

BOROUGH OF STRATFORD
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2022

BOROUGH OF STRATFORD**TABLE OF CONTENTS**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART 1</u>		
	Independent Auditor's Report	2
	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	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance--Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	15
<u>TRUST FUND</u>		
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	22
B-1	Open Space Trust Fund--Statements of Operations and Changes in Reserve For Future Use--Regulatory Basis	24
B-2	Open Space Trust Fund--Statement of Revenues--Regulatory Basis	25
B-3	Open Space Trust Fund--Statement of Expenditures--Regulatory Basis	26
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	27
<u>SEWER UTILITY FUND</u>		
D	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	28
D-1	Sewer Utility Operating Fund--Statements of Operations and Changes in Fund Balance--Regulatory Basis	29
D-2	Sewer Utility Operating Fund--Statement of Revenues--Regulatory Basis	30
D-3	Sewer Utility Operating Fund--Statement of Expenditures--Regulatory Basis	31
<u>GENERAL FIXED ASSETS GROUP OF ACCOUNTS</u>		
G	Statement of General Fixed Assets Group of Accounts--Regulatory Basis	32
	Notes to Financial Statements	33

BOROUGH OF STRATFORD**TABLE OF CONTENTS (CONT'D)**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Per N.J.S.40A:5-5--Collector-Treasurer	72
SA-2	Statement of Current Cash--Per N.J.S.40A:5-5--Collector	73
SA-3	Schedule of Change Funds	74
SA-4	Statement of Petty Cash Funds	74
SA-5	Statement of Delinquent Property Taxes Receivable	75
SA-6	Statement of Tax Title Liens Receivable	76
SA-7	Statement of Maintenance Liens Receivable	77
SA-8	Statement of Revenue Accounts Receivable	78
SA-9	Schedule of Property Acquired for Taxes (Assessed Valuation)	79
SA-10	Statement of Deferred Charges N.J.S. 40A:4-55 Special Emergency	80
SA-11	Statement of 2021 Appropriation Reserves	81
SA-12	Statement of Due to State of New Jersey Veterans' and Senior Citizens' Deductions	83
SA-13	Statement of Prepaid Taxes	84
SA-14	Statement of Tax Overpayments	84
SA-15	Statement of County Taxes Payable	85
SA-16	Statement of Due to County--Added and Omitted Taxes	85
SA-17	Statement of Due to County--Brandywine PILOT	85
SA-18	Statement of Local School District Taxes Payable	86
SA-19	Statement of Regional High School Taxes	86
SA-20	Statement of Municipal Open Space Taxes Payable	87
SA-21	Statement of Reserve for Whitman Ave Townhouses	87
SA-22	Statement of Reserve for Master Plan	88
SA-23	Federal and State Grant Fund—Statement of Federal, State and Local Grants Receivable	89
SA-24	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Unappropriated	90
SA-25	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Appropriated	91
<u>TRUST FUND</u>		
SB-1	Statement of Trust Fund Cash Per N.J.S. 40A:5-5--Treasurer	93
SB-2	Animal Control Fund--Statement of Due to Current Fund	95
SB-3	Animal Control Fund--Statement of Due to State of New Jersey-- Registration Fees	95
SB-4	Animal Control Fund--Statement of Reserve for Animal Control Expenditures	96
SB-5	Animal Control Fund--Statement of Reserve for Encumbrances	96
SB-6	Municipal Open Space Trust Fund--Statement of Reserve for Future Use	97
SB-7	Trust--Other Fund--Statement of Due Current Fund	98
SB-8	Trust--Other Fund--Statement of Due to Federal and State Grant Fund	99
SB-9	Trust--Other Fund--Statement of Payroll Deductions Payable	100
SB-10	Trust--Other Fund--Statement of Due State of New Jersey-DCA Fees	100
SB-11	Trust--Other Fund--Statement of Miscellaneous Trust Reserves	101

BOROUGH OF STRATFORD**TABLE OF CONTENTS (CONT'D)**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash Per N.J.S.40A:5-5--Treasurer	103
SC-2	Analysis of General Capital Cash	104
SC-3	Statement of Deferred Charges to Future Taxation--Unfunded	105
SC-4	Statement of Due to Current Fund	106
SC-5	Statement of Improvement Authorizations	107
SC-6	Statement of Reserve for Encumbrances	109
SC-7	Statement of Reserve for Contracts Payable	109
SC-8	Statement of Capital Improvement Fund	110
SC-9	Statement of Bond Anticipation Notes	111
SC-10	Statement of Bonds and Notes Authorized but not Issued	112
<u>SEWER UTILITY FUND</u>		
SD-1	Statement of Sewer Utility Cash and Investments Per N.J.S.40A:5-5-- Treasurer	114
SD-2	Sewer Utility Operating Fund -- Statement of Sewer Utility Cash Per N.J.S.A.40A:5-5--Collector	115
SD-3	Sewer Utility Capital Fund--Statement of Sewer Utility Capital Cash	116
SD-4	Sewer Utility Operating Fund--Statement of Due from Sewer Utility Capital Fund	117
SD-5	Sewer Utility Operating Fund--Statement of Sewer Rents Receivable	118
SD-6	Sewer Utility Capital Fund--Schedule of Fixed Capital	119
SD-7	Sewer Utility Capital Fund--Schedule of Fixed Capital Authorized and Uncompleted	120
SD-8	Sewer Utility Operating Fund--Statement of 2021 Appropriation Reserves	121
SD-9	Sewer Utility Operating Fund--Statement of Prepaid Sewer Rents	122
SD-10	Sewer Utility Operating Fund--Statement of Accrued Interest on Notes	123
SD-11	Sewer Utility Capital Fund--Statement of Improvement Authorizations	124
SD-12	Sewer Utility Capital Fund--Statement of Reserve for Amortization	125
SD-13	Sewer Utility Capital Fund--Statement of Bond Anticipation Notes	126
<u>PART 2</u>		
	Schedule of Findings and Recommendations	128
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	129
	OFFICIALS IN OFFICE AND SURETY BONDS	130
	APPRECIATION	131

BOROUGH OF STRATFORD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022 and 2021, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above 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, 2022 and 2021, and the results of its operations and changes in reserve for future use and fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, 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.

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* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Stratford, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, or the results of its operations and changes in reserve for future use and fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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, 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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on 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 and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 accompanying 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.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2023 on our consideration of the Borough of Stratford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Stratford's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Stratford's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 29, 2023

**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 statement 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, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 29, 2023. 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 29, 2023

BOROUGH OF STRATFORD
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2022 and 2021

ASSETS:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Cash	SA-1	\$ 1,461,701.47	\$ 1,529,104.99
Change Funds	SA-3	<u>120.00</u>	<u>120.00</u>
		<u>1,461,821.47</u>	<u>1,529,224.99</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	206,549.95	288,427.92
Tax Title Liens Receivable	SA-6	7,924.88	7,142.17
Maintenance Liens Receivable	SA-7	1,643.91	1,662.54
Revenue Accounts Receivable	SA-8	8,183.90	26,835.62
Property Acquired for Taxes (at Assessed Valuation)	SA-9	613,700.00	613,700.00
Prepaid Regional High School Taxes	SA-19	137,495.70	
Interfund Accounts Receivable:			
Due from Animal Control Fund	SB-2	6.73	1.50
Due from Trust - Other Fund	SB-7	18,542.46	17,294.49
Due from General Capital Fund	SC-4	<u>383.64</u>	<u>54.60</u>
		<u>994,431.17</u>	<u>955,118.84</u>
Deferred Charges:			
Emergency Authorization	A-3		25,000.00
Special Emergency Authorizations (40A:4-55)	SA-10	<u>35,000.00</u>	<u>65,000.00</u>
		<u>35,000.00</u>	<u>90,000.00</u>
Total Regular Fund		<u>2,491,252.64</u>	<u>2,574,343.83</u>
Federal and State Grant Fund:			
Cash	SA-1	132,273.43	166,761.85
Due from Trust - Other Fund	SB-8	3,347.50	2,872.50
Federal, State and Local Grants Receivable	SA-24	<u>934,249.48</u>	<u>502,108.71</u>
Total Federal and State Grant Fund		<u>1,069,870.41</u>	<u>671,743.06</u>
Total Assets		<u>\$ 3,561,123.05</u>	<u>\$ 3,246,086.89</u>

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2022 and 2021

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	\$ 418,365.41	\$ 341,255.25
Reserve for Encumbrances	A-3, SA-11	32,746.34	82,528.82
Due to Bank	A	0.87	0.87
Due to State of New Jersey - Veterans' and Senior Citizens' Deductions	SA-12	6,734.43	8,984.43
Prepaid Taxes	SA-13	164,982.15	200,882.24
Tax Overpayments	SA-14	1,766.83	6,665.59
Due to County - Added and Omitted Taxes	SA-16	12,198.25	599.39
Due to County - Brandywine PILOT	SA-17		18,502.50
Reserve for Whitman Ave Townhouses	SA-21	7,536.11	7,559.41
Reserve for Master Plan	SA-22	6,093.30	10,005.80
Reserve for Municipal Relief Fund	SA-1	37,590.96	
Due to Open Space Trust Fund	SB-6	195.41	
		<u>688,210.06</u>	<u>676,984.30</u>
Reserves for Receivables and Other Assets		994,431.17	955,118.84
Fund Balance	A-1	<u>808,611.41</u>	<u>942,240.69</u>
Total Regular Fund		<u>2,491,252.64</u>	<u>2,574,343.83</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants - Unappropriated	SA-24	366,103.90	365,102.22
Reserve for Encumbrances	SA-25	19,406.35	14,331.05
Reserve for Federal, State and Local Grants - Appropriated	SA-25	<u>684,360.16</u>	<u>292,309.79</u>
Total Federal and State Grant Fund		<u>1,069,870.41</u>	<u>671,743.06</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,561,123.05</u>	<u>\$ 3,246,086.89</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF STRATFORD
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 782,000.00	\$ 782,000.00
Miscellaneous Revenues Anticipated	2,761,578.99	1,801,633.59
Receipts from Delinquent Taxes	291,494.62	237,893.35
Receipts from Current Taxes	18,849,921.73	18,142,925.84
Non-Budget Revenues	91,890.38	113,973.39
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	233,028.99	305,725.66
Liquidation of Reserves for:		
Other	1,049.34	
Due from Animal Control Fund		0.89
Due from Trust - Other Fund		100,545.32
Due from General Capital Fund		22.19
Due from Sewer Utility Operating Fund		0.20
	<hr/>	<hr/>
Total Income	23,010,964.05	21,484,720.43
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,711,970.60	2,436,413.13
Other Expenses	2,213,274.63	2,171,866.97
Deferred Charges and Statutory Expenditures Within "CAPS"	792,560.14	721,012.62
Operations Excluded from "CAPS":		
Salaries and Wages	192,866.87	189,961.33
Other Expenses	415,684.92	319,859.96
Capital Improvements Excluded from "CAPS"	526,000.00	56,000.00
Municipal Debt Service Excluded from "CAPS"	744,341.95	715,850.57
Deferred Charges Excluded from "CAPS"	77,500.00	60,000.00
County Taxes Payable	3,564,781.26	3,573,132.54
County Share of Added and Omitted Taxes	12,198.25	599.39
Local School District Taxes Payable	8,045,127.00	7,899,544.00
Regional High School Taxes	3,007,262.70	2,720,443.50
Open Space Trust Fund Tax Payable	57,442.77	57,247.36
Due to State of New Jersey - Prior Year Veteran and Senior Citizens' Deduction Disallowed by Collector		500.00
Creation of Reserves for:		
Interfund Advances in the Current Year:		
Due from Animal Control Fund	5.23	
Due from Trust - Other Fund	1,247.97	
Due from General Capital Fund	329.04	
	<hr/>	<hr/>
Total Expenditures	22,362,593.33	20,922,431.37

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2022

	<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	\$ 782,000.00		\$ 782,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00		5,000.00	
Other	11,000.00		3,941.00	\$ (7,059.00)
Fees and Permits	65,000.00		76,152.00	11,152.00
Fines and Costs:				
Municipal Court	230,000.00		173,758.34	(56,241.66)
Interest and Costs on Taxes	60,000.00		69,402.39	9,402.39
Interest on Investments and Deposits	3,500.00		6,519.73	3,019.73
Utility Operating Surplus	104,012.50		104,012.50	
Total Local Revenues	<u>478,512.50</u>		<u>438,785.96</u>	<u>(39,726.54)</u>
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	720,632.00		720,632.00	
Total State Aid Without Offsetting Appropriations	<u>720,632.00</u>		<u>720,632.00</u>	
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 School Resource Officer	65,000.00		81,366.25	16,366.25
Total Interlocal Municipal Service Agreement Offset with Appropriations	<u>65,000.00</u>		<u>81,366.25</u>	<u>16,366.25</u>
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		\$ 5,053.83	5,053.83	
COVID ARP State and Local Fiscal Recovery Funding		63,984.90	63,984.90	
Body Armor Replacement Fund	1,117.32		1,117.32	
Camden County DWI Task Force		73,780.00	73,780.00	
Clean Communities Program		14,239.22	14,239.22	
Click It or Ticket	7,000.00		7,000.00	
Distracted Driver Statewide Crackdown	7,000.00		7,000.00	
Drive Sober or Get Pulled Over -- Labor Day Crackdown		7,000.00	7,000.00	
DWI Sobriety Checkpoint		2,280.00	2,280.00	
FEMA COVID Municipal Grant		90,354.43	90,354.43	
Historical Preservation	16,400.00		16,400.00	
Municipal Alliance Against Drug and Alcohol Abuse		13,390.00	13,390.00	
Municipal Alliance DMHAS Youth Leadership Grant		7,500.00	7,500.00	
New Jersey Department of Transportation Trust Fund 2021 Grant		260,000.00	260,000.00	
2021 Grant		240,000.00	240,000.00	
Recycling Tonnage Grant	7,720.38		7,720.38	
Safe and Secure Community Program - P.L. 1994, Chapter 220		16,200.00	16,200.00	
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations	<u>39,237.70</u>	<u>793,782.38</u>	<u>833,020.08</u>	

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2022

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Property Maintenance	\$ 12,870.00		\$ 13,510.08	\$ 640.08
Library Property Maintenance	4,225.00		5,500.00	1,275.00
Delaware River Port Authority	15,000.00		15,000.00	
Conrail Property Maintenance	3,300.00		3,300.00	
Cable Television Franchise Fees	25,224.22		25,224.22	
Contributions from Rowan University	50,000.00		50,000.00	
Payments In Lieu of Taxes - Jefferson Hospital	152,500.00		152,500.00	
Payments In Lieu of Taxes - Stratford Square	123,434.84		122,740.40	(694.44)
Coronavirus Local Fiscal Recovery Funds	300,000.00		300,000.00	
 Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items	 <u>686,554.06</u>		 <u>687,774.70</u>	 <u>1,220.64</u>
Total Miscellaneous Revenues Anticipated	<u>1,989,936.26</u>	<u>\$ 793,782.38</u>	<u>2,761,578.99</u>	<u>(22,139.65)</u>
Receipts from Delinquent Taxes	<u>250,000.00</u>		<u>291,494.62</u>	<u>41,494.62</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	4,152,285.78		4,439,177.71	286,891.93
Minimum Library Tax	161,789.74		161,789.74	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>4,314,075.52</u>		<u>4,600,967.45</u>	<u>286,891.93</u>
Total General Revenues	7,336,011.78	793,782.38	8,436,041.06	306,246.90
Non-Budget Revenues			91,890.38	91,890.38
Total Revenues	<u>\$ 7,336,011.78</u>	<u>\$ 793,782.38</u>	<u>\$ 8,527,931.44</u>	<u>\$ 398,137.28</u>

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2022

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections		\$ 18,849,921.73
Allocated to:		
Schools, County Taxes and Open Space Trust Fund		14,704,454.28

Balance for Support of Municipal Budget Appropriations 4,145,467.45

Add: Appropriation "Reserve for Uncollected Taxes" 455,500.00

Amount for Support of Municipal Budget Appropriations \$ 4,600,967.45

Receipts from Delinquent Taxes:

Delinquent Tax Collections \$ 291,494.62

Licenses -- Other:

Clerk:

Mercantile License	\$ 3,797.00	
Pool License	75.00	
		\$ 3,872.00

Registrar of Vital Statistics:

Marriage/ Civil Union Licenses		69.00
		\$ 3,941.00

Fees and Permits:

Registrar of Vital Statistics:

Birth Certificates	\$ 18,337.00	
Death Certificates	1,640.00	
Vital Statistics Direct State of NJ	625.00	
Marriage/ Domestic Partnership Certificate Copies	790.00	
		\$ 21,392.00

Clerk:

Food Permit	145.00	
Miscellaneous Fees	166.00	
Nursery Permit	75.00	
OPRA Requests	155.00	
Rental Registrations	8,070.00	
Sign Permit	12,009.00	
Street Opening Permits	32,600.00	
200 Foot Search	90.00	
Uniform Fire Safety	1,450.00	
		54,760.00
		\$ 76,152.00

Interest Earned on Investments and Deposits:

Revenue Accounts Receivable:

Collections by Treasurer		\$ 4,881.39
Due from Animal Control Fund		6.73
Due from Trust - Other Fund		1,247.97
Due from General Capital Fund		383.64

\$ 6,519.73
(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
 Statement of Revenues -- Regulatory Basis
 For the Year Ended December 31, 2022

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:

Treasurer:

Receipts:

Administration Fees	\$	12,209.19
Donations		1,328.00
Marriage and Civil Unions		700.00
Miscellaneous Refunds and Cancellations		10,548.88
Payment in Lieu of Taxes		60.00
Police Fees and Permits		1,186.00
Recycling Fees		5,947.42
Rents		750.00
Sale of Assets		9,345.28
State Motor Vehicle Inspections		4,600.50
Vacant Property Registrations		<u>44,015.11</u>

\$ 90,690.38

Collections made by Collector:

Maintenance Liens		<u>1,200.00</u>
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\$ 91,890.38

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, 2022

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 202,896.03	\$ 207,896.03	\$ 206,198.51		\$ 1,697.52	
Other Expenses	30,412.00	33,412.00	30,982.36	\$ 321.55	2,108.09	
Elections:						
Other Expenses	5,200.00	6,889.79	6,889.79			
Financial Administration (Treasury):						
Salaries and Wages	74,685.57	76,685.57	75,946.69		738.88	
Other Expenses	7,600.00	7,600.00	4,720.82	311.39	2,567.79	
Audit Services:						
Other Expenses	39,100.00	39,100.00	39,100.00			
Collection of Taxes						
Salaries and Wages	74,999.93	76,999.93	75,928.45		1,071.48	
Other Expenses	11,805.00	11,805.00	10,359.59		1,445.41	
Assessment of Taxes:						
Salaries and Wages	18,000.00	18,000.00	18,000.00			
Other Expenses	10,550.00	10,550.00	6,628.74		3,921.26	
Legal Services and Costs						
Salaries and Wages	8,000.00	6,528.00	6,528.00			
Other Expenses	76,000.00	76,000.00	59,047.05		16,952.95	
Engineering Services and Costs						
Other Expenses	14,000.00	14,000.00	7,558.75		6,441.25	
Municipal Court						
Salaries and Wages	53,175.12	55,677.29	55,677.29			
Other Expenses	135,111.58	135,111.58	134,435.11		676.47	
Land Use Administration:						
Municipal Land Use Law (N.J.S.. 40:55D-1)						
Planning Board						
Salaries and Wages	11,754.37	11,754.37	8,511.03		3,243.34	
Other Expenses	12,000.00	12,000.00	8,474.03		3,525.97	

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	<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	\$ 120,000.00	\$ 120,000.00	\$ 109,884.60		\$ 10,115.40	
Worker Compensation Insurance	49,000.00	49,000.00	48,979.92		20.08	
Group Insurance for Employees	717,824.96	717,824.96	664,353.92	\$ 1,245.24	52,225.80	
Health Benefits Waivers	12,500.00	12,500.00	12,500.00			
Public Safety Functions:						
Police						
Salaries and Wages	1,492,972.22	1,479,472.22	1,390,088.99		89,383.23	
Salaries and Wages (ARP)	300,000.00	300,000.00	300,000.00			
Other Expenses	103,056.00	116,556.00	87,661.62	16,604.50	12,289.88	
Office of Emergency Management						
Other Expenses	600.00	600.00	225.00		375.00	
Aid to Volunteer Ambulance Companies	16,000.00	16,000.00	3,955.14		12,044.86	
Fire						
Fire Hydrant Service	66,000.00	66,000.00	57,011.73		8,988.27	
Fire Department	48,000.00	48,000.00	41,064.46	1,108.57	5,826.97	
Uniform Fire Safety and Inspection Act						
Other Expenses	1,700.00	1,700.00	1,668.50		31.50	
Public Work Functions:						
Public Works Department:						
Salaries and Wages	149,575.03	149,575.03	141,925.73		7,649.30	
Other Expenses	19,000.00	19,000.00	16,372.56	84.60	2,542.84	
Solid Waste Collection						
Salaries and Wages	319,080.00	291,360.04	248,258.71		43,101.33	
Other Expenses	97,800.00	97,800.00	76,694.27		21,105.73	
Public Buildings and Grounds						
Other Expenses	29,715.30	29,715.30	22,821.40	1,675.65	5,218.25	
Shade Tree Commission						
Other Expenses	1,000.00	1,000.00			1,000.00	
Maintenance of Motor Vehicles:						
Other Expenses	47,000.00	47,000.00	40,998.52	3,141.53	2,859.95	

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Health and Human Services Functions:					
Board of Health					
Salaries and Wages	\$ 18,022.12	\$ 18,022.12	\$ 17,303.44		\$ 718.68
Other Expenses	1,000.00	1,000.00	458.90		541.10
Environmental Commission (N.J.S.. 40:56A-1)					
Other Expenses	2,500.00	2,500.00	2,500.00		
Utility Expenses and Bulk Purchases:					
Electricity	45,000.00	45,000.00	41,437.95		3,562.05
Street Lighting	22,500.00	22,500.00	21,648.15		851.85
Telephone	17,600.00	18,600.00	17,083.78	\$ 50.58	1,465.64
Water	3,500.00	3,500.00	1,813.19		1,686.81
Gas (Natural or Propane)	14,000.00	14,000.00	11,319.99		2,680.01
Sewerage Processing and Disposal	1,810.00	1,810.00	1,760.00		50.00
Gasoline	129,600.00	129,600.00	87,562.09		42,037.91
Landfill / Solid Waste Disposal Costs:					
Solid Waste Disposal	266,000.00	266,000.00	232,781.81		33,218.19
Other Common Operating Functions (Unclassified)					
Compensated Absences	10,000.00	10,000.00	1,300.00		8,700.00
Celebration of Public Events, Anniversaries or Holiday					
Other Expenses	19,600.00	19,600.00	16,875.27	2,724.73	
School Resource Officer (Inside CAP)					
Salaries and Wages	10,000.00	10,000.00	10,000.00		
Total Operations Including Contingent - within "CAPS"	4,937,245.23	4,925,245.23	4,483,295.85	27,268.34	414,681.04
Detail:					
Salaries and Wages	2,743,160.39	2,711,970.60	2,555,666.84		156,303.76
Other Expenses (Including Contingent)	2,194,084.84	2,213,274.63	1,927,629.01	27,268.34	258,377.28

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	<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	118,665.14	118,665.14	118,665.14			
Police and Firemen's Retirement System of N.J.	440,885.00	440,885.00	440,885.00			
Defined Contribution Retirement Program	10.00	10.00			\$ 10.00	
Unemployment Compensation Insurance	6,000.00	8,000.00	6,143.97		1,856.03	
Social Security System (O.A.S.I.)	190,000.00	200,000.00	198,703.66		1,296.34	
	<u>780,560.14</u>	<u>792,560.14</u>	<u>789,397.77</u>		<u>3,162.37</u>	
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	<u>780,560.14</u>	<u>792,560.14</u>	<u>789,397.77</u>		<u>3,162.37</u>	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>5,717,805.37</u>	<u>5,717,805.37</u>	<u>5,272,693.62</u>	<u>\$ 27,268.34</u>	<u>417,843.41</u>	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library						
Other Expenses	161,789.74	161,789.74	161,789.74			
Group Insurance for Employees - Outside CAP	5,920.00	5,920.00	5,920.00			
Municipal Court - Court Bailiff						
Salaries and Wages	4,776.52	4,776.52	4,776.52			
Municipal Court - Court Security						
Salaries and Wages	4,776.52	4,776.52	4,776.52			
	<u>177,262.78</u>	<u>177,262.78</u>	<u>177,262.78</u>			
Total Other Operations - Excluded from "CAPS"	<u>177,262.78</u>	<u>177,262.78</u>	<u>177,262.78</u>			
Interlocal Municipal Service Agreements:						
School Resource Officer (Outside CAP)	65,000.00	65,000.00	65,000.00			
	<u>65,000.00</u>	<u>65,000.00</u>	<u>65,000.00</u>			
Total Interlocal Municipal Service Agreements	<u>65,000.00</u>	<u>65,000.00</u>	<u>65,000.00</u>			

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>		<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	
OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)					
Additional Appropriations Offset by Revenues (N.J.S. 40A:4-45.3h):					
PILOT to Stratford School District	\$ 24,532.76	\$ 24,532.76	\$ 24,532.76		
PILOT to Camden County	6,139.67	6,139.67	6,139.67		
Total Additional Appropriations Offset by Revenues	30,672.43	30,672.43	30,672.43		
Public and Private Programs Offset by Revenues:					
Alcohol Education and Rehabilitation (N.J.S. 40A:4-87, \$5,053.83+)		5,053.83	5,053.83		
Body Armor Replacement Fund	1,117.32	1,117.32	1,117.32		
Camden County DWI Task Force (N.J.S 40A:4-87, \$73,780.00+)		73,780.00	73,780.00		
Clean Communities Program (N.J.S. 40A:4-87, \$14,239.22+)		14,239.22	14,239.22		
Click It or Ticket	7,000.00	7,000.00	7,000.00		
COVID ARP State and Local Fiscal Recovery Funding (N.J.S. 40A:4-87, \$63,984.90+)		63,984.90	63,984.90		
Distracted Driver Statewide Crackdown	7,000.00	7,000.00	7,000.00		
Drive Sober or Get Pulled Over -- Labor Day Crackdown (N.J.S. 40A:4-87, \$7,500.00+)		7,000.00	7,000.00		
DWI Sobriety Checkpoint (N.J.S. 40A:4-87, \$2,280.00+)		2,280.00	2,280.00		
FEMA - COVID Municipal Finance Grant (N.J.S. 40A:4-87, \$90,354.43+)		90,354.43	90,354.43		
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, \$13,390.00+)		13,390.00	13,390.00		
Municipal Alliance DMHAS Youth Grant (N.J.S. 40A:4-87, \$7,500.00+)		7,500.00	7,500.00		
Historical Preservation (N.J.S. 40A:4-87, \$30,000.00+)	16,400.00	16,400.00	16,400.00		
Recycling Tonnage Grant	7,720.38	7,720.38	7,720.38		
Safe and Secure Grant Program (N.J.S. 40A:4-87, \$16,200.00+)		16,200.00	16,200.00		
Total Public and Private Programs Offset by Revenues	41,834.20	335,616.58	335,616.58		
Total Operations -- Excluded from "CAPS"	314,769.41	608,551.79	608,551.79		
Detail:					
Salaries and Wages	88,553.04	192,866.87	192,866.87		
Other Expenses	226,216.37	415,684.92	415,684.92		

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Capital Outlay -- Computers	6,000.00	6,000.00		\$ 5,478.00	\$ 522.00	
Public and Private Programs Offset by Revenues:						
New Jersey Department of Transportation Trust Fund						
2021 Homestead, Kirkwood & N. Central (N.J.S. 40A:4-87, \$260,000.00+)		260,000.00	260,000.00			
2022 Central Avenue & Kirkwood Ave- Phase II (N.J.S. 40A:4-87, \$240,000.00+)		240,000.00	240,000.00			
Total Capital Improvement Excluded from "CAPS"	<u>26,000.00</u>	<u>526,000.00</u>	<u>520,000.00</u>	<u>5,478.00</u>	<u>522.00</u>	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	730,537.00	730,537.00	730,537.00			
Interest on Notes	13,900.00	13,900.00	13,804.95			\$ 95.05
Total Municipal Debt Service -- Excluded from "CAPS"	<u>744,437.00</u>	<u>744,437.00</u>	<u>744,341.95</u>			<u>95.05</u>
DEFERRED CHARGES - Municipal - Excluded from "CAPS"						
Deferred Charges to Future Taxation Unfunded	47,500.00	47,500.00	47,500.00			
Special Emergency Authorizations	30,000.00	30,000.00	30,000.00			
Total Deferred Charges - Municipal -- Excluded from "CAPS"	<u>77,500.00</u>	<u>77,500.00</u>	<u>77,500.00</u>			
Total General Appropriations for Municipal Purposes -- Excluded from "CAPS"	<u>1,162,706.41</u>	<u>1,956,488.79</u>	<u>1,950,393.74</u>	<u>5,478.00</u>	<u>522.00</u>	<u>95.05</u>
Subtotal General Appropriations	6,880,511.78	7,674,294.16	7,223,087.36	32,746.34	418,365.41	95.05
Reserve for Uncollected Taxes	<u>455,500.00</u>	<u>455,500.00</u>	<u>455,500.00</u>			
Total General Appropriations (Carried Forward)	<u>\$ 7,336,011.78</u>	<u>\$ 8,129,794.16</u>	<u>\$ 7,678,587.36</u>	<u>\$ 32,746.34</u>	<u>\$ 418,365.41</u>	<u>\$ 95.05</u>

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2022

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
Total General Appropriations (Brought Forward)	<u>\$ 7,336,011.78</u>	<u>\$ 8,129,794.16</u>	<u>\$ 7,678,587.36</u>	<u>\$ 32,746.34</u>	<u>\$ 418,365.41</u>	<u>\$ 95.05</u>
Appropriated by N.J.S. 40A:4-87 Budget		\$ 793,782.38 <u>7,336,011.78</u>				
		<u>\$ 8,129,794.16</u>				
Refunds:						
Receipts			\$ (95,389.37)			
Due Sewer Utility Operating Fund						
Reserve for Federal and State Grants -- Appropriated			833,020.08			
Due General Capital Fund						
Capital Improvement Fund			20,000.00			
Deferred Charges to Future Taxation - Unfunded			47,500.00			
Deferred Charges						
Emergency Authorizations			25,000.00			
Special Emergencies			30,000.00			
Reserve for Uncollected Taxes			455,500.00			
Disbursements			<u>6,362,956.65</u>			
			<u>\$ 7,678,587.36</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, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 16,442.14	\$ 15,026.87
Due from Borough Clerk	SB-1	<u> </u>	<u>1,425.00</u>
Total Animal Control Fund		<u>16,442.14</u>	<u>16,451.87</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	19,137.42	40,896.94
Due from Current Fund	SB-6	<u>195.41</u>	<u> </u>
Total Municipal Open Space Trust Fund		<u>19,332.83</u>	<u>40,896.94</u>
Other Funds:			
Cash	SB-1	<u>1,129,158.32</u>	<u>715,401.20</u>
Total Other Funds		<u>1,129,158.32</u>	<u>715,401.20</u>
Total Assets		<u><u>\$ 1,164,933.29</u></u>	<u><u>\$ 772,750.01</u></u>

(Continued)

BOROUGH OF STRATFORD
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
LIABILITIES AND RESERVES:			
Animal Control Fund:			
Due to Current Fund	SB-2	\$ 6.73	\$ 1.50
Due to State of New Jersey -- Registration Fees	SB-3		2.40
Reserve for Animal Control Fund Expenditures	SB-4	16,434.21	16,012.97
Reserve for Encumbrances	SB-5	1.20	435.00
		<u>16,442.14</u>	<u>16,451.87</u>
Total Animal Control Fund		16,442.14	16,451.87
Municipal Open Space Trust Fund:			
Reserve for Future Use	SB-6	11,707.83	36,282.39
Reserve for Encumbrances	SB-6	7,625.00	4,614.55
		<u>19,332.83</u>	<u>40,896.94</u>
Total Municipal Open Space Trust Fund		19,332.83	40,896.94
Other Funds:			
Due Current Fund	SB-7	18,542.46	17,294.49
Due Federal and State Grant Fund	SB-8	3,347.50	2,872.50
Payroll Deductions Payable	SB-9	29,352.08	30,680.70
Due to State of New Jersey -- DCA Fees	SB-10	1,268.08	1,242.08
Reserve for Encumbrances	SB-11	15,938.83	23,812.43
Miscellaneous Trust Reserves:			
Compensated Absences	SB-11	10,768.49	45,186.00
Dedicated Funds Collected for Penalties	SB-11	1,868.23	4,428.20
Developers' Escrow	SB-11	120,773.85	31,432.51
Economic Development Commission	SB-11	204.05	204.05
Green Team	SB-11	1,005.11	1,005.11
Historical Preservation	SB-11	2,437.57	1,833.07
Municipal Alliance Grant	SB-11	32,841.07	29,858.32
Outside Liens Redemption	SB-11	62,019.98	11,389.79
Tax Title Lien Premiums	SB-11	616,200.00	353,300.00
Outside Police Employment	SB-11	90,285.30	93,308.32
Parking Offense Adjudication Act	SB-11	528.00	498.00
Police Training	SB-11	4,338.61	8,127.03
Public Defender	SB-11	11,457.00	10,989.22
Snow Removal	SB-11	13,827.00	13,827.00
Special Law Enforcement	SB-11	8,177.45	5,647.85
Unemployment Claims Payable	SB-11	32,768.03	27,969.17
Uniform Construction Code and Local Enforcement Agency	SB-11	51,209.63	495.36
		<u>1,129,158.32</u>	<u>715,401.20</u>
Total Other Funds		1,129,158.32	715,401.20
Total Liabilities and Reserves		\$ 1,164,933.29	\$ 772,750.01

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE FUND
 Statements of Operations and Changes in Reserve for Future Use -- Regulatory Basis
 For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE AND OTHER INCOME REALIZED:		
Amount to be Raised by Taxation	\$ 57,442.77	\$ 57,247.36
Interest on Investments and Deposits	42.77	71.51
Miscellaneous	2,500.00	
Unexpended Balance of Appropriation Reserves	<u>4,614.55</u>	<u>2,633.26</u>
Total Income	<u>64,600.09</u>	<u>59,952.13</u>
EXPENDITURES:		
Budget Appropriations:		
Other Expenses	57,247.36	54,845.44
Reserve for Future Use - Other Expenses	<u>31,927.29</u>	<u>31,703.04</u>
Total Expenditures	<u>89,174.65</u>	<u>86,548.48</u>
Excess (Deficit) in Revenue	(24,574.56)	(26,596.35)
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>36,282.39</u>	<u>62,878.74</u>
Balance December 31,	<u>\$ 11,707.83</u>	<u>\$ 36,282.39</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE TRUST FUND
 Statement of Revenues--Regulatory Basis
 For the Year Ended December 31, 2022

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 57,247.36	\$ 57,442.77	\$ 195.41
Miscellaneous		<u>2,542.77</u>	<u>2,542.77</u>
	<u>\$ 57,247.36</u>	<u>\$ 59,985.54</u>	<u>\$ 2,738.18</u>

Analysis of Realized Revenues:

Receipts:

Municipal Open Space Tax Levy		\$ 57,247.36	
Due from Current Fund -- Added and Omitted Taxes		195.41	
Interest Earned on Deposits		42.77	
Donation		<u>2,500.00</u>	
		<u>\$ 59,985.54</u>	

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

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2022

	<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	\$ 28,623.68		
Maintenance of Lands for Recreation and Conservation:					
Other Expenses	<u>28,623.68</u>	<u>28,623.68</u>	<u>20,998.68</u>	<u>\$ 7,625.00</u>	
	<u>\$ 57,247.36</u>	<u>\$ 57,247.36</u>	<u>\$ 49,622.36</u>	<u>\$ 7,625.00</u>	<u>\$ -</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, 2022 and 2021

ASSETS:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	SC-1	\$ 1,036,273.36	\$ 633,299.21
Deferred Charges to Future Taxation:			
Unfunded	SC-3	<u>3,395,771.25</u>	<u>3,793,808.25</u>
Total Assets		<u>\$ 4,432,044.61</u>	<u>\$ 4,427,107.46</u>
LIABILITIES AND RESERVES:			
Due to Current Fund	SC-4	\$ 383.64	\$ 54.60
Improvement Authorizations:			
Funded	SC-5	3,446.04	7,921.42
Unfunded	SC-5	529,794.35	972,908.62
Reserve for Encumbrances	SC-6	83,391.00	121,650.74
Contracts Payable	SC-7	413,494.50	
Capital Improvement Fund	SC-8	5,763.83	5,763.83
Bond Anticipation Notes	SC-9	<u>3,395,771.25</u>	<u>3,318,808.25</u>
Total Liabilities and Reserves		<u>\$ 4,432,044.61</u>	<u>\$ 4,427,107.46</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF STRATFORD
SEWER UTILITY FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2022 and 2021

<u>ASSETS</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Cash and Investments	SD-1	\$ 1,215,557.32	1,262,786.63
Change Fund	D	20.00	20.00
Due from Sewer Utility Capital Fund	SD-4	27.33	6.35
		<u>1,215,604.65</u>	<u>1,262,812.98</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-5	23,486.71	25,863.07
		<u>1,239,091.36</u>	<u>1,288,676.05</u>
Total Operating Fund			
Capital Fund:			
Cash	SD-1	74,717.90	74,696.92
Fixed Capital	SD-6	3,523,942.36	3,523,942.36
Fixed Capital Authorized and Uncompleted	SD-7	170,000.00	170,000.00
		<u>3,768,660.26</u>	<u>3,768,639.28</u>
		<u>\$ 5,007,751.62</u>	<u>\$ 5,057,315.33</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3/SD-8	\$ 30,814.24	56,564.24
Reserve for Encumbrances	D-3/SD-8	133.05	1,129.74
Prepaid Sewer Rents	SD-9	2,329.10	1,774.03
Accrued Interest on Bond Anticipation Notes	SD-10	1,949.79	297.81
		<u>35,226.18</u>	<u>59,765.82</u>
Reserve for Receivables		23,486.71	25,863.07
Fund Balance	D-1	1,180,378.47	1,203,047.16
		<u>1,239,091.36</u>	<u>1,288,676.05</u>
Total Operating Fund			
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-4	27.33	6.35
Improvement Authorizations - Unfunded	SD-11	74,690.57	70,911.88
Reserve for Encumbrances	SD-11	3,778.69	3,778.69
Reserve for Amortization	SD-12	3,506,642.36	3,472,542.36
Bond Anticipation Notes	SD-13	187,300.00	221,400.00
		<u>3,768,660.26</u>	<u>3,768,639.28</u>
		<u>\$ 5,007,751.62</u>	<u>\$ 5,057,315.33</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2022 and 2021

<u>Revenue and Other</u> <u>Income Realized</u>	<u>2022</u>	<u>2021</u>
Operating Surplus Anticipated	\$ 167,800.00	\$ 30,000.00
Sewer Rents and Liens	442,953.84	432,808.09
Miscellaneous	14,129.18	18,693.55
Unexpended Balance of Appropriation Reserves	<u>52,033.22</u>	<u>56,256.03</u>
Total Income	<u>676,916.24</u>	<u>537,757.67</u>
 <u>Expenditures</u>		
Operating	365,534.24	337,791.78
Debt Service	36,588.19	35,432.03
Deferred Charges and Regulatory Expenditures	25,650.00	23,650.00
Surplus - General Budget	<u>104,012.50</u>	<u></u>
Total Expenditures	<u>531,784.93</u>	<u>396,873.81</u>
Excess in Revenue	145,131.31	140,883.86
 <u>Fund Balance</u>		
Balance Jan. 1	<u>1,203,047.16</u>	<u>1,092,163.30</u>
	1,348,178.47	1,233,047.16
Decreased by:		
Utilized as Revenue	<u>167,800.00</u>	<u>30,000.00</u>
Balance Dec. 31	<u>\$ 1,180,378.47</u>	<u>\$ 1,203,047.16</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2022

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Sewer Operating Surplus Anticipated	\$ 167,800.00	\$ 167,800.00	
Sewer Rents	350,000.00	442,953.84	\$ 92,953.84
Miscellaneous	<u>13,996.74</u>	<u>14,129.18</u>	<u>132.44</u>
	<u>\$ 531,796.74</u>	<u>\$ 624,883.02</u>	<u>\$ 93,086.28</u>

Analysis of Realized Revenues:

Sewer Rents Receivable:

Collections	\$ 441,179.81
Prepayments Applied	<u>1,774.03</u>
	<u>\$ 442,953.84</u>

Miscellaneous:

Treasurer:	
Interest Earned on Deposits	\$ 8,508.60
Collector:	
Connection Fees	1,890.00
Interest and Costs on Delinquent Accounts	3,618.99
Due from Sewer Utility Capital Fund:	
Interest Earned on Deposits	<u>111.59</u>
	<u>\$ 14,129.18</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, 2022

	<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	\$ 205,179.24	\$ 205,179.24	\$ 193,354.16		\$ 11,825.08	
Other Expenses	162,355.00	160,355.00	142,537.22	\$ 133.05	17,684.73	
Total Operating	<u>367,534.24</u>	<u>365,534.24</u>	<u>335,891.38</u>	<u>133.05</u>	<u>29,509.81</u>	
Debt Service:						
Payment of Bond Anticipation Notes	34,100.00	34,100.00	34,100.00			
Interest on Notes	2,500.00	2,500.00	2,488.19			\$ 11.81
Total Debt Service	<u>36,600.00</u>	<u>36,600.00</u>	<u>36,588.19</u>			<u>11.81</u>
Deferred Charges and Regulatory Expenditures:						
Regulatory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	13,500.00	15,500.00	14,230.04		1,269.96	
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)	150.00	150.00	115.53		34.47	
Public Employees Retirement System	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Regulatory Expenditures	<u>23,650.00</u>	<u>25,650.00</u>	<u>24,345.57</u>		<u>1,304.43</u>	
Surplus (General Budget)	<u>104,012.50</u>	<u>104,012.50</u>	<u>104,012.50</u>			
	<u>\$ 531,796.74</u>	<u>\$ 531,796.74</u>	<u>\$ 500,837.64</u>	<u>\$ 133.05</u>	<u>\$ 30,814.24</u>	<u>\$ 11.81</u>
Disbursements			\$ 504,907.25			
Accrued Interest on Notes			2,488.19			
Receipts -- Refunds			(6,557.80)			
			<u>\$ 500,837.64</u>			

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

BOROUGH OF STRATFORD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land (at Assessed Valuation)	\$ 996,900.00			\$ 996,900.00
Buildings	2,554,252.14			2,554,252.14
Equipment	174,498.40			174,498.40
Fire Equipment	59,692.20			59,692.20
Vehicles	3,164,391.86	\$ 101,947.95	\$ 67,200.00	3,199,139.81
	<hr/>			
Total General Fixed Assets	\$ 6,949,734.60	\$ 101,947.95	\$ 67,200.00	\$ 6,984,482.55
	<hr/>			
Total Investment in General Fixed Assets	\$ 6,949,734.60	\$ 101,947.95	\$ 67,200.00	\$ 6,984,482.55
	<hr/>			

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, 2022

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 and is 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 of Hi-Nella, Laurel Springs, Lindenwold, and Somerdale. According to the 2020 census, the population is 6,981.

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) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Stratford Public Library
303 Union Avenue
Stratford, New Jersey 08084

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

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

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

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

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

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

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 operating 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 to 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, 2021, and decreased by the amount deferred at December 31, 2022.

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.

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

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Stratford Public Library. The amount of the library tax is a separate local levy tax and is remitted to the library through the municipal budget.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the 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 immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

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

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

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

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Borough.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Borough's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

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, 2022, the Borough's bank balances of \$6,043,654.10 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 5,162,296.92
Uninsured and Uncollateralized	<u>881,357.18</u>
Total	<u><u>\$ 6,043,654.10</u></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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 4.659	\$ 4.506	\$ 4.427	\$ 4.424	\$ 4.291
Apportionment of Tax Rate:					
Municipal	\$ 1.018	\$.990	\$.946	\$.949	\$.949
Municipal Library	.040	.037	.036	.036	.034
Municipal Open Space	.014	.014	.014	.014	.013
County	.874	.873	.869	.866	.873
Local School	1.972	1.929	1.897	1.875	1.771
Regional High School	.741	.663	.665	.684	.651

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 408,025,091.00
2021	409,457,891.00
2020	409,695,500.00
2019	408,205,700.00
2018	411,807,900.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 19,074,874.98	\$ 18,849,921.73	98.82%
2021	18,453,266.43	18,142,925.84	98.32%
2020	18,143,848.54	17,874,829.80	98.52%
2019	18,320,927.12	17,813,767.85	97.23%
2018	17,671,253.85	17,367,039.49	98.28%

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):

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>
2022	\$ 7,924.88	\$ 206,549.95	\$ 214,474.83	1.12%
2021	7,142.17	288,427.92	295,570.09	1.60%
2020	6,385.16	268,102.19	274,487.35	1.51%
2019	5,641.42	513,491.55	519,132.97	2.83%
2018	4,895.00	307,078.81	311,973.81	1.77%

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>
2022	2
2021	2
2020	2
2019	2
2018	2

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>
2022	\$ 613,700.00
2021	613,700.00
2020	613,700.00
2019	613,700.00
2018	613,700.00

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 Receivable</u>	<u>Liens</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
2022	\$ 25,863.07	None	\$ 440,577.48	\$ 466,440.55	\$ 442,953.84
2021	18,678.55	None	439,992.61	458,671.16	432,808.09
2020	14,882.62	None	440,636.66	455,519.28	436,840.73
2019	17,378.91	None	443,135.01	460,513.92	445,631.30
2018	19,173.60	None	443,593.04	462,766.64	445,387.73

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 December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 808,611.41	\$ 735,000.00	90.90%
2021	942,240.69	782,000.00	82.99%
2020	1,136,951.63	782,000.00	68.78%
2019	1,180,052.89	606,225.00	51.37%
2018	1,209,014.23	561,962.57	46.48%

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>
2022	\$ 1,180,378.47	\$ 167,800.00	14.22%
2021	1,203,047.16	167,800.00	13.95%
2020	1,092,163.30	30,000.00	2.75%
2019	1,030,298.48	28,200.00	2.74%
2018	909,129.95	15,000.00	1.65%

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, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 18,932.83	\$ 195.41
Federal and State Grant	3,347.50	
Trust - Animal Control		6.73
Trust - Open Space	195.41	
Trust - Other		21,889.96
General Capital		383.64
Sewer Utility - Operating	27.33	
Sewer Utility - Capital		27.33
	<u>\$ 22,503.07</u>	<u>\$ 22,503.07</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 2023, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2022, was not available for both plans, therefore the information dated June 30, 2021, is disclosed below.

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, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

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

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

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the 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' 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' 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' Board of Trustees is primarily responsible for the administration of the PFRS.

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

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

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 on or after May 22, 2010, and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2019. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10.0% in State fiscal year 2019. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2021, was 18.24% 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, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021, is \$127,889.00, and was payable by April 1, 2022. 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, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020, was \$118,211.00, which was paid on April 1, 2021.

Employee contributions to the Plan during the year ended December 31, 2021, were \$54,379.92.

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 10.0% in State fiscal year 2019. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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.

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) - Special Funding Situation Component (Cont'd)- 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, 2021, was 32.70% 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.

Based on the most recent PFRS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021, is \$440,885.00, and was payable by April 1, 2022. 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, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020, was \$422,283.00, which was paid on April 1, 2021.

Employee contributions to the Plan during the year ended December 31, 2021, were \$135,249.00.

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, 2021, was 5.01% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021, is \$67,554.00, and was payable by April 1, 2022. Based on the PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021, was \$58,328.00, which was paid on April 1, 2021.

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, 2022, there were no Borough employees participating in this plan.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

Pension Liability - At December 31, 2021, the Borough's proportionate share of the PERS net pension liability was \$1,293,669.00. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021, measurement date, the Borough's proportion was 0.0109202654%, which was an increase of 0.0001143742% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the year ended December 31, 2021, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021, measurement date was (\$159,290.00). This (benefit) 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, 2021, the Borough's contribution to PERS was \$118,211.00, and was paid on April 1, 2021.

Police and Firemen's Retirement System

Pension Liability - At December 31, 2021, 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	\$ 2,764,989.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>777,652.00</u>
	<u>\$ 3,542,641.00</u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. 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, 2021, measurement date, the Borough's proportion was 0.0378291291%, which was an increase of 0.0000298079% from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0378290597%, which was an increase of 0.0000297385% from its proportion, on-behalf of the Borough, measured as of June 30, 2020.

Pension (Benefit) Expense - For the year ended December 31, 2021, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021, measurement date was (\$354,997.00). This (benefit) 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, 2021, the Borough's contribution to PFRS was \$422,283.00, and was paid on April 1, 2021.

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

Pension (Benefit) Expense (Cont'd) - For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2021, measurement date, was \$86,608.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 20,403.00	\$ 31,545.00	\$ 51,948.00	\$ 9,261.00	\$ 331,217.00	\$ 340,478.00
Changes of Assumptions	6,737.00	14,713.00	21,450.00	460,555.00	828,654.00	1,289,209.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	340,786.00	1,178,252.00	1,519,038.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	48,889.00	133,563.00	182,452.00	2,072.00	246,356.00	248,428.00
Borough Contributions Subsequent to the Measurement Date	63,945.00	220,443.00	284,388.00	-	-	-
	<u>\$ 139,974.00</u>	<u>\$ 400,264.00</u>	<u>\$ 540,238.00</u>	<u>\$ 812,674.00</u>	<u>\$ 2,584,479.00</u>	<u>\$ 3,397,153.00</u>

\$63,945.00 and \$220,443.00 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, 2022. These amounts were based on an estimated April 1, 2023, contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021, to the Borough's year end of December 31, 2021.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) 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:

	PERS		PFRS	
	<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, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
June 30, 2019	-	5.00	-	5.00
June 30, 2020	-	5.00	-	5.00
June 30, 2021	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2022	\$ (328,062.00)	\$ (731,724.00)	\$ (1,059,786.00)
2023	(248,205.00)	(605,976.00)	(854,181.00)
2024	(181,024.00)	(492,411.00)	(673,435.00)
2025	2,180.00	(507,007.00)	(504,827.00)
2026	18,466.00	(57,723.00)	(39,257.00)
Thereafter	-	(9,817.00)	(9,817.00)
	<u>\$ (736,645.00)</u>	<u>\$ (2,404,658.00)</u>	<u>\$ (3,141,303.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. 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, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	2.00% - 6.00%	
Thereafter	3.00% - 7.00%	
Through All Future Years		3.25% - 15.25%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018	July 1, 2013 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2020, are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate -

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. 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. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.16% as of June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of 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 as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 1,761,715.00	\$ 1,293,669.00	\$ 896,466.00

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

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 the June 30, 2021, measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 4,198,549.00	\$ 2,764,989.00	\$ 1,571,705.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>1,180,841.00</u>	<u>777,652.00</u>	<u>442,042.00</u>
	<u>\$ 5,379,390.00</u>	<u>\$ 3,542,641.00</u>	<u>\$ 2,013,747.00</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 (benefit) 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.

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

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

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0109202654%	0.0108058912%	0.0106930625%	0.0107146349%	0.0105996028%
Borough's Proportionate Share of the Net Pension Liability	\$ 1,293,669.00	\$ 1,762,158.00	\$ 1,926,728.00	\$ 2,109,658.00	\$ 2,467,418.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 801,960.00	\$ 783,068.00	\$ 761,028.00	\$ 753,996.00	\$ 735,392.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	161.31%	225.03%	253.17%	279.80%	335.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<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 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%	

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

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 127,889.00	\$ 118,211.00	\$ 104,012.00	\$ 106,576.00	\$ 98,194.00
Borough's Contribution in Relation to the Contractually Required Contribution	(127,889.00)	(118,211.00)	(104,012.00)	(106,576.00)	(98,194.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 701,187.00	\$ 738,270.00	\$ 758,891.00	\$ 774,583.00	\$ 760,368.00
Borough's Contributions as a Percentage of Covered Payroll	18.24%	16.01%	13.71%	13.76%	12.91%
	<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)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
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 Covered Payroll	12.55%	12.54%	12.17%	11.19%	

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0378291291%	0.0377993212%	0.0392933211%	0.0385433466%	0.0404181401%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,764,989.00	\$ 4,884,171.00	\$ 4,808,645.00	\$ 5,215,550.00	\$ 6,236,779.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	777,652.00	758,001.00	759,294.00	708,446.00	698,908.00
Total	\$ 3,542,641.00	\$ 5,642,172.00	\$ 5,567,939.00	\$ 5,923,996.00	\$ 6,935,687.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,326,104.00	\$ 1,304,260.00	\$ 1,299,932.00	\$ 1,247,888.00	\$ 1,278,124.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	208.50%	374.48%	369.92%	417.95%	487.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	63.52%	65.00%	62.48%	58.60%
	<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	\$ 7,453,812.00	\$ 6,951,073.00	\$ 5,114,651.00	\$ 5,217,436.00	
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 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%	

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

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 440,885.00	\$ 422,283.00	\$ 396,906.00	\$ 376,818.00	\$ 357,708.00
Borough's Contribution in Relation to the Contractually Required Contribution	(440,885.00)	(422,283.00)	(396,906.00)	(376,818.00)	(357,708.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 1,348,349.00	\$ 1,320,005.00	\$ 1,293,509.00	\$ 1,313,604.00	\$ 1,274,437.00
Borough's Contributions as a Percentage of Covered Payroll	32.70%	31.99%	30.68%	28.69%	28.07%

	Year Ended December 31,			
	<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)	\$ -	\$ -	\$ -	\$ -
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 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**

The June 30, 2021, measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Public Employees' Retirement System (PERS) (Cont'd)***Changes in Assumptions (Cont'd)

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

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

None

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	6.14%
2020	7.00%	2016	5.55%
2019	6.85%	2015	5.79%
2018	6.51%	2014	6.32%

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2022, was not available, therefore the information dated June 30, 2021, is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

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

The Borough was billed monthly by the Plan and paid \$253,096.72, for the year ended December 31, 2021, representing 12.35% of the Borough's covered payroll. During the year ended December 31, 2021, retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2021, the Borough's proportionate share of the net OPEB liability was \$7,674,027.00.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The Borough's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020, through June 30, 2021. For the June 30, 2021, measurement date, the Borough's proportion was .042634%, which was a decrease of (0.003431%) from its proportion measured as of the June 30, 2020, measurement date.

OPEB (Benefit) Expense - At December 31, 2021, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021, measurement date, is (\$164,370.00). This (benefit) 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, 2021, the Borough made contributions to the Plan totaling \$253,096.72.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 172,196.00	\$ 1,605,520.00
Changes of Assumptions	1,103,932.00	1,356,474.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	3,669.00	-
Changes in Proportion	671,373.00	1,755,629.00
Contributions Subsequent to the Measurement Date	126,026.74	-
	<u>\$ 2,077,196.74</u>	<u>\$ 4,717,623.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$126,026.74 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2022. The Borough will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience		
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	-	7.82
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
June 30, 2019	-	8.05
June 30, 2020	7.87	-
June 30, 2021	7.82	-
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
Changes in Proportion		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14
June 30, 2019	8.05	8.05
June 30, 2020	7.87	7.87
June 30, 2021	7.82	7.82

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

Year Ending Dec. 31,	
2022	\$ (706,577.00)
2023	(707,180.00)
2024	(707,731.00)
2025	(473,838.00)
2026	(165,318.00)
Thereafter	(5,809.00)
	<u>\$ (2,766,453.00)</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Rate for all Future Years	3.25% to 15.25%

* salary increases are based on years of service within the respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2021.

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational morality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013, to June 30, 2018, and July 1, 2014, to June 30, 2018, respectively.

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2021, was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription
	Pre-65	PPO Post-65	HMP Post-65	Drug Trend
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 9,030,858.00	\$ 7,674,027.00	\$ 6,598,709.00

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Borough's Proportionate Share of the Net OPEB Liability	\$ 6,402,723.00	\$ 7,674,027.00	\$ 9,332,921.00

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

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

Schedule of the Borough's Proportionate Share of the Net OPEB Liability (Last Five Plan Years)

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.042634%	0.046065%	0.042028%	0.046348%	0.047657%
Borough's Proportionate Share of the Net OPEB Liability	\$ 7,674,027.00	\$ 8,267,107.00	\$ 5,693,143.00	\$ 7,261,164.00	\$ 9,729,552.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 2,049,162.00	\$ 2,042,709.00	\$ 2,104,407.00	\$ 2,053,478.00	\$ 2,031,024.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	374.50%	404.71%	270.53%	353.60%	479.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Schedule of the Borough's Contributions (Last Five Years)

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Required Contributions	\$ 253,096.72	\$ 231,054.84	\$ 178,137.42	\$ 257,293.30	\$ 256,473.03
Borough's Contributions in Relation to the Required Contribution	(253,096.72)	(231,054.84)	(178,137.42)	(257,293.30)	(256,473.03)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 2,049,536.00	\$ 2,058,275.00	\$ 2,052,400.00	\$ 2,088,187.00	\$ 2,034,805.00
Borough's Contributions as a Percentage of Covered Payroll	12.35%	11.23%	8.68%	12.32%	12.60%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information (Cont'd)**

Changes in Assumptions (Cont'd) - In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

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 accrues 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. On December 31, 2022, the balance of the fund was \$10,768.49. It is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$85,985.75.

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: CAPITAL DEBT

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

Summary of Debt

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Notes	\$ 3,395,771.25	\$ 3,318,808.25	\$ 3,422,347.25
Sewer Utility:			
Notes	187,300.00	221,400.00	255,500.00
Total Issued	<u>3,583,071.25</u>	<u>3,540,208.25</u>	<u>3,677,847.25</u>
<u>Authorized but not Issued</u>			
General:			
Notes	-	-	-
Sewer Utility:			
Notes	-	475,000.00	-
Total Authorized but not Issued	<u>-</u>	<u>475,000.00</u>	<u>-</u>
Total Issued and Authorized but not Issued	<u>3,583,071.25</u>	<u>4,015,208.25</u>	<u>3,677,847.25</u>
<u>Deductions</u>			
Sewer Utility:			
Notes			
Self-Liquidating	187,300.00	221,400.00	255,500.00
Total Deductions	<u>187,300.00</u>	<u>221,400.00</u>	<u>255,500.00</u>
Net Debt	<u>\$ 3,395,771.25</u>	<u>\$ 3,793,808.25</u>	<u>\$ 3,422,347.25</u>

Note 12: CAPITAL DEBT (CONT'D)

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 .700%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,541,948.87	\$ 3,541,948.87	
Self-Liquidating	187,300.00	187,300.00	
General	<u>3,395,771.25</u>		<u>\$ 3,395,771.25</u>
	<u>\$ 7,125,020.12</u>	<u>\$ 3,729,248.87</u>	<u>\$ 3,395,771.25</u>

Net debt \$3,395,771.25 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$485,312,075.00, equals .700%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 16,985,922.63
Less: Net Debt	<u>3,395,771.25</u>
Remaining Borrowing Power	<u>\$ 13,590,151.38</u>

**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	\$ 624,883.02
Deductions:	
Operating and Maintenance Costs	\$ 391,184.24
Debt Service	<u>36,588.19</u>
Total Deductions	<u>427,772.43</u>
Excess in Revenue	<u>\$ 197,110.59</u>

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2022, the following deferred charge is shown on the statement of assets, liabilities, reserves, and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2022</u>	<u>2023 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 35,000.00	\$ 20,000.00

The appropriation in the 2023 Budget as adopted is not less than that required by the statutes.

Note 14: SCHOOL TAXES

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

	<u>Balance December 31,</u>	
	<u>2022</u>	<u>2021</u>
Balance of Tax	\$ 1,374,956.80	\$ 1,357,314.50
Deferred	<u>1,512,452.50</u>	<u>1,357,314.50</u>
	<u>\$ (137,495.70)</u>	<u>\$ -</u>

Note 15: 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>
2022	\$ -	\$ 5,109.62	\$ 47.03	\$ 357.79	\$ 32,768.03
2021	-	4,008.62	31.26	864.87	27,969.17
2020	-	3,493.39	88.67	65.74	24,794.16

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2022.

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

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - 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, 2021, which can be obtained from:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054

Note 16: 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 to exceed \$57,247.36 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, \$28,623.68 is budgeted to develop and maintain lands acquired for recreational and conservation purposes and one half, \$28,623.68 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 17: 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 legal proceedings that are in various stages of 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 18: 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 19: 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	July 11, 2023	\$ 617,500.00

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2023.

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, 2022

	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2021	\$ 1,529,104.99	\$ 166,761.85
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 90,690.38	
2022 Appropriation Refunds	95,389.37	
Tax Collector	19,119,388.95	
Petty Cash Funds	75.00	
Revenue Accounts Receivable	1,857,518.18	
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	55,811.64	
Due State of New Jersey - Marriage and Civil Unions	250.00	
Reserve for Municipal Relief Fund	37,590.96	
Federal and State Grants Receivable		\$ 335,191.64
Reserve for Federal and State Grants -- Unappropriated		366,103.90
Due Animal Control Fund	1.50	
Due Trust - Other Fund	<u> </u>	<u>2,872.50</u>
	<u>21,256,715.98</u>	<u>704,168.04</u>
	22,785,820.97	870,929.89
Decreased by Disbursements:		
2022 Appropriations	6,362,956.65	
Petty Cash Funds	75.00	
2021 Appropriation Reserves	190,755.08	
Tax Overpayments	6,254.00	
County Taxes Payable	3,564,781.26	
Due to County - Added and Omitted Taxes	599.39	
Local School District Taxes Payable	8,045,127.00	
Regional High School Taxes	3,007,262.70	
Open Space Trust Taxes Payable	57,247.36	
Reserve for Master Plan	3,912.50	
Due State of New Jersey - Marriage and Civil Unions	250.00	
Due to County - Brandywine PILOT	18,502.50	
Reserve for Federal and State Grants -- Unappropriated		300,000.00
Reserve for Federal and State Grants -- Appropriated		438,656.46
Due General Capital Fund	<u>66,396.06</u>	<u> </u>
	<u>21,324,119.50</u>	<u>738,656.46</u>
Balance December 31, 2022	<u>\$ 1,461,701.47</u>	<u>\$ 132,273.43</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 -- Collector
For the Year Ended December 31, 2022

Receipts:

Interest and Cost on Taxes	\$ 69,402.39
Miscellaneous Revenue not Anticipated:	
Maintenance Liens Receivable	1,200.00
Taxes Receivable	18,882,449.17
Prepaid Taxes	164,982.15
Tax Overpayments	<u>1,355.24</u>

19,119,388.95

Decreased by:

Turnovers to Treasurer	<u><u>\$ 19,119,388.95</u></u>
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BOROUGH OF STRATFORD
 CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2022

Office:		
Collector	\$	20.00
Court		<u>100.00</u>
	\$	<u><u>120.00</u></u>

BOROUGH OF STRATFORD
 CURRENT FUND
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2022

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

BOROUGH OF STRATFORD
 CURRENT FUND
 Statement of Delinquent Property Taxes Receivable
 For the Year Ended December 31, 2022

Year	Balance	2022	Added	Collections (Collector)		Due from	Transfer to	Miscellaneous	Cancellations	Balance
	<u>Dec. 31, 2021</u>	<u>Levy</u>	<u>Taxes</u>	<u>2021</u>	<u>2022</u>	State of New Jersey	<u>Lien</u>			<u>Dec. 31, 2022</u>
2018	\$ 1,050.06				\$ 1,050.06					
2019	12,703.37				12,703.37					
2020	17,257.98		\$ 768.80		18,026.78					
2021	<u>257,416.51</u>		<u>2,297.90</u>		<u>259,714.41</u>					
	288,427.92		3,066.70		291,494.62					
2022		\$ 19,074,874.98	280.28	\$ 200,882.24	18,590,954.55	\$ 58,061.64	\$ 782.71	\$ 23.30	\$ 17,900.87	\$ 206,549.95
	<u>\$ 288,427.92</u>	<u>\$ 19,074,874.98</u>	<u>\$ 3,346.98</u>	<u>\$ 200,882.24</u>	<u>\$ 18,882,449.17</u>	<u>\$ 58,061.64</u>	<u>\$ 782.71</u>	<u>\$ 23.30</u>	<u>\$ 17,900.87</u>	<u>\$ 206,549.95</u>
Reserve for Whitman Avenue Townhouses								<u>\$ 23.30</u>		

Analysis of 2022 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 19,009,890.24
Added Taxes (54:4-63.1 et seq.)	<u>64,984.74</u>
	<u>\$ 19,074,874.98</u>

Tax Levy:

Regional High School Tax	\$ 3,024,905.00
Local District School Tax	8,045,127.00
County Taxes:	
Net County Taxes	\$ 3,468,310.70
County Open Space Taxes	96,470.56
Due County for Added and Omitted Taxes	<u>12,198.25</u>
Total County Taxes	3,576,979.51
Municipal Open Space Tax	57,247.36
Municipal Open Space Added and Omitted Tax	<u>195.41</u>
Total Municipal Open Space Taxes	57,442.77
Local Tax for Municipal Purposes	4,152,285.78
Minimum Library Tax	161,789.74
Add: Additional Tax Levied	<u>56,345.18</u>
	<u>4,370,420.70</u>
	<u>\$ 19,074,874.98</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 7,142.17
Increased by:	
Transfer from 2022 Taxes Receivable	<u>782.71</u>
Balance December 31, 2022	<u><u>\$ 7,924.88</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 1,662.54
Increased by:	
2022 Assessments	<u>1,181.37</u>
	2,843.91
Decreased by:	
Receipts -- Collector	<u>1,200.00</u>
Balance December 31, 2022	<u><u>\$ 1,643.91</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued in</u> <u>2022</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, 2022</u>
Clerk:							
Licenses:							
Alcohol Beverage		\$ 5,000.00	\$ 5,000.00				
Other	\$ 90.00	3,851.00	3,941.00				
Fees and Permits	12,025.00	64,127.00	76,152.00				
Municipal Court:							
Fines and Costs	14,718.60	167,223.64	173,758.34				\$ 8,183.90
Utility Surplus		104,012.50	104,012.50				
Energy Receipts Tax		720,632.00	720,632.00				
Shared Services School Resource Officer		81,366.25	81,366.25				
Property Maintenance		13,510.08	13,510.08				
Library Property Maintenance		5,500.00	5,500.00				
Delaware River Port Authority		15,000.00	15,000.00				
Conrail Property Maintenance		3,300.00	3,300.00				
Cable Television Franchise Fee		25,224.22	25,224.22				
Rowan University		50,000.00	50,000.00				
Coronavirus Local Fiscal Recovery Funds		300,000.00	300,000.00				
Payment in Lieu of Taxes		275,240.40	275,240.40				
Interest on Investments and Deposits	2.02	6,517.71	4,881.39	\$ 6.73	\$ 1,247.97	\$ 383.64	
	<u>\$ 26,835.62</u>	<u>\$ 1,840,504.80</u>	<u>\$ 1,857,518.18</u>	<u>\$ 6.73</u>	<u>\$ 1,247.97</u>	<u>\$ 383.64</u>	<u>\$ 8,183.90</u>

BOROUGH OF STRATFORD
CURRENT FUND
Schedule of Property Acquired for Taxes (At Assessed Valuation)
As of December 31, 2022

Balance December 31, 2022	<u>\$ 613,700.00</u>
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BOROUGH OF STRATFORD
CURRENT FUND
Statement of Deferred Charges
N.J.S. 40A:4-55 Special Emergency
For the Year Ended December 31, 2022

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Raised in</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
February 14, 2017	Master Plan Update	\$ 50,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
June 12, 2018	Master Plan Update	50,000.00	10,000.00	20,000.00	10,000.00	\$ 10,000.00
March 12, 2019	Master Plan Update	25,000.00	5,000.00	15,000.00	5,000.00	10,000.00
April 14, 2020	Master Plan Update	25,000.00	5,000.00	20,000.00	5,000.00	15,000.00
		<u>\$ 150,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 65,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 35,000.00</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021		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		\$ 1,962.08	\$ 1,962.08	\$ 1,755.00	\$ 207.08
Other Expenses	\$ 328.56	3,803.95	4,132.51	1,976.55	2,155.96
Elections:					
Other Expenses		0.65	0.65		0.65
Financial Administration (Treasury):					
Other Expenses		2,617.98	2,617.98	75.00	2,542.98
Collection of Taxes					
Other Expenses	53.19	4,207.59	4,260.78	585.19	3,675.59
Assessment of Taxes:					
Other Expenses		1,376.00	1,376.00	1,166.20	209.80
Legal Services and Costs					
Salaries and Wages		408.00	408.00	408.00	
Other Expenses	5,062.50	11,864.73	16,927.23	16,927.23	
Engineering Services and Costs					
Other Expenses		2,431.25	2,431.25	1,135.00	1,296.25
Municipal Court					
Salaries and Wages		9,545.79	9,545.79	629.55	8,916.24
Other Expenses	551.03	14,847.58	15,398.61	3,048.31	12,350.30
Public Defender					
Salaries and Wages		10.00	10.00		10.00
Land Use Administration:					
Municipal Land Use Law (N.J.S.. 40:55D-1)					
Planning Board					
Salaries and Wages		961.59	961.59		961.59
Other Expenses	126.18	2,786.07	2,912.25	751.18	2,161.07
Insurance:					
Other Insurance Premiums	9,507.49	5,000.00	14,507.49	9,507.49	5,000.00
Group Insurance for Employees	4,881.30	41,100.56	45,981.86	31,988.43	13,993.43
Public Safety Functions:					
Police					
Salaries and Wages		111,723.04	111,723.04	11,210.07	100,512.97
Other Expenses	6,943.35	19,261.13	26,204.48	9,517.24	16,687.24
Office of Emergency Management					
Other Expenses		2,025.15	2,025.15	75.00	1,950.15
Aid to Volunteer Ambulance Companies					
Fire	3,065.61	1,920.06	4,985.67	3,065.61	1,920.06
Fire					
Fire Hydrant Service	4,891.32	3,796.65	8,687.97	8,687.97	
Fire Department	11,555.44	336.86	11,892.30	11,807.39	84.91
Uniform Fire Safety and Inspection Act					
Other Expenses		131.50	131.50		131.50
Public Work Functions:					
Public Works Department:					
Salaries and Wages		8,510.19	8,510.19	459.00	8,051.19
Other Expenses	2,589.36	3,804.59	6,393.95	3,043.93	3,350.02
Solid Waste Collection					
Other Expenses	1,785.66	35,827.27	37,612.93	23,134.41	14,478.52
Public Buildings and Grounds					
Other Expenses	135.44	3,248.96	3,384.40	135.44	3,248.96
Maintenance of Motor Vehicles:					
Other Expenses	2,512.50	251.61	2,764.11	2,710.06	54.05

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
Statement of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance Dec. 31, 2021		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Health and Human Services Functions:					
Board of Health					
Salaries and Wages		\$ 1,973.00	\$ 1,973.00		\$ 1,973.00
Other Expenses	\$ 73.50	1,224.50	1,298.00	\$ 73.50	1,224.50
Environmental Commission (N.J.S.. 40:56A-1)					
Other Expenses		9.76	9.76		9.76
Utility Expenses and Bulk Purchases:					
Electricity		8,117.05	8,117.05	3,169.85	4,947.20
Street Lighting		2,305.02	2,305.02	1,957.64	347.38
Telephone	2,887.56	2,384.90	5,272.46	2,937.56	2,334.90
Water	261.93	375.21	637.14	261.93	375.21
Gas (Natural or Propane)		3,086.31	3,086.31	2,274.83	811.48
Sewerage Processing and Disposal		396.70	396.70		396.70
Gasoline	3,992.26	3,977.83	7,970.09	4,871.02	3,099.07
Landfill / Solid Waste Disposal Costs:					
Solid Waste Disposal	21,324.64	7,486.13	28,810.77	26,190.64	2620.13
Other Common Operating Functions (Unclassified)					
Celebration of Public Events, Anniversaries or Holiday					
Other Expenses		93.12	93.12		93.12
Total Operations Including Contingent - within "CAPS"	<u>82,528.82</u>	<u>325,190.36</u>	<u>407,719.18</u>	<u>185,536.22</u>	<u>222,182.96</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
MUNICIPAL -- WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Defined Contribution Retirement Program		10.00	10.00		10.00
Unemployment Compensation Insurance		4,346.55	4,346.55	4,112.55	234.00
Social Security System (O.A.S.I.)		5,105.19	5,105.19	1,106.31	3,998.88
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"		<u>9,461.74</u>	<u>9,461.74</u>	<u>5,218.86</u>	<u>4,242.88</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>\$ 82,528.82</u>	<u>334,652.10</u>	<u>417,180.92</u>	<u>190,755.08</u>	<u>226,425.84</u>
OPERATIONS -- EXCLUDED FROM "CAPS"					
Maintenance of Free Public Library					
Salaries and Wages		14.33	14.33		14.33
Municipal Court - Court Security					
Salaries and Wages		19.11	19.11		19.11
Total Other Operations - Excluded from "CAPS"		<u>33.44</u>	<u>33.44</u>		<u>33.44</u>
Interlocal Municipal Service Agreements:					
School Resource Officer		6,169.71	6,169.71		6,169.71
Total Interlocal Municipal Service Agreements		<u>6,169.71</u>	<u>6,169.71</u>		<u>6,169.71</u>
Total Operations -- Excluded from "CAPS"		<u>6,203.15</u>	<u>6,203.15</u>		<u>6,203.15</u>
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"					
Capital Outlay -- Computers		400.00	400.00		400.00
Total General Appropriations	<u>\$ 82,528.82</u>	<u>\$ 341,255.25</u>	<u>\$ 423,784.07</u>	<u>\$ 190,755.08</u>	<u>\$ 233,028.99</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, 2022

Balance December 31, 2021		\$ 8,984.43
Increased by:		
Receipts		55,811.64
		64,796.07
Decreased by:		
Accrued in 2022:		
Senior Citizens, Disabled and Surviving Spouse Deductions Per Tax Billing	\$ 9,500.00	
Veterans and Widows Deductions per Tax Billing	47,250.00	
Deductions Allowed per Collector	\$ 56,750.00 <u>2,000.00</u>	
		\$ 58,750.00
Less:		
Deductions Disallowed per Collector		688.36
		58,061.64
Balance December 31, 2022		\$ 6,734.43

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2022

Balance December 31, 2021 (2022 Taxes)	\$ 200,882.24
Increased by:	
Receipts:	
Collector	<u>164,982.15</u>
	365,864.39
Decreased by:	
Application to Taxes Receivable	<u>200,882.24</u>
Balance December 31, 2022 (2023 Taxes)	<u><u>\$ 164,982.15</u></u>

Exhibit SA-14

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 6,665.59
Increased by:	
Receipts:	
Collector	<u>1,355.24</u>
	8,020.83
Decreased by:	
Disbursements:	
Refunds	<u>6,254.00</u>
Balance December 31, 2022	<u><u>\$ 1,766.83</u></u>

BOROUGH OF STRATFORD
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2022

2022 Levy:		
Net County Taxes	\$ 3,468,310.70	
County Open Space Taxes	<u>96,470.56</u>	
		\$ 3,564,781.26
Decreased by:		
Disbursements		<u>\$ 3,564,781.26</u>

Exhibit SA-16

BOROUGH OF STRATFORD
CURRENT FUND
 Statement of Due to County - Added and Omitted Taxes
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 599.39
Increased by:		
County Share of Levy:		
2022 Added Assessments		<u>12,198.25</u>
		12,797.64
Decreased by:		
Disbursements		<u>599.39</u>
Balance December 31, 2022		<u>\$ 12,198.25</u>

Exhibit SA-17

BOROUGH OF STRATFORD
CURRENT FUND
 Statement of Due to County - Brandywine PILOT
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 18,502.50
Decreased by:		
Disbursements		<u>\$ 18,502.50</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Local School District Taxes Payable
For the Year Ended December 31, 2022

2022 Levy (Calendar Year)	\$ 8,045,127.00
Decreased by:	
Disbursements	<u>\$ 8,045,127.00</u>

Exhibit SA-19

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Regional High School Taxes
For the Year Ended December 31, 2022

Balance December 31, 2021		
Regional High School Tax Deferred		\$ 1,357,314.50
Increased by:		
Levy School Year July 1, 2022 to June 30, 2023		<u>3,024,905.00</u>
		4,382,219.50
Decreased by:		
Disbursements		<u>3,007,262.70</u>
Balance December 31, 2022		
Regional High School Tax Deferred	\$ 1,512,452.50	
Prepaid Regional School Taxes	<u>(137,495.70)</u>	
		<u>\$ 1,374,956.80</u>
2022 Regional High School Tax		
Amount Charged to 2022 Operations		<u>\$ 3,007,262.70</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2022

Increased by:			
2022 Levy	\$	57,247.36	
2022 Added and Omitted Taxes		<u>195.41</u>	
			\$ 57,442.77
Decreased by:			
Disbursements -- Open Space Trust Fund		57,247.36	
Due to Open Space Trust Fund		<u>195.41</u>	
			<u>\$ 57,442.77</u>

Exhibit SA-21

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Reserve for Whitman Ave Townhouses
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	7,559.41
Decreased by:		
Transfer to 2022 Taxes Receivable		<u>23.30</u>
Balance December 31, 2022	\$	<u>7,536.11</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Reserve for Master Plan
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 10,005.80
Decreased by:	
Disbursements	<u>3,912.50</u>
Balance December 31, 2022	<u><u>\$ 6,093.30</u></u>

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
 Statement of Federal, State and Local Grants Receivable
 For the Year Ended December 31, 2022

<u>Grant</u>	<u>Balance Dec. 31, 2021</u>	<u>Accrued</u>	<u>Received</u>	<u>Cancellations</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:					
COVID ARP State and Local Fiscal Recovery Funding		\$ 63,984.90	\$ 63,984.90		
FEMA - COVID Municipal Finance Grant		90,354.43	85,113.11		\$ 5,241.32
National Priority Safety Programs:					
National Highway Traffic Safety Administration:					
Camden County Regional DWI Task Force	\$ 39,329.69	73,780.00	34,980.00		78,129.69
Click it or Ticket		7,000.00	7,000.00		
Distracted Driver Statewide Crackdown		7,000.00	7,000.00		
Drive Sober or Get Pulled Over:					
Labor Day Crackdown		7,000.00	7,000.00		
Year-End Crackdown	6,000.00		6,000.00		
Total Federal Grants	45,329.69	249,119.33	211,078.01		83,371.01
State Grants:					
Alcohol Education and Rehabilitation		5,053.83	5,053.83		
Body Armor Replacement	1,702.77	1,117.32	1,117.32	\$ 1,702.77	
Body Worn Camera Grant	11,005.20				11,005.20
Clean Communities Program		14,239.22	14,239.22		
DWI Enforcement Sobriety Checkpoint		2,280.00	2,280.00		
Municipal Alliance Against Drug and Alcohol Abuse	20,042.78	13,390.00	9,159.51		24,273.27
Municipal Alliance DMHAS Youth Grant		7,500.00			7,500.00
New Jersey Department of Transportation:					
2019 Grant	77,763.71		77,763.71		
2020 Grant	300,000.00				300,000.00
2021 Grant		260,000.00			260,000.00
2022 Grant		240,000.00			240,000.00
Pedestrian Safety Enforcement & Education Fund	13,164.56		13,164.56		
Recycling Tonnage Grant		7,720.38	7,720.38		
Safe and Secure Communities Program	8,100.00	16,200.00	16,200.00		8,100.00
Total State Grants	431,779.02	567,500.75	146,698.53	1,702.77	850,878.47
Local Grants:					
Camden County Open Space Trust Fund - Vassar Avenue Sports Complex	25,000.00		25,000.00		
Historical Preservation Grant		16,400.00	16,400.00		
Total Local Grants	25,000.00	16,400.00	41,400.00		
Total Federal, State and Local Grants	\$ 502,108.71	\$ 833,020.08	\$ 399,176.54	\$ 1,702.77	\$ 934,249.48
Original Budget					
Chapter 159 - N.J.S. 40A:4-87		\$ 39,237.70			
Realized Federal and State Grants Unappropriated		793,782.38			
Receipts			\$ 63,984.90		
			335,191.64		
Cancelled Against Unappropriated Grant Reserves				\$ 1,117.32	
Cancelled Against Appropriated Grant Reserves				585.45	
		<u>\$ 833,020.08</u>	<u>\$ 399,176.54</u>	<u>\$ 1,702.77</u>	

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants -- Unappropriated
 For the Year Ended December 31, 2022

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Cash</u> <u>Received</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Federal Grants:				
COVID ARP State and Local Fiscal Recovery Funding	\$ 363,984.90	\$ 363,984.90	\$ 363,984.90	\$ 363,984.90
Total Federal Grants	<u>363,984.90</u>	<u>363,984.90</u>	<u>363,984.90</u>	<u>363,984.90</u>
State Grants:				
Body Armor Replacement Program	1,117.32	1,413.19	1,117.32	1,413.19
Pedestrian Safety Enforcement & Education Fund		705.81		705.81
Total State Grants	<u>1,117.32</u>	<u>2,119.00</u>	<u>1,117.32</u>	<u>2,119.00</u>
Total Federal and State Grants	<u>\$ 365,102.22</u>	<u>\$ 366,103.90</u>	<u>\$ 365,102.22</u>	<u>\$ 366,103.90</u>

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Local Grants -- Appropriated
For the Year Ended December 31, 2022

Grant	Balance Dec. 31, 2021		Transferred - 2022 Budget Appropriations	Paid or Charged	Encumbered	Cancellations	Balance Dec. 31, 2022
	Encumbered	Reserved					
Federal Grants:							
COVID ARP State and Local Fiscal Recovery Funding			\$ 63,984.90	\$ 52,530.12	\$ 375.00		\$ 11,079.78
Camden County Regional DWI Task Force	\$ 39,530.91		73,780.00	35,175.00			78,135.91
Federal Bullet Proof Vest Partnership Grant	4,835.46						4,835.46
FEMA - COVID Municipal Finance Grant			90,354.43				90,354.43
National Priority Safety Programs:							
National Highway Traffic Safety Administration:							
Click It or Ticket		710.00	7,000.00	7,000.00			710.00
Distracted Driver Statewide Crackdown		900.00	7,000.00	7,000.00			900.00
Drive Sober or Get Pulled Over:							
Drive Sober or Get Pulled Over		400.00					400.00
Labor Day Crackdown			7,000.00	7,000.00			
Year-End Crackdown		2,750.00		1,800.00			950.00
Total Federal Grants	49,126.37	49,126.37	249,119.33	110,505.12	375.00		187,365.58
State Grants:							
Alcohol Education and Rehabilitation		10,836.73	5,053.83				15,890.56
Body Armor Replacement Program		12,140.84	1,117.32	2,019.96	4,778.96	\$ 585.45	5,873.79
Body Worn Camera		4,596.48		93.90			4,502.58
Clean Communities Program		48,151.83	14,239.22	3,822.35			58,568.70
Drunk Driving Enforcement Fund	\$ 62.55	22,213.03		5,818.76			16,456.82
DWI Enforcement Sobriety Checkpoint			2,280.00	2,280.00			
Municipal Alliance Against Drug and Alcohol Abuse		67,102.02	16,737.50	8,142.73			75,696.79
Municipal Alliance DMHAS Youth Grant			7,500.00	1,250.00			6,250.00
New Jersey Department of Transportation:							
2019 Grant	14,268.50						14,268.50
2021 Grant			260,000.00	210,992.22	14,252.39		34,755.39
2022 Grant			240,000.00	10,075.00			229,925.00
Pedestrian Safety, Education & Enforcement fund		9,892.06		9,892.06			
Recycling Tonnage Grant		3,958.23	7,720.38	4,011.01			7,667.60
Safe and Secure Communities Program - P.L. 1994, Chapter 220		19,998.46	16,200.00	27,570.60			8,627.86
Total State Grants	14,331.05	198,889.68	570,848.25	285,968.59	19,031.35	585.45	478,483.59
Local Grants:							
DVRPC - Transportation and Community Development		5,773.29					5,773.29
Private Grant -- SIF Risk Control		1,859.25		174.97			1,684.28
Historical Preservation Grant		11,276.20	16,400.00	17,007.78			10,668.42
Camden County Open Space Trust:							
Vassar Avenue Sports Complex		25,000.00		25,000.00			
New Jersey American Water - Parkview Avenue Reconstruction		385.00					385.00
Total Local Grants	44,293.74	44,293.74	16,400.00	42,182.75			18,510.99
Total Federal, State and Local Grants	\$ 14,331.05	\$ 292,309.79	\$ 836,367.58	\$ 438,656.46	\$ 19,406.35	\$ 585.45	\$ 684,360.16
Original Budget							
Chapter 159 - N.J.S. 40A:4-87			\$ 39,237.70				
Chapter 159 - N.J.S. 40A:4-87 (Local Match Due Trust Other Fund)			793,782.38				
Disbursed			3,347.50		\$ 438,656.46		
Canceled Against Grant Receivable						\$ 585.45	
			\$ 836,367.58	\$ 438,656.46		\$ 585.45	

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, 2022

	<u>Animal Control Fund</u>	<u>Municipal Open Space Trust Fund</u>	<u>Other</u>
Balance December 31, 2021	\$ 15,026.87	\$ 40,896.94	\$ 715,401.20
Increased by Receipts:			
Due Current Fund	\$ 28.56		\$ 1,247.97
Due from Borough Clerk	1,425.00		
State Registration Fees	852.60		
Reserve for Animal Control Expenditures	12,237.40		
Net Pay			2,048,278.83
Payroll Deductions Payable			1,374,944.22
State of New Jersey - DCA Fees			10,955.00
Reserve for Future Use		\$ 59,790.13	
Miscellaneous Trust Reserves:			
Dedicated Funds Collected for Penalties			1,878.00
Developers' Escrow			206,032.50
Historical Preservation			2,955.00
Municipal Alliance Grant			6,330.25
Outside Liens Redemption			192,086.69
Tax Title Lien Premiums			550,400.00
Outside Police Employment			103,652.50
Parking Offense Adjudication Act			30.00
Police Training			2,950.00
Public Defender			3,899.50
Special Law Enforcement			2,529.60
Unemployment Claims Payable			5,156.65
Uniform Construction Code and Local Enforcement Agency			154,588.45
	14,543.56	59,790.13	4,667,915.16
	29,570.43	100,687.07	5,383,316.36

(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, 2022

	<u>Animal Control Fund</u>	<u>Municipal Open Space Trust Fund</u>	<u>Other</u>
Decreased by Disbursements:			
Due Current Fund	\$ 23.33		
Due Federal and State Grant Fund			\$ 2,872.50
State Registration Fees	853.80		
Reserve for Animal Control Expenditures	12,251.16		
Net Payroll			2,048,278.83
Payroll Deductions Payable			1,376,272.84
State of New Jersey - DCA Fees			10,929.00
Reserve for Future Use		\$ 81,549.65	
Miscellaneous Trust Reserves:			
Compensated Absences			34,417.51
Dedicated Funds Collected for Penalties			4,437.97
Developers' Escrow			130,382.59
Historical Preservation			2,350.50
Outside Liens Redemption			141,456.50
Tax Title Lien Premiums			287,500.00
Outside Police Employment			106,675.52
Police Training			6,738.42
Public Defender			3,431.72
Unemployment Claims Payable			357.79
Uniform Construction Code and Local Enforcement Agency			98,056.35
	<u>\$ 13,128.29</u>	<u>\$ 81,549.65</u>	<u>\$ 4,254,158.04</u>
Balance December 31, 2022	<u>\$ 16,442.14</u>	<u>\$ 19,137.42</u>	<u>\$ 1,129,158.32</u>

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 1.50
Increased by:		
Receipts:		
Interest Earned on Deposits		<u>28.56</u>
		30.06
Decreased by:		
Disbursements		<u>23.33</u>
Balance December 31, 2022		<u><u>\$ 6.73</u></u>

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, 2022

Balance December 31, 2021		\$ 2.40
Increased by:		
Receipts		<u>852.60</u>
		855.00
Decreased by:		
Disbursements	\$ 853.80	
Encumbered	<u>1.20</u>	
		<u>855.00</u>
Balance December 31, 2022		<u><u>\$ -</u></u>

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Expenditures
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 16,012.97
Increased by:		
Transfer from Encumbrances	\$ 435.00	
Receipts:		
Dog License Fees	\$ 8,882.40	
Cat License Fees	985.00	
Late Fees	2,370.00	
	12,237.40	
		12,672.40
		28,685.37
Decreased by:		
Expenditures under R.S. 4:19-15.11		12,251.16
Balance December 31, 2022		\$ 16,434.21
<u>Animal Fees Collected:</u>		
<u>Year</u>		
2020		\$ 10,437.60
2021		10,443.60
		\$ 20,881.20

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 435.00
Increased by:		
Charges to Due to State of New Jersey -- Registration Fees		1.20
		436.20
Decreased by:		
Transfer to Reserve for Animal Control Expenditures		435.00
Balance December 31, 2022		\$ 1.20

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 36,282.39
Increased by:		
Transfer from Encumbrances	\$ 4,614.55	
Due from Current Fund -- Added and Omitted Taxes	195.41	
Receipts:		
Interest Earned	\$ 42.77	
Donation	2,500.00	
Amount to be Raised by Taxation	<u>57,247.36</u>	
	<u>59,790.13</u>	
		<u>64,600.09</u>
		100,882.48
Decreased by:		
Encumbrances	7,625.00	
Disbursements:		
2022 Budget Appropriations	49,622.36	
Other Disbursements - Unexpended Balances	<u>31,927.29</u>	
	<u>81,549.65</u>	
		<u>89,174.65</u>
Balance December 31, 2022		<u><u>\$ 11,707.83</u></u>

BOROUGH OF STRATFORD
 TRUST - OTHER FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2022

	<u>Total</u>	<u>UCC/ LEA Account</u>	<u>Trust Account</u>	<u>Tax Title Lien</u>	<u>Payroll Account</u>	<u>Uniform Fire</u>	<u>Developer's Escrow</u>	<u>Parking Offense Adjudication Act</u>	<u>Unemployment</u>	<u>Municipal Alliance</u>
Balance December 31, 2021 (Due To)	\$ (17,294.49)	\$ 6.49	\$ (1,935.80)	\$ (15,872.75)	\$ (1,960.04)	\$ (0.20)	\$ 2,535.93	\$ 13.96	\$ (79.31)	\$ (2.77)
Increased by:										
Receipts:										
Interest Earned on Deposits	1,247.97	51.97	226.11	684.66	69.33	5.50	157.59	0.75		52.06
Balance December 31, 2022 (Due to)	<u>\$ (18,542.46)</u>	<u>\$ (45.48)</u>	<u>\$ (2,161.91)</u>	<u>\$ (16,557.41)</u>	<u>\$ (2,029.37)</u>	<u>\$ (5.70)</u>	<u>\$ 2,378.34</u>	<u>\$ 13.21</u>	<u>\$ (79.31)</u>	<u>\$ (54.83)</u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due to Federal and State Grant Fund
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	2,872.50
Increased by:		
Cash Match - Reserve for Municipal Alliance		3,347.50
		6,220.00
Decreased by:		
Disbursements:		
Interfunds Liquidated		2,872.50
Balance December 31, 2022	\$	3,347.50

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Payroll Deductions Payable
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 30,680.70
Increased by:		
Receipts:		
Net Pay	\$ 2,048,278.83	
Payroll Deductions Payable	<u>1,374,944.22</u>	
		<u>3,423,223.05</u>
		3,453,903.75
Decreased by:		
Disbursements:		
Net Pay	2,048,278.83	
Payroll Deductions Payable	<u>1,376,272.84</u>	
		<u>3,424,551.67</u>
Balance December 31, 2022		<u><u>\$ 29,352.08</u></u>

Exhibit SB-10

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due State of New Jersey - DCA Fees
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 1,242.08
Increased by:		
Receipts		<u>10,955.00</u>
		12,197.08
Decreased by:		
Disbursements		<u>10,929.00</u>
Balance December 31, 2022		<u><u>\$ 1,268.08</u></u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
 Statement of Miscellaneous Trust Reserves
 For the Year Ended December 31, 2022

	Balance Dec. 31, 2021	Increased by		Decreased by		Balance Dec. 31, 2022
		Receipts	Other	Disbursements	Other	
Compensated Absences	\$ 45,186.00			\$ 34,417.51		\$ 10,768.49
Dedicated Funds Collected for Penalties	4,428.20	\$ 1,878.00		4,437.97		1,868.23
Developers' Escrow	31,432.51	206,032.50	\$ 23,812.43	130,382.59	\$ 10,121.00	120,773.85
Economic Development Commission	204.05					204.05
Green Team	1,005.11					1,005.11
Historical Preservation	1,833.07	2,955.00		2,350.50		2,437.57
Municipal Alliance Grant	29,858.32	6,330.25			3,347.50	32,841.07
Outside Liens Redemption	11,389.79	192,086.69		141,456.50		62,019.98
Tax Title Lien Premiums	353,300.00	550,400.00		287,500.00		616,200.00
Outside Police Employment	93,308.32	103,652.50		106,675.52		90,285.30
Parking Offense Adjudication Act	498.00	30.00				528.00
Police Training	8,127.03	2,950.00		6,738.42		4,338.61
Public Defender	10,989.22	3,899.50		3,431.72		11,457.00
Snow Removal	13,827.00					13,827.00
Special Law Enforcement	5,647.85	2,529.60				8,177.45
Unemployment Claims Payable	27,969.17	5,156.65		357.79		32,768.03
Uniform Construction Code and Local Enforcement Agency	495.36	154,588.45		98,056.35	5,817.83	51,209.63
	<u>\$ 639,499.00</u>	<u>\$ 1,232,489.14</u>	<u>\$ 23,812.43</u>	<u>\$ 815,804.87</u>	<u>\$ 19,286.33</u>	<u>\$ 1,060,709.37</u>
Due to Federal and State Grant Fund Encumbrances			<u>\$ 23,812.43</u>		<u>\$ 3,347.50</u> <u>15,938.83</u>	
			<u>\$ 23,812.43</u>		<u>\$ 19,286.33</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, 2022

Balance December 31, 2021		\$ 633,299.21
Increased by Receipts:		
Due Current Fund	\$ 67,829.04	
Bond Anticipation Notes	<u>807,500.00</u>	
		<u>875,329.04</u>
		1,508,628.25
Decreased by Disbursements:		
Contracts Payable	193,011.45	
Improvement Authorization	<u>279,343.44</u>	
		<u>472,354.89</u>
Balance December 31, 2022		<u><u>\$ 1,036,273.36</u></u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2022

	Balance (Deficit) <u>Dec. 31, 2021</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2022</u>	
		Bond Anticipation <u>Notes</u>	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Due Current Fund	\$ 54.60		\$ 67,829.04			\$ 67,500.00		\$ 383.64	
Reserve for Encumbrances	121,650.74					121,650.74	\$ 83,391.00	83,391.00	
Contracts Payable					\$ 193,011.45		606,505.95	413,494.50	
Capital Improvement Fund	5,763.83					20,000.00	20,000.00	5,763.83	
Improvement Authorizations:									
Ordinance Number:									
2015:06	Various Capital Improvements	76,316.88						76,316.88	
2016:05	Various Capital Improvements	4,039.29						4,039.29	
2017:08	Various Capital Improvements	3,994.64				3,994.64			
2018:04	Various Capital Improvements	10,814.62						10,814.62	
2019:01	Various Capital Improvements	2,873.21						2,873.21	
2019:10	Various Capital Improvements	16,372.87		\$ 2,050.00		32,611.69	32,726.74	14,437.92	
2020:05	Various Capital Improvements	346,776.61		87,073.60		193,011.45		66,691.56	
2021:13	Various Capital Improvements	488,788.58		171,983.39		304,096.50	88,924.00	101,632.69	
2021:17	Solid Waste Collection Vehicles/Equipment	(444,146.66)	\$ 427,500.00	4,000.00			47,500.00	26,853.34	
2022:09	Various Capital Improvements		380,000.00	14,236.45		156,182.67	20,000.00	229,580.88	
		<u>\$ 633,299.21</u>	<u>\$ 807,500.00</u>	<u>\$ 67,829.04</u>	<u>\$ 279,343.44</u>	<u>\$ 193,011.45</u>	<u>\$ 899,047.69</u>	<u>\$ 899,047.69</u>	<u>\$ 1,036,273.36</u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2022

						Analysis of Balance, December 31, 2022			
Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Notes Paid by Budget Appropriation	Fund by Budget Appropriation	Balance Dec. 31, 2022	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations	Expenditures
General Improvements:									
2012:13	Various Capital Improvements	\$ 229,998.00		\$ 229,998.00					
2013:09	Road Construction	57,140.00		28,570.00		\$ 28,570.00	\$ 28,570.00		
2014:19	Road Construction	75,000.00		25,000.00		50,000.00	50,000.00		
2015:06	Various Capital Improvements	353,400.00		88,350.00		265,050.00	265,050.00		
2016:05	Various Capital Improvements	257,000.00		51,400.00		205,600.00	205,600.00		
2017:08	Various Capital Improvements	664,162.00		110,700.00		553,462.00	553,462.00		
2018:04	Various Capital Improvements	310,691.00		44,384.00		266,307.00	266,307.00		
2019:01	Various Capital Improvements	22,800.00		2,850.00		19,950.00	19,950.00		
2019:10	Various Capital Improvements	415,528.50		51,942.00		363,586.50	363,586.50		
2020:05	Various Capital Improvements	363,088.75		40,343.00		322,745.75	322,745.75		
2021:13	Various Capital Improvements	570,000.00		57,000.00		513,000.00	513,000.00		
2021:17	Solid Waste Collection Vehicles/Equipment	475,000.00			\$ 47,500.00	427,500.00	427,500.00		
2022:09	Various Capital Improvements		\$ 380,000.00			380,000.00	380,000.00		
		<u>\$ 3,793,808.25</u>	<u>\$ 380,000.00</u>	<u>\$ 730,537.00</u>	<u>\$ 47,500.00</u>	<u>\$ 3,395,771.25</u>	<u>\$ 3,395,771.25</u>		<u>\$ -</u>
									\$ 529,794.35
Improvement Authorizations - Unfunded									
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
	Ordinance Number 2015:06						\$ 76,316.88		
	Ordinance Number 2016:05						4,039.29		
	Ordinance Number 2018:04						10,814.62		
	Ordinance Number 2019:01						2,873.21		
	Ordinance Number 2019:10						14,437.92		
	Ordinance Number 2020:05						65,445.52		
	Ordinance Number 2021:13						101,632.69		
	Ordinance Number 2021:17						26,853.34		
	Ordinance Number 2022:09						227,380.88		
									<u>529,794.35</u>
									<u>\$ -</u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 54.60
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 1,432.98	
Interfunds Received	66,396.06	
		67,829.04
		67,883.64
Decreased by:		
2022 Budget Appropriation:		
Deferred Charged to Future Taxation Unfunded	47,500.00	
Capital Improvement Fund	20,000.00	
		67,500.00
Balance December 31, 2022		\$ 383.64

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2022

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations		Transfers from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
General Improvements:											
2015:06	Various Capital Improvements:	05/12/15	\$ 376,500.00								
	Roadway Projects		75,500.00								
	Police Vehicles		28,000.00								
	Fire Equipment		40,000.00		\$ 32.90					\$ 32.90	
	Handicapped Ramp Project		10,000.00								
	Building Improvements		400,000.00		76,283.98						76,283.98
	LED Street Lights										
2016:05	Various Capital Improvements:	04/26/16	404,000.00								
	Roadway Projects		36,500.00								
	Police Vehicles		33,000.00								
	Fire Equipment		10,000.00								
	Public Works Equipment - Lawnmower		2,300.00								
	Public Works Equipment - Radios		29,000.00								
	Building Improvements		25,000.00		4,039.29						4,039.29
	Police Equipment										
2017:08	Various Capital Improvements:	05/09/17	387,000.00								
	Roadway Projects		80,000.00		3,994.64				\$ 3,994.64		
	Police Vehicles		28,000.00								
	Fire Equipment		28,750.00								
	Public Works Equipment - Vehicle		2,000.00								
	Public Works Equipment - Radios		625,000.00								
	Fire Vehicle		15,000.00								
	Tree Removal and Restoration Project										
2018:04	Various Capital Improvements:	05/08/18	250,000.00								
	Roadway Projects		49,500.00								
	Police Generator and Vehicle		28,855.00								
	Fire Equipment		6,000.00								
	Public Works Equipment		59,105.00								
	Public Works Equipment - Vehicle		19,750.00		9,104.35						9,104.35
	Alcotest/Breathalyzer		3,495.00		1,710.27						1,710.27
	Recording System		19,500.00								
	Property Upgrades		6,000.00								
	Telephone Equipment		25,000.00								
	Tree Removal and Restoration Project										
2019:01	Various Capital Improvements	02/12/19	30,000.00								2,873.21
2019:10	Various Capital Improvements:	05/14/19	109,000.00						2,050.00		14,251.37
	Police Vehicles		275,500.00		16,301.37				32,611.69		
	Roadway Projects		32,750.00					\$ 32,611.69	32,611.69		
	Fire Equipment		25,000.00								
	Tree Maintenance Project		22,000.00		71.50			115.05			186.55
	Public Works Equipment		30,000.00								
	Emergency Repair Storm Drains		28,000.00								
	Property Upgrades		24,500.00								
	Fire Command Vehicle										
2020:05	Various Capital Improvements:	07/14/20	294,100.00						261,892.66		
	Infrastructure Repairs		30,910.00	\$ 1,246.04	261,892.66					\$ 1,246.04	29,364.50
	Property Upgrades		7,800.00		29,364.50						
	Public Works Equipment		31,855.00						18,192.39		
	Fire Department Equipment		60,000.00		18,192.39						36,081.02
	Tree Maintenance Project				36,081.02						

(Continued)

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2022

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance Dec. 31, 2021		2022 Authorizations		Transfers from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2022	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded			Funded	Unfunded
General Improvements (Cont'd):											
2021:13	Various Capital Improvements:	07/13/21									
	Infrastructure Repairs		\$ 351,850.00	\$ 2,012.50	\$ 334,257.50				\$ 336,270.00		
	Property Upgrades		10,000.00		8,509.00						\$ 8,509.00
	Public Works Equipment		1,700.00		908.05				820.00		88.05
	Fire Department Equipment		34,000.00		31,088.65				19,046.89		12,041.76
	Police Body Cameras/Equipment		113,000.00	4,662.88	107,350.00				31,019.00		80,993.88
	Police Vehicles/Equipment		89,450.00					\$ 88,924.00	88,924.00		
2021:17	Solid Waste Collection Vehicles/Equipment	09/14/21	500,000.00		30,853.34				4,000.00		26,853.34
2022:09	Various Capital Improvements:	07/12/22									
	Municipal Road Improvements		244,000.00			\$ 12,200.00	\$ 231,800.00		75,828.67		\$ 168,171.33
	Police Vehicles/ Equipment		98,000.00			4,900.00	93,100.00		81,566.50		16,433.50
	Fire Equipment		34,000.00			1,700.00	32,300.00			\$ 1,700.00	32,300.00
	DPW Equipment		14,000.00			700.00	13,300.00		13,023.95		976.05
	Municipal Property Improvements		10,000.00			500.00	9,500.00			500.00	9,500.00
				<u>\$ 7,921.42</u>	<u>\$ 972,908.62</u>	<u>\$ 20,000.00</u>	<u>\$ 380,000.00</u>	<u>\$ 121,650.74</u>	<u>\$ 969,240.39</u>	<u>\$ 3,446.04</u>	<u>\$ 529,794.35</u>
Reserve for Encumbrances									\$ 83,391.00		
Contracts Payable									606,505.95		
Disbursements									<u>279,343.44</u>		
									<u>\$ 969,240.39</u>		

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	121,650.74
Increased by:		
2022 Purchase Orders		83,391.00
		205,041.74
Decreased by:		
Transferred to Statement of Improvement Authorizations		121,650.74
Balance December 31, 2022	\$	83,391.00

Exhibit SC-7

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Reserve for Contracts Payable
For the Year Ended December 31, 2022

Increased by:		
2022 Contracts Awarded	\$	606,505.95
Decreased by:		
Disbursements		193,011.45
Balance December 31, 2022	\$	413,494.50

Analysis of Balance December 31, 2022

<u>Contractor</u>	<u>Ordinance</u>	<u>Contract No.</u>	<u>Balance</u>
Lexa Concrete LLC	Ordinance 2017:08	22-00004	\$ 3,994.64
Lexa Concrete LLC	Ordinance 2019:10	22-00004	32,611.69
Lexa Concrete LLC	Ordinance 2020:09	22-00004	73,611.67
Lexa Concrete LLC	Ordinance 2021:13	22-00004	303,276.50
			\$ 413,494.50

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 5,763.83
Increased by:	
Due Current Fund:	
2022 Budget Appropriation	<u>20,000.00</u>
	25,763.83
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>20,000.00</u>
Balance December 31, 2022	<u><u>\$ 5,763.83</u></u>

BOROUGH OF STRATFORD
 GENERAL CAPITAL FUND
 Statement of Bonds Anticipation Notes
 For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Original Amount Issued</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
2012:13	Various Capital Improvements	07/20/12	\$ 2,299,998.00	07/09/21	07/08/22	0.420%	\$ 229,998.00		\$ 229,998.00	
2013:09	Road Construction	07/19/13	285,700.00	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	57,140.00	\$ 28,570.00	57,140.00	\$ 28,570.00
2014:19	Various Capital Improvements	11/11/14	250,000.00	01/29/21 01/28/22	01/28/22 01/27/23	0.750% 0.690%	75,000.00	50,000.00	75,000.00	50,000.00
2015:06	Various Capital Improvements	04/15/15	883,500.00	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	353,400.00	265,050.00	353,400.00	265,050.00
2016:05	Various Capital Improvements	05/10/16	514,000.00	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	257,000.00	205,600.00	257,000.00	205,600.00
2017:08	Various Capital Improvements	05/09/17	1,106,962.00	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	664,162.00	553,462.00	664,162.00	553,462.00
2018:04	Various Capital Improvements	05/08/18	443,843.00	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	310,691.00	266,307.00	310,691.00	266,307.00
2019:01	Various Capital Improvements	02/12/19	28,500.00	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	22,800.00	19,950.00	22,800.00	19,950.00
2019:10	Various Capital Improvements	05/14/19	519,412.50	07/09/21 07/08/22	07/08/22 07/07/23	0.420% 2.550%	415,528.50	363,586.50	415,528.50	363,586.50
2020:05	Various Capital Improvements	09/24/20	403,431.75	09/23/21 09/22/22	09/22/22 09/21/23	0.380% 3.540%	363,088.75	322,745.75	363,088.75	322,745.75
2021:13	Various Capital Improvements	09/23/21	570,000.00	09/23/21 09/22/22	09/22/22 09/21/23	0.380% 3.540%	570,000.00	513,000.00	570,000.00	513,000.00
2021:17	Solid Waste Collection Vehicles/Equipment	01/28/22	427,500.00	01/28/22	01/27/23	0.690%		427,500.00		427,500.00
2022:09	Various Capital Improvements	09/22/22	380,000.00	09/22/22	09/21/23	3.540%		380,000.00		380,000.00
							<u>\$ 3,318,808.25</u>	<u>\$ 3,395,771.25</u>	<u>\$ 3,318,808.25</u>	<u>\$ 3,395,771.25</u>
Renewal Issued for Cash								\$ 2,588,271.25	\$ 2,588,271.25	
Paid by Budget Appropriation								807,500.00		
									730,537.00	
							<u>\$ 3,395,771.25</u>	<u>\$ 3,318,808.25</u>		

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>Increased by</u>	<u>Decreased by</u>		<u>Balance Dec. 31, 2022</u>
			<u>2022 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Funded by Budget Appropriation</u>	
General Improvements:						
2021:17	Solid Waste Collection Vehicles/Equipment	\$ 475,000.00		\$ 427,500.00	\$ 47,500.00	
2022:09	Various Capital Improvements		\$ 380,000.00	380,000.00		
		<u>\$ 475,000.00</u>	<u>\$ 380,000.00</u>	<u>\$ 807,500.00</u>	<u>\$ 47,500.00</u>	<u>\$ -</u>

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, 2022

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2021	\$ 1,262,786.63	\$ 74,696.92
Increased by Receipts:		
Collector	\$ 449,017.90	
Miscellaneous Revenue	8,508.60	
Appropriation Refunds	6,557.80	
Due Sewer Utility Operating Fund		\$ 111.59
Due Sewer Utility Capital Fund	<u>90.61</u>	
	<u>464,174.91</u>	<u>111.59</u>
	1,726,961.54	74,808.51
Decreased by Disbursements:		
2022 Appropriations	504,907.25	
2021 Appropriation Reserves	5,660.76	
Accrued Interest on Notes	836.21	
Due Sewer Utility Operating Fund		<u>90.61</u>
	<u>511,404.22</u>	<u>90.61</u>
Balance December 31, 2022	<u><u>\$ 1,215,557.32</u></u>	<u><u>\$ 74,717.90</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, 2022

Increased by:

Receipts:

Interest and Cost on Delinquent Sewer Rents	\$ 3,618.99
Connection Fees	1,890.00
Prepaid Sewer Rents	2,329.10
Sewer Rents Receivable	<u>441,179.81</u>

\$ 449,017.90

Decreased by:

Turnovers to Treasurer

\$ 449,017.90

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Sewer Utility Capital Cash
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	Receipts		Disbursements		Transfers		Balance <u>Dec. 31, 2022</u>
		Miscellaneous	Improvement <u>Authorizations</u>	Miscellaneous	From	To		
Due Sewer Utility Operating Fund	\$ 6.35	\$ 111.59		\$ 90.61				\$ 27.33
Reserve for Encumbrances	3,778.69				\$ 3,778.69			
Improvement Authorizations:								
2020:07 Sewer Utility Emergency Repairs	70,911.88					\$ 3,778.69		74,690.57
	<u>\$ 74,696.92</u>	<u>\$ 111.59</u>	<u>\$ -</u>	<u>\$ 90.61</u>	<u>\$ 3,778.69</u>	<u>\$ 3,778.69</u>		<u>\$ 74,717.90</u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Due from Sewer Utility Capital Fund
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 6.35
Increased by:	
Interest Earned in Sewer Utility Capital Fund	<u>111.59</u>
	117.94
Decreased by:	
Receipts - Interfunds Received	<u>90.61</u>
Balance December 31, 2022	<u><u>\$ 27.33</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 25,863.07
Increased by:		
Sewer Rents Levied		<u>440,577.48</u>
		466,440.55
Decreased by:		
Collections	\$ 441,179.81	
Prepayments Applied	<u>1,774.03</u>	
		<u>442,953.84</u>
Balance December 31, 2022		<u><u>\$ 23,486.71</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital
 As of December 31, 2022

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Infrastructure and Garage	\$ 584,309.76
Land and Land Rights	30,819.36
Hi Nella Pumping Station Renewals	409,639.86
Manhole and Pumping Station Renewals	207,321.92
Winding Way Pumping Station	31,535.00
Berlin Road Pumping Station	5,229.00
Building Improvements	60,132.61
Original Plant and Sewer Collection System	2,134,566.25
Vehicles and Equipment:	
Computers	18,247.18
Shredder	101.06
Backhoe	38,800.00
Haulmark Trailer	1,937.75
Stihlts 460 Saw	725.00
7 HP/60 G Oil Lube Compressor	577.61
	\$ 3,523,942.36

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital Authorized and Uncompleted
 As of December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2022</u>
Sewer Utility Improvements:				
2020:07	Sewer Utility Emergency Repairs	7/14/2020	\$ 170,000.00	<u>\$ 170,000.00</u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of 2021 Appropriation Reserves
For the Year Ended December 31, 2022

	Balance December 31, 2021		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salary and Wages		\$ 15,800.35	\$ 15,800.35	\$ 955.58	\$ 14,844.77
Other Expenses	\$ 1,129.74	39,659.36	40,789.10	4,631.12	36,157.98
Total Operating	1,129.74	55,459.71	56,589.45	5,586.70	51,002.75
Deferred Charges and Regulatory Expenditures:					
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,050.32	1,050.32	73.10	977.22
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)		54.21	54.21	0.96	53.25
Total Deferred Charges and Regulatory Expenditures		1,104.53	1,104.53	74.06	1,030.47
	\$ 1,129.74	\$ 56,564.24	\$ 57,693.98	\$ 5,660.76	\$ 52,033.22

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 1,774.03
Increased by:	
Collections	<u>2,329.10</u>
	4,103.13
Decreased by:	
Prepayments Applied	<u>1,774.03</u>
Balance December 31, 2022	<u><u>\$ 2,329.10</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Notes
 For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 297.81
Increased by:	
Charged to Budget Appropriation - Interest on Notes	2,488.19
	2,786.00
Decreased by:	
Interest Paid:	
Disbursed	836.21
Balance December 31, 2022	\$ 1,949.79

Analysis of Accrued Interest, December 31, 2022

<u>Principal Outstanding</u> <u>December 31, 2022</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
Bond Anticipation Notes:					
\$ 51,300.00	2.55%	07-08-22	12-31-22	176	\$ 630.78
136,000.00	3.540%	09-23-22	12-31-22	100	1,319.01
					\$ 1,949.79

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Dec. 31, 2021 Unfunded</u>	<u>Transferred from Reserve for Encumbrances</u>	<u>Dec. 31, 2022 Unfunded</u>
Sewer Utility Improvements:						
2020:07	Sewer Utility Emergency Repairs	7/14/2020	\$ 170,000.00	<u>\$ 70,911.88</u>	<u>\$ 3,778.69</u>	<u>\$ 74,690.57</u>
				<u>\$ 70,911.88</u>	<u>\$ 3,778.69</u>	<u>\$ 74,690.57</u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 3,472,542.36
Increased by:	
Bond Anticipation Notes paid by Budget Appropriation	<u>34,100.00</u>
Balance December 31, 2022	<u><u>\$ 3,506,642.36</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2022

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, 2021	Increased	Decreased	Balance Dec. 31, 2022
Sewer Utility Improvements:										
2015:07	Pump Station #2 Upgrades	\$ 171,000.00	6/17/2015	7/9/2021 7/8/2022	7/8/2022 7/7/2023	0.420% 2.550%	\$ 68,400.00	\$ 51,300.00	\$ 68,400.00	\$ 51,300.00
2020:07	Sewer Utility Emergency Repairs	170,000.00	9/24/2020	9/23/2021 9/22/2022	9/22/2022 9/21/2023	0.380% 3.540%	153,000.00	136,000.00	153,000.00	136,000.00
							<u>\$ 221,400.00</u>	<u>\$ 187,300.00</u>	<u>\$ 221,400.00</u>	<u>\$ 187,300.00</u>
						Renewals Paid by Budget Appropriation		\$ 187,300.00	\$ 187,300.00	
								<u>\$ 187,300.00</u>	<u>\$ 221,400.00</u>	

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

BOROUGH OF STRATFORD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2022

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

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.

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)
Stephen Gandy	President of Council	(A); (B)
Patrick Gilligan	Councilman	(A); (B)
Linda Hall	Councilwoman	(A); (B)
Jim Kelly	Councilman	(A); (B)
Tina Lomanno	Councilwoman	(A); (B)
Michael Tolomeo	Councilman	(A); (B)
John Keenan	Acting Borough Administrator	(A); (B)
William Bray	Borough Clerk, Comptroller, Office Manager	(A); (B)
John Fabritiis	Chief Financial Officer, Tax Collector and Tax Search Officer (Through April 30, 2022)	(A); (B)
Robin Sarlo	Chief Financial Officer, Tax Collector and Tax Search Officer (From March 1, 2022)	(A); (B)
Patrick Dymond	Tax Assessor	(A); (B)
Stuart Platt	Solicitor	(A); (B)
Krisden McCrink	Judge of the Municipal Court	(A); (B)
Rebecca Baum	Court Administrator (Through March 16, 2022)	(A); (B)
Cathy Dobbins	Municipal Court Clerk (Through June 1, 2022)	(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)

14200

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

