vested in the Council.

Component Units - The financial statements of the component units of the Borough are not presented in accordance with Governmental Accounting Standards Board GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, had been complied with, the financial statements of the following component 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 report may be inspected directly at the office of this component unit during regular business hours.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The cash management plan adopted by the 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's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The 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. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The 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 asset group of accounts, 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 include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

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

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

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

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

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

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

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the 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, 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 is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for 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, 2015 and decreased by the amount deferred at December 31, 2016.

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

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

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 year. Lapsed appropriation reserves are recorded as income.

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the 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 \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2016, the Borough's bank balances of \$3,262,142.04 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,477,119.41
Uninsured and Uncollateralized	<u>785,022.63</u>
Total	<u>\$ 3,262,142.04</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014 *</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 4.108</u>	<u>\$ 4.041</u>	<u>\$ 3.929</u>	<u>\$ 5.832</u>	<u>\$ 5.735</u>
Apportionment of Tax Rate:					
Municipal	\$.915	\$.888	\$.868	\$ 1.281	\$ 1.235
Municipal Library	.034	.035	.034	.053	.058
Municipal Open Space	.014	.014	.014	.010	.010
County	.861	.864	.824	1.250	1.248
Local School	1.617	1.538	1.480	2.154	2.128
Regional High School	.667	.702	.709	1.084	1.056

* Reassessment

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 413,088,800.00
2015	413,622,100.00
2014 *	416,098,600.00
2013	281,996,698.00
2012	283,229,712.00

* Reassessment

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 16,980,257.62	\$ 16,635,398.90	97.97%
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	98.16%
2012	16,246,163.87	15,836,168.78	97.48%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 26,436.23	\$ 328,775.98	\$ 355,212.21	2.09%
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	1.85%
2012	37,796.08	391,431.09	429,227.17	2.64%

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

<u>Year</u>	<u>Number</u>
2016	5
2015	4
2014	4
2013	3
2012	3

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 613,700.00
2015	613,700.00
2014	613,700.00
2013	194,563.00
2012	194,563.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u> <u>Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash</u> <u>Collections</u>
2016	\$ 13,190.20	None	\$ 432,393.11	\$ 445,583.31	\$ 428,244.45
2015	12,819.74	None	340,249.99	353,069.73	339,879.53
2014	11,070.14	None	335,298.57	346,368.71	333,548.97
2013	15,938.04	None	335,827.32	351,765.36	340,695.22
2012	8,302.43	None	328,731.07	337,033.50	322,696.69

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in</u> <u>Budget of</u> <u>Succeeding Year</u>	<u>Percentage</u> <u>of Fund</u> <u>Balance Used</u>
2016	\$ 835,865.47	\$ 344,000.00	41.15%
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%

Note 6: FUND BALANCES APPROPRIATED (CONT'D)**Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 597,171.26	\$ 19,948.87	3.34%
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	24.56%
2012	858,834.79	197,118.37	22.95%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 19,688.80	
Trust - Animal Control		\$ 4.96
Trust - Other		19,633.35
General Capital		50.49
Sewer Utility - Operating	0.01	
Sewer Utility - Capital		0.01
	<u>\$ 19,688.81</u>	<u>\$ 19,688.81</u>

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

Note 8: PENSION PLANS

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

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

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

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

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

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

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 12.55% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$91,495.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$92,274.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$54,771.72.

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

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

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 22.82% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$293,493.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$311,868.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$133,510.00.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2016 was 1.72% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 is \$22,126.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 was \$29,174.00, which was paid on April 1, 2016.

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

For the year ended December 31, 2016, there were no Borough employees participating in this plan.

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

Public Employees' Retirement System - At December 31, 2016, the Borough's proportionate share of the PERS net pension liability was \$3,050,274.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0102990174%, which was a decrease of (0.0004338646%) from its proportion measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$278,055.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PERS was \$92,274.00, and was paid on April 1, 2016.

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

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

Borough's Proportionate Share of Net Pension Liability	\$ 6,876,368.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>577,444.00</u>
	<u>\$ 7,453,812.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was 0.0359971039%, which was a decrease of (0.0023700827%) from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0359971039%, which was a decrease of (0.0023700827%) from its proportion, on-behalf of the Borough, measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$733,809.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PFRS was \$311,868.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2016 measurement date is \$73,753.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

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

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

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 56,726.00		\$ 56,726.00		\$ 45,076.00	\$ 45,076.00
Changes of Assumptions	631,854.00	\$ 952,433.00	1,584,287.00			
Net Difference between Projected and Actual Earnings on Pension Plan Investments	116,310.00	481,813.00	598,123.00			
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions		197,025.00	197,025.00	\$ 115,768.00	272,636.00	388,404.00
Borough Contributions Subsequent to the Measurement Date	45,748.00	146,750.00	192,498.00			
	<u>\$ 850,638.00</u>	<u>\$ 1,778,021.00</u>	<u>\$ 2,628,659.00</u>	<u>\$ 115,768.00</u>	<u>\$ 317,712.00</u>	<u>\$ 433,480.00</u>

\$45,748.00 and \$146,750.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Borough's year end of December 31, 2016.

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

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

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

Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 152,732.00	\$ 330,594.00	\$ 483,326.00
2018	152,732.00	330,594.00	483,326.00
2019	181,460.00	446,113.00	627,573.00
2020	154,877.00	229,682.00	384,559.00
2021	47,321.00	(23,424.00)	23,897.00
	<u>\$ 689,122.00</u>	<u>\$ 1,313,559.00</u>	<u>\$ 2,002,681.00</u>

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

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

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

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

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

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 3,737,754.00</u>	<u>\$ 3,050,274.00</u>	<u>\$ 2,482,699.00</u>

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

	PFRS		
	1% Decrease (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Borough's Proportionate Share of the Net Pension Liability	\$ 8,866,572.00	\$ 6,876,368.00	\$ 5,253,476.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>744,571.70</u>	<u>577,444.00</u>	<u>441,161.42</u>
	<u>\$ 9,611,143.70</u>	<u>\$ 7,453,812.00</u>	<u>\$ 5,694,637.42</u>

Pension Plan Fiduciary Net Position

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

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

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

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0102990174%	0.0107328820%	0.0107657148%	0.0111668588%
Borough's Proportionate Share of the Net Pension Liability	\$ 3,050,274.00	\$ 2,409,317.00	\$ 2,015,636.00	\$ 2,134,209.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 709,596.00	\$ 705,452.00	\$ 745,648.00	\$ 771,340.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	429.86%	341.53%	270.32%	276.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 91,495.00	\$ 92,274.00	\$ 88,751.00	\$ 84,140.00
Borough's Contribution in Relation to the Contractually Required Contribution	(91,495.00)	(92,274.00)	(88,751.00)	(84,140.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 729,294.00	\$ 735,972.00	\$ 729,363.00	\$ 751,781.00
Borough's Contributions as a Percentage of its Covered Payroll	12.55%	12.54%	12.17%	11.19%

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0359971039%	0.0383671866%	0.0367072458%	0.0358999437%
Borough's Proportionate Share of the Net Pension Liability	\$ 6,876,368.00	\$ 6,390,636.00	\$ 4,617,431.00	\$ 4,772,574.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	577,444.00	560,437.00	497,220.00	444,862.00
Total	<u>\$ 7,453,812.00</u>	<u>\$ 6,951,073.00</u>	<u>\$ 5,114,651.00</u>	<u>\$ 5,217,436.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,150,556.00	\$ 1,215,016.00	\$ 1,159,388.00	\$ 1,126,660.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	597.66%	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 293,499.00	\$ 311,868.00	\$ 281,937.00	\$ 261,918.00
Borough's Contribution in Relation to the Contractually Required Contribution	(293,499.00)	(311,868.00)	(281,937.00)	(261,918.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,286,350.00	\$ 1,151,156.00	\$ 1,183,259.00	\$ 1,165,286.00
Borough's Contributions as a Percentage of its Covered Payroll	22.82%	27.09%	23.83%	22.48%

Other Notes to Supplementary Pension Information***Public Employees' Retirement System (PERS)***

Changes in Benefit Terms - None

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

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)***

Changes in Benefit Terms - None

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Several years ago, the Borough Council authorized participation in the SHBP's post-retirement benefit program through a resolution. The Borough provides postemployment health care benefits, at its cost, to all Borough retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a State locally administered retirement system and have served at least twenty (20) years as an employee of the Borough. 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 SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the 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. The Borough's contributions to SHBP for the years ended December 31, 2016, 2015, and 2014, were \$222,555.14, \$224,051.52, and \$214,180.56, respectively, which equaled the required contributions each year. There were 18 retired participants eligible at December 31, 2016 and 17 eligible for 2015 and 2014.

Note 10: COMPENSATED ABSENCES**Chief of Police**

Under the agreement dated January 1, 2016, sick leave for the Chief of Police accrues at a rate of 10 hours per month and accumulates from year to year. At the Chief's option, up to 120 hours of the preceding year's annual unused sick leave may be paid at the preceding year rate providing that the balance has not fallen below 300 hours. Upon retirement, any accrued or banked sick leave has no cash value. The Chief of Police is entitled to four weeks of vacation annually. Unused vacation that does not exceed one week (40 hours) may be turned back for payment at straight time. Up to forty hours may be carried forward and used in the subsequent year. Upon separation from employment with the Borough, all vacation time will be paid at straight time.

Police Benevolent Association Local 30

Under the agreement dated January 1, 2015, sick leave for the full-time members of this collective bargaining agreement accrue at a rate of one (1) eight (8) hour day per month during the first calendar year of employment and one and one quarter (1 1/4) eight (8) hour day per month in every calendar year thereafter. This earned sick leave accumulates from year to year. All members hired prior to 1992 are permitted to accumulate up to a maximum of 200 sick days which are eligible for payment at the time of retirement. For members hired in 1992 or after, the maximum accumulation of time is 160 days. Time accumulated is paid at a rate of one-half (1/2) day's pay for each day accumulated. Time earned prior to 1992 is paid at the rate of pay at the time of retirement. Time earned in 1992 or after is paid at the rate of pay at the time it was earned. All sick days accumulated in excess of 200 or 160 respectively are not eligible for payment at retirement. Members hired prior to 1992 are permitted to accumulate sick days in excess of the maximum of 200; however are not paid for this excess upon retirement. Each December, the member may choose to be paid for any accumulated sick time providing the member's balance exceeds 300 hours. The maximum payment annually is 96 hours. Dependent upon the number of years of service, members earn between four (4) 10 hour days (40 hours) and sixteen (16) 10 hour days (160 hours) vacation annually. Up to 40 hours of vacation can be carried forward into the next year.

International Brotherhood of Teamsters Local 676

Under the agreement dated January 1, 2015, sick leave for the full-time employees under this collective bargaining agreement accrue at a rate of one (1) working day per month during the first calendar year of employment and one and one quarter (1 1/4) working days per month up to a maximum of 15 sick days in every calendar year thereafter. Part-time employees accrue sick leave on a pro rata basis. Accumulated days may be carried forward from year to year. Upon discharge, the employee is entitled to all monies due in accordance with the agreement. Providing the employee has accumulated at least a minimum of 5 sick days, the excess days may be sold back at half their compensation value. The intent to sell back days must be made in writing by March 31st and the number of days to be sold confirmed by November 1st. The payout for this buy back occurs in December annually. Dependent upon the number of years of service, employees earn between one and twenty-five days of vacation annually. Part-time employees earn vacation time on a pro rata basis. The carried forward of up to five days of vacation is only permitted upon written request to the employee's department head or supervisor. Any granted carry forward of vacation days is forfeited if not used in the subsequent year.

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2016, the balance of the fund was \$68,019.97. It is estimated that, at December 31, 2016, accrued benefits for compensated absences are valued at \$71,438.03.

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 benefit 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: LEASE OBLIGATIONS

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

Operating:

Four (4) Copiers

One (1) Postage Meter and Maintenance Contract

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

<u>Year</u>	<u>Amount</u>
2017	\$ 5,041.76
2018	2,352.00
2019	2,352.00
2020	2,352.00
2021	1,396.00

Rental payments under operating leases for the year 2016 were \$5,218.16.

Note 13: CAPITAL DEBT

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 3,089,138.00	\$ 3,022,158.00	\$ 2,528,228.00
Sewer Utility:			
Notes	153,900.00	171,000.00	
Total Issued	<u>3,243,038.00</u>	<u>3,193,158.00</u>	<u>2,528,228.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes			250,000.00
Sewer Utility:			
Notes			
Total Authorized but not Issued			<u>250,000.00</u>
Total Issued and Authorized but not Issued	<u>3,243,038.00</u>	<u>3,193,158.00</u>	<u>2,778,228.00</u>
<u>Deductions</u>			
Sewer Utility:			
Self-Liquidating	153,900.00	171,000.00	
Total Deductions	<u>153,900.00</u>	<u>171,000.00</u>	
Net Debt	<u><u>\$ 3,089,138.00</u></u>	<u><u>\$ 3,022,158.00</u></u>	<u><u>\$ 2,778,228.00</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .720%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 4,621,000.00	\$ 4,621,000.00	
Self-Liquidating	153,900.00	153,900.00	
General	3,089,138.00		\$ 3,089,138.00
	<u><u>\$ 7,864,038.00</u></u>	<u><u>\$ 4,774,900.00</u></u>	<u><u>\$ 3,089,138.00</u></u>

Net debt \$3,089,138.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$428,768,558.33, equals .720%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 15,006,899.54
Less: Net Debt	<u>3,089,138.00</u>
Remaining Borrowing Power	<u><u>\$ 11,917,761.54</u></u>

Note 13: CAPITAL DEBT (CONT'D)

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

Cash Receipts from Fees, Rents, Fund Balance		
Anticipated, Interest and Other Investment		
Income, and Other Charges for the Year		\$ 499,978.19
Deductions:		
Operating and Maintenance Costs	\$ 376,923.47	
Debt Service	<u>18,471.45</u>	
Total Deductions		<u>395,394.92</u>
Deficit in Revenue		<u>\$ 104,583.27</u>

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

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2016</u>	<u>2017 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 214,000.00	\$ 67,000.00

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

Note 15: SCHOOL TAXES

Sterling Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u>	
	<u>2016</u>	<u>2015</u>
Balance of Tax	\$ 1,378,060.51	\$ 1,450,604.51
Deferred	<u>1,378,060.51</u>	<u>1,450,604.51</u>
	<u>\$ -</u>	<u>\$ -</u>

Note 16: RISK MANAGEMENT

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

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>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ -	\$ 3,415.33	\$ 72.29	\$ 2,045.88	\$ 28,771.59
2015	-	3,465.70	70.56	3,178.85	27,329.85
2014	-	4,133.63	72.73	6,043.07	26,972.44

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2016.

Joint Insurance Pool - The Borough is a member of the Statewide Insurance Fund. The Fund provides its members including the Borough with the following coverage:

- Workers' Compensation
- Auto and General Liability
- Professional Liability
- Property including Auto Physical Damage
- Boiler & Machinery
- Crime
- Pollution
- Cyber Liability
- Non Owned Aircraft

Contributions to the Fund, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Fund was established for the purpose of purchasing reinsurance/primary insurance and excess liability coverage from commercial companies with A.M. Best Rating of A- or better. 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 publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054

Note 17: 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 authorized the establishment of an Open Space Trust Fund effective January 1, 2009, for the purpose of raising revenue to develop and maintain lands acquired for recreation and conservation purposes. As a result of this referendum and subsequent amendments to chapter 2.32.080 of the code of the Borough of Stratford, taxes in an amount not exceed \$57,247.00 are levied annually. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. One half the amount levied, \$28,623.50 is budgeted to develop and maintain lands acquired for recreational and conservation purposes and one half, \$28,623.50 is budgeted to develop and maintain lands acquired for recreational and conservation purposes, and maintenance of lands acquired for recreation and conservation allocated to youth athletic safety, field maintenance and/or youth based recreational infrastructure improvements. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Open Space Trust Funds.

Note 18: CONTINGENCIES

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

Litigation - The Borough is a defendant in a matter in litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: CONCENTRATIONS

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

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Various Capital Improvements	May 9, 2017	\$ 1,106,962.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2015	\$ 962,852.67	\$ -
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 121,699.14	
2016 Appropriation Refunds	59,471.48	
2015 Appropriation Reserve Refunds	452.55	
Tax Collector	17,107,574.30	
Petty Cash Funds	75.00	
Revenue Accounts Receivable	1,341,617.79	
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	89,960.95	
Federal and State Grants Receivable		\$ 475,598.52
Reserve for Federal and State Grants -- Appropriated		50,548.87
Due Federal and State Grant Fund	29,257.86	
Due Animal Control Fund	59.86	
	<u>18,750,168.93</u>	<u>526,147.39</u>
	19,713,021.60	526,147.39
Decreased by Disbursements:		
2016 Appropriations	5,126,362.34	
Petty Cash Funds	75.00	
2015 Appropriation Reserves	159,025.07	
Contracts Payable		26,950.00
Tax Overpayments	37,280.63	
County Taxes Payable	3,555,713.11	
Due to County - Added and Omitted Taxes	14,259.80	
Local School District Taxes Payable	6,680,258.00	
Regional High School Taxes	2,828,665.00	
Open Space Trust Taxes Payable	57,247.36	
Reserve for Master Plan	150,594.51	
Reserve for Federal and State Grants -- Appropriated		229,969.06
Due Current Fund		29,257.86
Due Trust - Other Fund	3,382.45	
Due General Capital Fund	32,316.77	
	<u>18,645,180.04</u>	<u>286,176.92</u>
Balance December 31, 2016	<u>\$ 1,067,841.56</u>	<u>\$ 239,970.47</u>

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

Receipts:

Interest and Cost on Taxes	\$ 95,151.89
Miscellaneous Revenue not Anticipated:	
Maintenance Liens Receivable	9,619.36
Taxes Receivable	16,870,492.24
Tax Title Liens Receivable	6,875.87
Prepaid Taxes	90,912.56
Tax Overpayments	<u>34,522.38</u>

17,107,574.30

Decreased by:

Turnovers to Treasurer	<u>\$ 17,107,574.30</u>
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BOROUGH OF STRATFORD
 CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2016

Office:		
Collector	\$	20.00
Court		100.00
	\$	120.00

Exhibit SA-4

BOROUGH OF STRATFORD
 CURRENT FUND
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2016

<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Borough Clerk	\$ 75.00	\$ 75.00

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Delinquent Property Taxes Receivable
For the Year Ended December 31, 2016

Year	Balance	2016	Added	Collections (Collector)		Due from	Overpayments	Transfer to	Miscellaneous	Cancellations	Balance
	Dec. 31, 2015	Levy	Taxes	2015	2016	State of New Jersey	Applied	Lien			Dec. 31, 2016
2013	\$ 6,047.59				\$ 6,047.59						
2014	5,378.80				5,378.80						
2015	407,668.37		\$ 1,500.00		402,985.17			\$ 6,183.20			
	419,094.76		1,500.00		414,411.56			6,183.20			
2016		\$ 16,980,257.62		\$ 86,908.55	16,456,080.68	\$ 92,364.89	\$ 24.24	8,836.30	\$ 20.54	\$ 7,246.44	\$ 328,775.98
	\$ 419,094.76	\$ 16,980,257.62	\$ 1,500.00	\$ 86,908.55	\$ 16,870,492.24	\$ 92,364.89	24.24	\$ 15,019.50	\$ 20.54	\$ 7,246.44	\$ 328,775.98

Reserve for Whitman Avenue Townhouses
Senior Citizen Deductions Disallowed

\$ 1,500.00

\$ 20.54

Analysis of 2016 Property Tax Levy

Tax Yield:

General Purpose Tax
Added Taxes (54:4-63.1 et seq.)

\$ 16,969,688.05
10,569.57

\$ 16,980,257.62

Tax Levy:

Regional High School Tax
Local District School Tax
County Taxes:
Net County Taxes
County Open Space Taxes
Due County for Added and Omitted Taxes

\$ 2,756,121.00
6,680,258.00
\$ 3,470,154.64
85,558.47
2,217.84

Total County Taxes
Municipal Open Space Tax
Local Tax for Municipal Purposes
Minimum Library Tax
Add: Additional Tax Levied

3,557,930.95
57,247.36
3,778,017.32
142,270.04
8,412.95
3,928,700.31

\$ 16,980,257.62

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

Balance December 31, 2015		\$ 17,008.23
Increased by:		
Interest and Costs from Tax Sale dated November 17, 2016	\$ 1,284.37	
Transfer from 2015 Taxes Receivable	6,183.20	
Transfer from 2016 Taxes Receivable	<u>8,836.30</u>	
		<u>16,303.87</u>
		33,312.10
Decreased by:		
Receipts -- Collector		<u>6,875.87</u>
Balance December 31, 2016		<u><u>\$ 26,436.23</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 6,575.49
Increased by:	
2016 Assessments	<u>17,305.30</u>
	23,880.79
Decreased by:	
Receipts:	
Collector	<u>9,619.36</u>
Balance December 31, 2016	<u><u>\$ 14,261.43</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued in</u> <u>2016</u>	<u>Collected</u>	<u>Due from</u> <u>Animal</u> <u>Control</u> <u>Fund</u>	<u>Due from</u> <u>Trust -</u> <u>Other</u> <u>Fund</u>	<u>Due from</u> <u>General</u> <u>Capital</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Clerk:							
Licenses:							
Alcohol Beverage		\$ 5,000.00	\$ 5,000.00				
Other		14,223.00	14,223.00				
Fees and Permits		81,983.70	81,973.70				\$ 10.00
Registrar of Vital Statistics:							
Licenses Other		102.00	96.00				6.00
Fees and Permits		33,810.00	31,710.00				2,100.00
Municipal Court:							
Fines and Costs	\$ 22,955.45	325,103.15	323,897.91				24,160.69
Consolidated Municipal Property Tax							
Relief Aid		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				
Property Maintenance		11,125.00	11,125.00				
Library Property Maintenance		37,400.00	37,400.00				
Delaware River Port Authority		15,000.00	15,000.00				
Conrail Property Maintenance		3,300.00	3,300.00				
Cable Television Franchise Fee		25,661.09	25,661.09				
Red Light Camera		50,000.00	50,000.00				
Interest on Investments and Deposits		6,315.00	3,599.09	\$ 60.06	\$ 1,986.49	\$ 658.82	10.54
	<u>\$ 22,955.45</u>	<u>\$ 1,347,654.94</u>	<u>\$ 1,341,617.79</u>	<u>\$ 60.06</u>	<u>\$ 1,986.49</u>	<u>\$ 658.82</u>	<u>\$ 26,287.23</u>

BOROUGH OF STRATFORD
CURRENT FUND
Schedule of Property Acquired for Taxes (At Assessed Valuation)
As of December 31, 2016

Balance December 31, 2016	<u>\$ 613,700.00</u>
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BOROUGH OF STRATFORD
CURRENT FUND
Statement of Deferred Charge
N.J.S. 40A:4-47 Emergency Authorization
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	25,000.00
Decreased by:		
Raised in the 2016 Budget	\$	<u>25,000.00</u>

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

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	1/5 of <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Added</u>	<u>Raised in</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
April 10, 2012	Tax Revaluation	\$ 140,000.00	\$ 28,000.00	\$ 56,000.00		\$ 28,000.00	\$ 28,000.00
April 14, 2015	Master Plan Update	45,000.00	9,000.00	45,000.00		9,000.00	36,000.00
February 9, 2016	Master Plan Update	50,000.00	10,000.00		\$ 50,000.00		50,000.00
August 4, 2016	Master Plan Update	50,000.00	10,000.00		50,000.00		50,000.00
November 9, 2016	Master Plan Update	50,000.00	10,000.00		50,000.00		50,000.00
		<u>\$ 335,000.00</u>	<u>\$ 67,000.00</u>	<u>\$ 101,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 37,000.00</u>	<u>\$ 214,000.00</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration:					
Salaries and Wages		\$ 3,323.72	\$ 3,323.72	\$ 105.00	\$ 3,218.72
Other Expenses	\$ 777.70	2,829.79	3,607.49	2,752.89	854.60
Elections:					
Other Expenses		173.14	173.14		173.14
Financial Administration (Treasury):					
Other Expenses	38.29		38.29	38.29	
Collection of Taxes:					
Other Expenses	864.71	1,056.74	1,921.45	864.71	1,056.74
Assessment of Taxes:					
Other Expenses	709.00	3,313.00	4,022.00	3,989.48	32.52
Legal Services and Costs:					
Salaries and Wages		692.08	692.08		692.08
Other Expenses		7,116.25	7,116.25	6,616.25	500.00
Municipal Court:					
Salaries and Wages		5.05	5.05		5.05
Other Expenses	1,412.00	688.88	2,100.88	1,575.77	525.11
Land Use Administration:					
Municipal Land Use Law (N.J.S.. 40:55D-1)					
Planning Board:					
Salaries and Wages		174.10	174.10		174.10
Other Expenses	60.15	3,177.43	3,237.58	3,197.73	39.85

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (Cont'd)					
Public Safety Functions:					
Police:					
Salaries and Wages		\$ 50,761.49	\$ 50,761.49	\$ 2,256.82	\$ 48,504.67
Other Expenses	\$ 8,392.43	9,191.18	17,583.61	11,810.77	5,772.84
Office of Emergency Management:					
Other Expenses	430.26	269.64	699.90	443.79	256.11
Fire:					
Fire Hydrant Service		5,354.43	5,354.43	4,261.95	1,092.48
Fire Department	3,412.44	11,978.79	15,391.23	15,391.23	
Uniform Fire Safety and Inspections Act:					
Other Expenses		665.50	665.50		665.50
Public Work Functions:					
Roads Repairs and Maintenance:					
Salaries and Wages		2,101.01	2,101.01	2,101.01	
Other Expenses	561.78	9.48	571.26	561.78	9.48
Solid Waste Collection:					
Other Expenses	1,281.50	42,348.89	43,630.39	41,371.11	2,259.28
Public Buildings and Grounds:					
Other Expenses	889.26		889.26	889.26	
Shade Tree Commission:					
Other Expenses	250.00		250.00	250.00	
Vehicle Maintenance	350.69	0.65	351.34	350.69	0.65
Health and Human Services Functions:					
Board of Health:					
Salaries and Wages		12.59	12.59		12.59
Other Expenses	198.00		198.00	198.00	

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Insurance:					
Other Insurance Premiums		\$ 101.50	\$ 101.50		\$ 101.50
Group Insurance for Employees	\$ 1,847.34	67,115.77	68,963.11	\$ 32,544.69	36,418.42
Other Common Operating Functions (Unclassified)					
Celebration of Public Events, Anniversaries or Holiday					
Other Expenses		622.92	622.92		622.92
Utility Expenses and Bulk Purchases:					
Electricity		7,138.47	7,138.47	4,056.95	3,081.52
Street Lighting		3,222.38	3,222.38	699.77	2,522.61
Telephone	925.76	2,268.81	3,194.57	1,366.12	1,828.45
Water	80.60	145.85	226.45	119.80	106.65
Gas (Natural or Propane)		2,023.71	2,023.71	1,641.43	382.28
Sewerage Processing and Disposal		112.50	112.50	112.50	
Gasoline	587.94	8,472.09	9,060.03	2,432.67	6,627.36
Landfill / Solid Waste Disposal Costs:					
Solid Waste Disposal		27,061.56	27,061.56	16,094.44	10,967.12
Total Operations Including Contingent - within "CAPS"	23,069.85	263,529.39	286,599.24	158,094.90	128,504.34

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System		\$ 346.99	\$ 346.99		\$ 346.99
Social Security System (O.A.S.I.)		7,889.44	7,889.44	\$ 471.46	7,417.98
Defined Contribution Retirement Program		142.40	142.40		142.40
Unemployment Contribution Plan		481.45	481.45	6.16	475.29
		<u>8,860.28</u>	<u>8,860.28</u>	<u>477.62</u>	<u>8,382.66</u>
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"		<u>8,860.28</u>	<u>8,860.28</u>	<u>477.62</u>	<u>8,382.66</u>
Total General Appropriations	<u>\$ 23,069.85</u>	<u>\$ 272,389.67</u>	<u>\$ 295,459.52</u>	<u>\$ 158,572.52</u>	<u>\$ 136,887.00</u>
Disbursed				\$ 159,025.07	
Refunds				<u>(452.55)</u>	
				<u>\$ 158,572.52</u>	

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

Balance December 31, 2015		\$ 8,023.48
Increased by:		
Receipts		89,960.95
		97,984.43
Decreased by:		
Accrued in 2016:		
Senior Citizens' Deductions per Tax Billing	\$ 16,750.00	
Disabled Person Deductions per Tax Billing	1,250.00	
Surviving Spouse Deductions per Tax Billing	250.00	
Veterans' Deductions per Tax Billing	57,250.00	
Widow of Veteran Deductions per Tax Billing	15,000.00	
		\$ 90,500.00
Senior Citizens' Deductions Allowed per Collector	3,500.00	
Veterans' Deductions Allowed per Collector	1,250.00	
		4,750.00
		\$ 95,250.00
Less:		
Senior Citizens' Deductions Disallowed per Collector		2,885.11
		92,364.89
Less:		
Senior Citizens' Deductions Disallowed per Collector (2015 Taxes)		1,500.00
		90,864.89
Balance December 31, 2016		\$ 7,119.54

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2016

Balance December 31, 2015 (2016 Taxes)		\$ 86,908.55
Increased by:		
Receipts:		
Collector		<u>90,912.56</u>
		177,821.11
Decreased by:		
Application to Taxes Receivable		<u>86,908.55</u>
Balance December 31, 2016 (2017 Taxes)		<u><u>\$ 90,912.56</u></u>

Exhibit SA-15

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

Balance December 31, 2015		\$ 7,998.01
Increased by:		
Receipts:		
Collector		<u>34,522.38</u>
		42,520.39
Decreased by:		
Cancelled	\$ 0.94	
Applied to Taxes Receivable:		
2016	24.24	
Disbursements:		
Refunds	<u>37,280.63</u>	
		<u>37,305.81</u>
Balance December 31, 2016		<u><u>\$ 5,214.58</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2016

2016 Levy:		
Net County Taxes	\$ 3,470,154.64	
County Open Space Taxes	<u>85,558.47</u>	
		\$ 3,555,713.11
Decreased by:		
Disbursements		<u><u>\$ 3,555,713.11</u></u>

Exhibit SA-17

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Due to County - Added and Omitted Taxes
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 14,898.39
Increased by:		
County Share of Levy:		
2016 Added Assessments		<u>2,217.84</u>
		17,116.23
Decreased by:		
Disbursements	\$ 14,259.80	
Cancellations	<u>638.59</u>	
		<u>14,898.39</u>
Balance December 31, 2016		<u><u>\$ 2,217.84</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Local School District Taxes Payable
For the Year Ended December 31, 2016

2016 Levy (Calendar Year)	\$ 6,680,258.00
Decreased by:	
Disbursements	<u>\$ 6,680,258.00</u>

Exhibit SA-19

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Regional High School Taxes
For the Year Ended December 31, 2016

Balance December 31, 2015	
Regional High School Tax Deferred	\$ 1,450,604.51
Increased by:	
Levy School Year July 1, 2016 to June 30, 2017	<u>2,756,121.00</u>
	4,206,725.51
Decreased by:	
Disbursements	<u>2,828,665.00</u>
Balance December 31, 2016	
Regional High School Tax Deferred	<u>\$ 1,378,060.51</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Parks Open Space Taxes Payable
For the Year Ended December 31, 2016

2016 Levy	\$ 57,247.36
Decreased by:	
Disbursements -- Open Space Trust Fund	<u>\$ 57,247.36</u>

Exhibit SA-21

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Reserve for Whitman Ave Townhouses
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 7,689.49
Decreased by:	
Transfer to 2016 Taxes Receivable	<u>20.54</u>
Balance December 31, 2016	<u>\$ 7,668.95</u>

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

Balance December 31, 2015	\$ 4,958.22
Increased by:	
2016 Budget Appropriation:	
Ordinances 2016:02; 2016:10 and 2016:13	<u>150,000.00</u>
	154,958.22
Decreased by:	
Disbursements	<u>150,594.51</u>
Balance December 31, 2016	<u><u>\$ 4,363.71</u></u>

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2016

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued</u>	<u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Federal Grants:				
Federal Bullet Proof Vest Partnership Grant	\$ 1,340.28	\$ 2,100.00	\$ 1,320.00	\$ 2,120.28
National Priority Safety Programs:				
National Highway Traffic Safety Administration:				
Camden County Regional DWI Task Force	77,400.00	73,800.00	75,875.00	75,325.00
Click it or Ticket		5,000.00	5,000.00	
Drive Sober or Get Pulled Over:				
Labor Day Crackdown		5,000.00	4,900.00	100.00
Year-End Crackdown	5,000.00	5,000.00	5,000.00	5,000.00
Division of Alcohol Beverage Control:				
Cops in Shops	4,000.00	3,400.00	2,400.00	5,000.00
Total Federal Grants	87,740.28	94,300.00	94,495.00	87,545.28
State Grants:				
Alcohol Education and Rehabilitation		9,971.18	9,971.18	
Body Armor Replacement	585.45	1,863.38	1,863.38	585.45
Clean Communities Program		16,240.80	16,240.80	
Drunk Driving Enforcement Fund		26,657.12	26,657.12	
DWI Enforcement Sobriety Checkpoint	100.00	5,300.00	5,400.00	
Municipal Alliance Against Drug and Alcohol Abuse	27,082.24	32,728.00	30,928.52	28,881.72
New Jersey Transportation Trust Fund:				
Winding Way	50,000.00		50,000.00	
Parkview Road Improvements	202,000.00		202,000.00	
Pedestrian Safety Enforcement & Education Fund		11,650.00	2,326.72	9,323.28
Recycling Tonnage Grant		5,715.80	5,715.80	
Safe and Secure Communities Program	15,000.00	30,000.00	30,000.00	15,000.00
Taser Grant	2,000.00			2,000.00
Total State Grants	296,767.69	140,126.28	381,103.52	55,790.45
Other Grants:				
Historical Preservation Grant	21,780.00	25,000.00		46,780.00
Total Other Grants	21,780.00	25,000.00		46,780.00
Total Federal, State, and Other Grants	\$ 406,287.97	\$ 259,426.28	\$ 475,598.52	\$ 190,115.73

BOROUGH OF STRATFORD
CURRENT FUND
Federal and State Grant Fund
Statement of Due to Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 29,257.86
Decreased by:	
Disbursements	<u>\$ 29,257.86</u>

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

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2016</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:				
Federal Bullet Proof Vest Partnership Grant		\$ 2,100.00	\$ 2,100.00	
National Priority Safety Programs:				
National Highway Traffic Safety Administration:				
Camden County Regional DWI Task Force		73,800.00	73,800.00	
Click It or Ticket		5,000.00	5,000.00	
Drive Sober or Get Pulled Over:				
Labor Day Crackdown		5,000.00	5,000.00	
Year-End Crackdown		5,000.00	5,000.00	
Division of Alcohol Beverage Control:				
Cops in Shops		3,400.00	3,400.00	
Total Federal Grants		94,300.00	94,300.00	
State Grants:				
Alcohol Education and Rehabilitation		9,971.18	9,971.18	
Body Armor Replacement Program		1,863.38	1,863.38	
Clean Communities Program		16,240.80	16,240.80	
Drunk Driving Enforcement Fund		26,657.12	26,657.12	
DWI Enforcement Sobriety Checkpoint		5,300.00	5,300.00	
Municipal Alliance Against Drug and Alcohol Abuse		32,728.00	32,728.00	
Pedestrian Safety, Education & Enforcement fund		11,650.00	11,650.00	
Recycling Tonnage Grant		5,715.80	5,715.80	
Safe and Secure Communities Program		30,000.00	30,000.00	
Total State Grants		140,126.28	140,126.28	
Other Grants:				
Camden County Open Space Trust Fund - Vassar Avenue Sports Complex		25,000.00	25,000.00	
Total Other Grants		25,000.00	25,000.00	
Total Federal, State, and Other Grants	\$ -	\$ 259,426.28	\$ 259,426.28	\$ -

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

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Transferred - 2016 Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Refunds</u>	<u>Contracts Payable Cancelled</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:						
Camden County Regional DWI Task Force	\$ 70,553.00	\$ 73,800.00	\$ 74,325.00			\$ 70,028.00
Federal Bullet Proof Vest Partnership Grant	1,340.28	2,100.00				3,440.28
National Priority Safety Programs:						
National Highway Traffic Safety Administration:						
Click It or Ticket	500.00	5,000.00	5,000.00			500.00
Drive Sober or Get Pulled Over:						
Drive Sober or Get Pulled Over	400.00					400.00
Labor Day Crackdown		5,000.00	5,000.00			
Year-End Crackdown	1,300.00	5,000.00	4,500.00			1,800.00
Division of Alcohol Beverage Control:						
Cops in Shops	3,600.00	3,400.00	2,450.00			4,550.00
Total Federal Grants	<u>77,693.28</u>	<u>94,300.00</u>	<u>91,275.00</u>			<u>80,718.28</u>
State Grants:						
Alcohol Education and Rehabilitation	13,070.37	9,971.18	16,833.32			6,208.23
Body Armor Replacement Program	13,760.85	1,863.38	3,525.46			12,098.77
Clean Communities Program	751.65	16,240.80	2,513.97	\$ 29,903.33		44,381.81
Drunk Driving Enforcement Fund	54,788.63	26,657.12	27,625.77			53,819.98
DWI Enforcement Sobriety Checkpoint	900.00	5,300.00	5,400.00			800.00
Municipal Alliance Against Drug and Alcohol Abuse	68,053.71	32,728.00	41,302.44	8,182.00		67,661.27
Pedestrian Safety, Education & Enforcement fund		11,650.00	3,101.72			8,548.28
Recycling Tonnage Grant	6,267.03	5,715.80	17,493.33	12,463.54		6,953.04
Safe and Secure Communities Program - P.L. 1994, Chapter 220	30,000.30	30,000.00	30,000.30			30,000.00
Taser Grant	2,000.00		2,000.00			
Total State Grants	<u>189,592.54</u>	<u>140,126.28</u>	<u>149,796.31</u>	<u>50,548.87</u>		<u>230,471.38</u>
Other Grants:						
DVRPC - Transportation and Community Development	5,773.29					5,773.29
Historical Preservation Grant	26,606.88		251.97			26,354.91
Camden County Open Space Trust Fund - Vassar Avenue Sports Complex		25,000.00				25,000.00
New Jersey American Water - Parkview Avenue Reconstruction	50,773.27		15,595.78		\$ 26,590.85	61,768.34
Total Other Grants	<u>83,153.44</u>	<u>25,000.00</u>	<u>15,847.75</u>		<u>26,590.85</u>	<u>118,896.54</u>

(Continued)

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

<u>Grant</u>	<u>Balance Dec. 31, 2015</u>	<u>Transferred - 2016 Budget Appropriations</u>	<u>Paid or Charged</u>	<u>Refunds</u>	<u>Contracts Payable Cancelled</u>	<u>Balance Dec. 31, 2016</u>
Total Federal, State, and Other Grants	<u>\$ 350,439.26</u>	<u>\$ 259,426.28</u>	<u>\$ 256,919.06</u>	<u>\$ 50,548.87</u>	<u>\$ 26,590.85</u>	<u>\$ 430,086.20</u>
Receipts:						
Refunds				\$ 42,366.87		
Trust Other Fund Expenditure				8,182.00		
Contracts Payable			\$ 26,950.00			
Contracts Payable Cancelled					\$ 26,590.85	
Disbursements			<u>229,969.06</u>			
			<u>\$ 256,919.06</u>	<u>\$ 50,548.87</u>	<u>\$ 26,590.85</u>	

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 26,590.85
Increased by:		
Contracts Awarded in 2016		<u>26,950.00</u>
		53,540.85
Decreased by:		
Cancellations	\$ 26,590.85	
Disbursements	<u>26,950.00</u>	
		<u><u>\$ 53,540.85</u></u>

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF STRATFORD
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2016

	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>	<u>Other</u>
Balance December 31, 2015	\$ 21,604.03	\$ 33,003.55	\$ 932,652.49
Increased by Receipts:			
Due Current Fund	\$ 60.06		\$ 5,368.94
Community Development Block Grant Receivable			8,500.00
State Registration Fees	968.40		
Reserve for Animal Control Expenditures	14,746.60		
Payroll Deductions Payable			2,899,565.45
State of New Jersey - DCA Fees			6,179.00
Reserve for Open Space Trust Fund		\$ 57,342.87	
Miscellaneous Trust Reserves:			
Developers' Escrow			25,175.43
Economic Development Commission			3,474.22
Historical Preservation			1,942.00
Municipal Alliance Grant			5,976.76
Outside Liens Redemption			321,358.99
Outside Premiums - 2016 Sale			347,100.00
Outside Police Employment			172,385.00
Parking Offense Adjudication Act			100.00
Police Training			120.00
Public Defender			7,800.50
Special Law Enforcement			229.02
Unemployment Claims Payable			3,487.62
Uniform Construction Code and Local Enforcement Agency			100,107.68
	<u>15,775.06</u>	<u>57,342.87</u>	<u>3,908,870.61</u>
	37,379.09	90,346.42	4,841,523.10

(Continued)

BOROUGH OF STRATFORD
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2016

	<u>Animal Control Fund</u>	<u>Open Space Trust Fund</u>	<u>Other</u>
Decreased by Disbursements:			
Due Current Fund	\$ 59.86		
Due Federal and State Grant Fund			\$ 8,182.00
State Registration Fees	967.20		
Reserve for Animal Control Expenditures	14,646.19		
Payroll Deductions Payable			2,894,842.15
State of New Jersey - DCA Fees			5,447.00
Reserve for Open Space Trust Fund Expenditures		\$ 49,978.37	
Contracts Payable			
Miscellaneous Trust Reserves:			
Community Development Block Grants			75,000.00
Developers' Escrow			10,576.88
Economic Development Commission			3,484.09
Historical Preservation			884.99
Municipal Alliance Grant			1,614.90
Outside Liens Redemption			335,846.52
Outside Premiums - 2011 Sale			14,600.00
Outside Premiums - 2013 Sale			28,200.00
Outside Premiums - 2014 Sale			5,200.00
Outside Premiums - 2015 Sale			196,900.00
Outside Premiums - 2016 Sale			12,100.00
Outside Police Employment			145,877.80
Police Training			2,644.67
Public Defender			6,005.17
Snow Removal			2,869.11
Special Law Enforcement			782.46
Unemployment Claims Payable			2,045.88
Uniform Construction Code and Local Enforcement Agency			104,640.53
	<u>\$ 15,673.25</u>	<u>\$ 49,978.37</u>	<u>\$ 3,857,744.15</u>
Balance December 31, 2016	<u>\$ 21,705.84</u>	<u>\$ 40,368.05</u>	<u>\$ 983,778.95</u>

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 4.76
Increased by:	
Receipts:	
Interest Earned on Deposits	60.06
	64.82
Decreased by:	
Disbursements	59.86
Balance December 31, 2016	\$ 4.96

Exhibit SB-3

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ -
Increased by:	
Receipts	968.40
	968.40
Decreased by:	
Disbursements	967.20
Balance December 31, 2016	\$ 1.20
<u>Analysis of Balance, December 31, 2016</u>	
December 2016	\$ 1.20

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 21,599.27
Increased by:		
Receipts:		
Dog License Fees	\$ 9,366.60	
Cat License Fees	1,630.00	
Late Fees	<u>3,750.00</u>	
		<u>14,746.60</u>
		36,345.87
Decreased by:		
Expenditures under R.S. 4:19-15.11		<u>14,646.19</u>
Balance December 31, 2016		<u><u>\$ 21,699.68</u></u>
 <u>Animal Fees Collected:</u>		
 <u>Year</u>		
2014		\$ 15,571.80
2015		<u>16,042.40</u>
		<u><u>\$ 31,614.20</u></u>

BOROUGH OF STRATFORD
OPEN SPACE TRUST FUND
Statement of Reserve for Parks Open Space Expenditures
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 33,003.55
Increased by:		
Receipts:		
Interest Earned	\$ 95.51	
Amount to be Raised by Taxation	<u>57,247.36</u>	
		<u>57,342.87</u>
		90,346.42
Decreased by:		
Disbursements:		
2016 Budget Appropriations	44,479.15	
Other Disbursements - Unexpended Balances	<u>5,499.22</u>	
		<u>49,978.37</u>
Balance December 31, 2016		<u><u>\$ 40,368.05</u></u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Community Development Block Grants Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 75,000.00
Decreased by:	
Receipts	<u>8,500.00</u>
Balance December 31, 2016	<u><u>\$ 66,500.00</u></u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 11,160.91
Increased by:		
2011 Premium Bids Lapsed -- Fund Balance	\$ 15,700.00	
Receipts:		
Interest Earned on Deposits	\$ 1,986.49	
Interfunds Received	<u>3,382.45</u>	
	<u>5,368.94</u>	
		<u>21,068.94</u>
		32,229.85
Decreased by:		
2016 Budget Appropriations:		
Reserve for Compensated Absences	10,000.00	
Local Match:		
Reserve for Municipal Alliance Grant	<u>2,596.50</u>	
		<u>12,596.50</u>
Balance December 31, 2016		<u><u>\$ 19,633.35</u></u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 29,982.22
Increased by:	
Receipts	2,899,565.45
	2,929,547.67
Decreased by:	
Disbursements	2,894,842.15
Balance December 31, 2016	\$ 34,705.52

Analysis of Balance, December 31, 2016

Chapter 125 Plan	\$ 10,517.76
New Jersey Unemployment and Disability Insurance - Employee	2,536.54
Due to Unemployment Trust Fund	357.04
Police and Firemen's Retirement System	14,301.94
Public Employees' Retirement System	6,992.24
	\$ 34,705.52

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due State of New Jersey - DCA Fees
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 2,250.00
Increased by:	
Receipts	6,179.00
	8,429.00
Decreased by:	
Disbursements	5,447.00
Balance December 31, 2016	\$ 2,982.00

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Increased by		Decreased by		Balance Dec. 31, 2016
		Receipts	Due Current Fund	Disbursements	Due Current Fund	
Community Development Block Grants	\$ 75,000.00			\$ 75,000.00		
Compensated Absences	58,019.97		\$ 10,000.00			\$ 68,019.97
Dedicated Funds Collected for Penalties	1,144.10					1,144.10
Developers' Escrow	41,525.56	\$ 25,175.43		10,576.88		56,124.11
Economic Development Commission	21.82	3,474.22		3,484.09		11.95
Green Team	1,005.11					1,005.11
Historical Preservation	796.94	1,942.00		884.99		1,853.95
Municipal Alliance Grant	29,979.87	5,976.76	2,596.50	9,796.90		28,756.23
Outside Liens Redemption	15,278.39	321,358.99		335,846.52		790.86
Outside Premiums - 2011 Sale	30,300.00			14,600.00	\$ 15,700.00	
Outside Premiums - 2012 Sale	12,000.00					12,000.00
Outside Premiums - 2013 Sale	68,700.00			28,200.00		40,500.00
Outside Premiums - 2014 Sale	82,700.00			5,200.00		77,500.00
Outside Premiums - 2015 Sale	368,700.00			196,900.00		171,800.00
Outside Premiums - 2016 Sale		347,100.00		12,100.00		335,000.00
Outside Police Employment	20,810.63	172,385.00		145,877.80		47,317.83
Parking Offense Adjudication Act	134.00	100.00				234.00
Police Training	12,525.86	120.00		2,644.67		10,001.19
Public Defender	532.63	7,800.50		6,005.17		2,327.96
Regular Penalties	2,452.50					2,452.50
Snow Removal	3,154.28			2,869.11		285.17
Special Law Enforcement	15,377.60	229.02		782.46		14,824.16
Unemployment Claims Payable	27,329.85	3,487.62		2,045.88		28,771.59
Uniform Construction Code and Local Enforcement Agency	96,770.25	100,107.68		104,640.53		92,237.40
	<u>\$ 964,259.36</u>	<u>\$ 989,257.22</u>	<u>\$ 12,596.50</u>	<u>\$ 957,455.00</u>	<u>\$ 15,700.00</u>	<u>\$ 992,958.08</u>
2016 Budget Appropriation			\$ 12,596.50			
Disbursed to Federal and State Grant Fund				\$ 8,182.00		
Other				949,273.00		
			<u>\$ 12,596.50</u>	<u>\$ 957,455.00</u>		

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

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

Balance December 31, 2015		\$ 184,251.10
Increased by Receipts:		
Due Current Fund	\$ 32,975.59	
Improvement Authorizations	853.84	
Bond Anticipation Notes	514,000.00	
		547,829.43
		732,080.53
Decreased by Disbursements:		
Contracts Payable	327,950.32	
Improvement Authorization	175,532.16	
		503,482.48
Balance December 31, 2016		\$ 228,598.05

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

	Balance (Overdraft) Dec. 31, 2015	Receipts			Disbursements		Transfers		Balance (Overdraft) Dec. 31, 2016
		Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Due Current Fund	\$ (5,925.10)			\$ 32,975.59			\$ 27,000.00		\$ 50.49
Contracts Payable	31,840.79						9,228.76	\$ 349,840.00	44,501.71
Capital Improvement Fund	784.58						25,800.00	27,000.00	1,984.58
Improvement Authorizations:									
Ordinance									
Number:									
2004:23		Various Capital Improvements	2,494.90						2,494.90
2006:05 (2006:16, 2006:18, 2006:22, 2013:05)		Various Capital Improvements	1,604.30						1,604.30
2012:13		Various Capital Improvements	1,075.20			\$ 1,075.20			
2013:09		Road Construction	507.00			507.00			
2015:06	151,869.43	Various Capital Improvements	\$ 853.84			64,759.64	7,200.00	9,228.76	89,992.39
2016:05		Various Capital Improvements		\$ 514,000.00		109,190.32	342,640.00	25,800.00	87,969.68
	<u>\$ 184,251.10</u>	<u>\$ 853.84</u>	<u>\$ 514,000.00</u>	<u>\$ 32,975.59</u>	<u>\$ 175,532.16</u>	<u>\$ 327,950.32</u>	<u>\$ 411,868.76</u>	<u>\$ 411,868.76</u>	<u>\$ 228,598.05</u>

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

		<u>Analysis of Balance, December 31, 2016</u>						
<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Notes Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>	<u>Financed by Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
General Improvements:								
2006:05 (2006:16, 2006:18, 2006:22)	Various Capital Improvements	\$ 75,100.00		\$ 75,100.00				
2012:13	Various Capital Improvements	1,609,998.00		230,000.00	\$ 1,379,998.00	\$ 1,379,998.00		
2013:09	Road Construction	228,560.00		28,570.00	199,990.00	199,990.00		
2014:19	Road Construction	225,000.00		25,000.00	200,000.00	200,000.00		
2015:06	Various Capital Improvements	883,500.00		88,350.00	795,150.00	795,150.00		
2016:05	Various Capital Improvements		\$ 514,000.00		514,000.00	514,000.00		
		<u>\$ 3,022,158.00</u>	<u>\$ 514,000.00</u>	<u>\$ 447,020.00</u>	<u>\$ 3,089,138.00</u>	<u>\$ 3,089,138.00</u>	<u>\$ -</u>	<u>\$ -</u>
Improvement Authorizations - Unfunded								\$ 177,852.07
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
	Ordinance Number 2015:06					\$ 89,992.39		
	Ordinance Number 2016:05					<u>87,859.68</u>		
								<u>\$ 177,852.07</u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Due from/ to Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015 (Due from)		\$ 5,925.10
Increased by:		
2016 Budget Appropriation:		
Capital Improvement Fund		<u>27,000.00</u>
		32,925.10
Decreased by:		
Receipts:		
Interest Earned on Deposits	\$ 658.82	
Interfund Loans Received:		
Current Fund	<u>32,316.77</u>	<u>32,975.59</u>
Balance December 31, 2016 (Due to)		<u><u>\$ 50.49</u></u>

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

Ordinance Number	Improvement Descriptions	Date	Ordinance	Amount	Balance Dec. 31, 2015		2016 Authorizations		Paid or Charged	Contracts Payable Cancelled	Balance Dec. 31, 2016		
					Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded	
General Improvements:													
2004:23	Fire House Construction	12/14/04		\$ 350,000.00		\$ 2,494.90						\$ 2,494.90	
2006:05 (2006:16, 2008:18, 2006:22; 2013:05)	Various Capital Improvements	04/19/06 (07/11/06, 08/08/06, 11/14/06; 04/04/13)		788,557.00		1,604.30						1,604.30	
2012:13	Various Capital Improvements	05/08/12		2,415,000.00		1,075.20		\$ 1,075.20					
2013:09	Road Construction	05/14/13		300,000.00		507.00		507.00					
2015:06	Various Capital Improvements:	05/12/15											
	Roadway Projects			376,500.00		1,958.21		11,183.22	\$ 9,225.01				
	Police Vehicles			75,500.00									
	Fire Equipment			28,000.00		21,717.72		21,717.72					
	Handicapped Ramp Project			40,000.00		26,500.00		26,467.10				\$ 32.90	
	Building Improvements			10,000.00		10,000.00		10,000.00					
	LED Street Lights			400,000.00		91,693.50		1,737.76		3.75		89,959.49	
2016:05	Various Capital Improvements:	04/26/16											
	Roadway Projects			404,000.00			\$ 19,250.00	\$ 384,750.00	349,675.01			54,324.99	
	Police Vehicles			36,500.00			1,740.00	34,760.00	36,500.00				
	Fire Equipment			33,000.00			1,600.00	31,400.00	25,082.06			7,917.94	
	Public Works Equipment - Lawnmower			10,000.00			500.00	9,500.00	9,100.00			900.00	
	Public Works Equipment - Radios			2,300.00			110.00	2,190.00			110.00	2,190.00	
	Building Improvements			29,000.00			1,400.00	27,600.00	10,512.54			18,487.46	
	Police Equipment			25,000.00			1,200.00	23,800.00	20,960.71			4,039.29	
					<u>\$ -</u>		<u>\$ 157,550.83</u>	<u>\$ 25,800.00</u>	<u>\$ 514,000.00</u>	<u>\$ 524,518.32</u>	<u>\$ 9,228.76</u>	<u>\$ 4,209.20</u>	<u>\$ 177,852.07</u>
Refunds -- Receipts									\$ (853.84)				
Contracts Payable									349,840.00				
Disbursements									<u>175,532.16</u>				
									<u>\$ 524,518.32</u>				

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 31,840.79
Increased by:		
2016 Contracts and Change Orders		<u>349,840.00</u>
		381,680.79
Decreased by:		
Cancelled	\$ 9,228.76	
Disbursements	<u>327,950.32</u>	
		<u>337,179.08</u>
Balance December 31, 2016		<u><u>\$ 44,501.71</u></u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 784.58
Increased by:	
Due Current Fund:	
2016 Budget Appropriation	<u>27,000.00</u>
	27,784.58
Decreased by:	
Appropriation to Finance Improvement Authorizations:	
Ordinance 2016:05	<u>25,800.00</u>
Balance December 31, 2016	<u><u>\$ 1,984.58</u></u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Bonds Anticipation Notes
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
2006:05, 2006:16, 2006:18, 2006:22	Various Capital Improvements	04/19/06	02/06/15	02/05/16	0.690%	\$ 75,100.00		\$ 75,100.00	
2012:13	Various Capital Improvements	07/20/12	07/17/15 07/14/16	07/15/16 07/14/17	0.830% 0.829%	1,609,998.00	\$ 1,379,998.00	1,609,998.00	\$ 1,379,998.00
2013:09	Road Construction	07/19/13	07/17/15 07/14/16	07/15/16 07/14/17	0.830% 0.829%	228,560.00	199,990.00	228,560.00	199,990.00
2014:19	Various Capital Improvements	11/11/14	02/06/15 02/02/16	02/05/16 02/03/17	0.690% 0.789%	225,000.00	200,000.00	225,000.00	200,000.00
2015:06	Various Capital Improvements	07/17/15	07/17/15 07/14/16	07/15/16 07/14/17	0.830% 0.829%	883,500.00	795,150.00	883,500.00	795,150.00
2016:05	Various Capital Improvements	07/14/16	07/14/16	07/14/17	0.829%		514,000.00		514,000.00
						<u>\$ 3,022,158.00</u>	<u>\$ 3,089,138.00</u>	<u>\$ 3,022,158.00</u>	<u>\$ 3,089,138.00</u>
Renewal Received for Cash							\$ 2,575,138.00	\$ 2,575,138.00	
Paid by Budget Appropriation							514,000.00		
								447,020.00	
						<u>\$ 3,089,138.00</u>	<u>\$ 3,022,158.00</u>		

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2016</u>
General Improvements: 2016:05	Various Capital Improvements	\$ -	\$ 514,000.00	\$ 514,000.00	\$ -

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF STRATFORD
SEWER UTILITY FUNDS
Statement of Sewer Utility Cash and Investments
PER N.J.S.40A:5-5--TREASURER
For the Year Ended December 31, 2016

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2015	\$ 564,480.20	\$ 88,759.54
Increased by Receipts:		
Collector	\$ 433,996.35	
Accrued Interest Receivable	11,987.96	
Appropriation Refunds	151.68	
Due Sewer Utility Operating Fund		\$ 94.94
Due Sewer Utility Capital Fund	<u>117.11</u>	
	<u>446,253.10</u>	<u>94.94</u>
	1,010,733.30	88,854.48
Decreased by Disbursements:		
2016 Appropriations	350,366.90	
2015 Appropriation Reserves	22,824.96	
Accrued Interest on Notes	1,411.42	
Improvement Authorizations		6,610.00
Contracts Payable		82,127.36
Due Sewer Utility Operating Fund	<u>117.11</u>	
	<u>374,603.28</u>	<u>88,854.47</u>
Balance December 31, 2016	<u><u>\$ 636,130.02</u></u>	<u><u>\$ 0.01</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
PER N.J.S. 40A:5-5--COLLECTOR
For the Year Ended December 31, 2016

Receipts:

Interest and Cost on Delinquent

Sewer Rents

\$ 5,253.81

Prepaid Sewer Rents

1,249.10

Sewer Rents Receivable

427,493.44

\$ 433,996.35

Decreased by:

Turnovers to Treasurer

\$ 433,996.35

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2016

	Balance	Receipts		Disbursements		Balance
	<u>Dec. 31, 2015</u>	<u>Miscellaneous</u>	<u>Improvement</u>	<u>Authorizations</u>	<u>Miscellaneous</u>	<u>Dec. 31, 2016</u>
Due Sewer Utility Operating Fund	\$ 22.18	\$ 94.94			\$ 117.11	\$ 0.01
Contracts Payable	82,127.36				82,127.36	
Improvement Authorizations:						
2015:07 Pump Station #2 Upgrades	6,610.00		\$ 6,610.00			
	<u>\$ 88,759.54</u>	<u>\$ 94.94</u>	<u>\$ 6,610.00</u>	<u>\$ 82,244.47</u>	<u>\$ 0.01</u>	

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 8,602.74
Increased by:	
2016 Accruals -- Interest Earned on Deposits	<u>10,061.52</u>
	18,664.26
Decreased by:	
Receipts	<u>11,987.96</u>
Balance December 31, 2016	<u><u>\$ 6,676.30</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 13,190.20
Increased by:		
Sewer Rents Levied		432,393.11
		445,583.31
Decreased by:		
Collections	\$ 427,493.44	
Prepayments Applied	751.01	
		428,244.45
Balance December 31, 2016		\$ 17,338.86

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2016

<u>Account</u>	Balance <u>Dec. 31, 2015</u>	<u>Additions</u> <u>Ordinance</u>	Balance <u>Dec. 31, 2016</u>
Infrastructure and Garage	\$ 584,309.76		\$ 584,309.76
Land and Land Rights	30,819.36		30,819.36
Hi Nella Pumping Station Renewals	229,639.86	\$ 180,000.00	409,639.86
Manhole and Pumping Station Renewals	207,321.92		207,321.92
Winding Way Pumping Station	31,535.00		31,535.00
Berlin Road Pumping Station	5,229.00		5,229.00
Building Improvements	60,132.61		60,132.61
Original Plant and Sewer Collection System	2,134,566.25		2,134,566.25
Vehicles and Equipment:			
Computers	18,247.18		18,247.18
Shredder	101.06		101.06
Backhoe	38,800.00		38,800.00
Haulmark Trailer	1,937.75		1,937.75
Stihlts 460 Saw	725.00		725.00
7 HP/60 G Oil Lube Compressor	577.61		577.61
Trailer Mounted Vacuum Loader	35,000.00		35,000.00
	<u>\$ 3,378,942.36</u>	<u>\$ 180,000.00</u>	<u>\$ 3,558,942.36</u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2015</u>	<u>Costs to Fixed Capital</u>	<u>Balance Dec. 31, 2016</u>
2015:07	Pump Station #2 Upgrades	5/12/15	\$ 180,000.00	<u>\$ 180,000.00</u>	<u>\$ 180,000.00</u>	<u>\$ -</u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of 2015 Appropriation Reserves
For the Year Ended December 31, 2016

	Balance December 31, 2015		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salary and Wages		\$ 2,142.36	\$ 2,142.36	\$ 1,956.74	\$ 185.62
Other Expenses	\$ 14,870.65	11,826.15	26,696.80	20,823.15	5,873.65
Total Operating	14,870.65	13,968.51	28,839.16	22,779.89	6,059.27
Deferred Charges and Regulatory Expenditures:					
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		43.12	43.12	43.12	
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)		98.25	98.25	1.95	96.30
Total Deferred Charges and Regulatory Expenditures		141.37	141.37	45.07	96.30
	\$ 14,870.65	\$ 14,109.88	\$ 28,980.53	\$ 22,824.96	\$ 6,155.57

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Prepaids
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	751.01
Increased by:		
Collections		<u>1,249.10</u>
		2,000.11
Decreased by:		
Prepayments Applied		<u>751.01</u>
Balance December 31, 2016	\$	<u><u>1,249.10</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Notes
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 637.69
Increased by:	
Charged to Budget Appropriation - Interest on Notes	1,371.45
	2,009.14
Decreased by:	
Interest Paid:	
Disbursed	1,411.42
Balance December 31, 2016	\$ 597.72

Analysis of Accrued Interest, December 31, 2016

<u>Principal Outstanding December 31, 2016</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
Bond Anticipation Notes:					
\$ 153,900.00	0.829%	07-14-16	12-31-16	171	\$ 597.72

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Due to Sewer Utility Operating Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	22.18
Increased by:		
Receipts:		
Interest Earned on Deposits		<u>94.94</u>
		117.12
Decreased by:		
Disbursements -- Interfunds Liquidated		<u>117.11</u>
Balance December 31, 2016	\$	<u><u>0.01</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 3,378,942.36
Increased by:		
Transfer from Reserve for Deferred Amortization	\$ 9,000.00	
Bond Anticipation Notes paid by Budget Appropriation	17,100.00	
		26,100.00
Balance December 31, 2016		\$ 3,405,042.36

Exhibit SD-13

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Deferred Amortization
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 9,000.00
Decreased by:		
Transfer to Reserve for Amortization for Completed Improvement Authorization		\$ 9,000.00

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2016

<u>Ordinance</u> <u>Number</u>	<u>Improvement Descriptions</u>	<u>Date</u>	<u>Ordinance</u> <u>Amount</u>	Balance Dec. 31, 2015 <u>Unfunded</u>	Paid or Charged	Balance Dec. 31, 2016
General Improvements:						
2015:07	Pump Station #2 Upgrades	5/12/15	\$ 180,000.00	\$ 6,610.00	\$ 6,610.00	\$ -

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	82,127.36
Decreased by:		
Disbursements	\$	<u>82,127.36</u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
Sewer Utility Improvements:										
2015:07	Pump Station #2 Upgrades	\$ 171,000.00	6/17/2015	6/15/2015 7/14/2016	7/15/2016 7/14/2017	0.830% 0.829%	\$ 171,000.00		\$ 171,000.00	
							<u>\$ 171,000.00</u>	<u>\$ 153,900.00</u>	<u>\$ 171,000.00</u>	<u>\$ 153,900.00</u>
						Renewals Paid by Operating Fund		\$ 153,900.00	\$ 153,900.00 17,100.00	
								<u>\$ 153,900.00</u>	<u>\$ 171,000.00</u>	

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

BOROUGH OF STRATFORD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2016

Schedule of Financial Statement Findings

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

None.

BOROUGH OF STRATFORD
Summary Schedule of Prior Year Audit Findings and
Recommendations as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

Not Applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

Not Applicable.

BOROUGH OF STRATFORD
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Josh Keenan	Mayor	(A); (B)
Frank Hartman	President of Council	(A); (B)
John Dudley	Councilman	(A); (B)
David Gray	Councilman	(A); (B)
Patrick Green	Councilman	(A); (B)
Holly Tate	Councilwoman	(A); (B)
Ben Angeli	Councilman	(A); (B)
John D. Keenan, Jr.	Borough Clerk, Comptroller, Office Manager, Improvement Search Clerk, Board of Health Collector and and Registrar of Vital Statistics	(A); (B)
John Fabritiis	Chief Financial Officer, Tax Collector and Tax Search Officer	(A); (B)
Brian Schneider	Tax Assessor	(A); (B)
Albert J. Olizi, Jr.	Solicitor	(A); (B)
John Morelli	Judge of the Municipal Court	(A); (B)
Joanne Doorly	Court Administrator (Through October 2016)	(A); (B)
Taiwan Lamb-Davis	Court Administrator (From November 2016)	(A); (B)
Dona Koehler	Deputy Court Administrator	(A); (B)

All of the Bonds were examined and were properly executed.

(A) Statewide Insurance Fund – Crime – Employee Theft - Per Loss Coverage (\$1,000,000.00)

(B) Statewide Insurance Fund - Public Officials Liability - Per Official, Annual Aggregate (\$5,000,000.00)

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in black ink that reads "Scott P. Barron". The signature is written in a cursive style with a large initial 'S' and a long, sweeping underline.

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

