

Report of Audit

on the

Financial Statements

of the

Borough of Stockton

in the

County of Hunterdon
New Jersey

for the

Year Ended
December 31, 2013

BOROUGH OF STOCKTON

SUMMARY OR SYNOPSIS OF AUDIT REPORT FOR PUBLICATION

SUMMARY OR SYNOPSIS OF 2013 AUDIT REPORT OF
BOROUGH OF STOCKTON AS REQUIRED BY N.J.S.A. 40A:5-7

COMBINED COMPARATIVE BALANCE SHEETS

| | <u>DECEMBER</u> <u>31, 2013</u> | <u>DECEMBER</u> <u>31, 2012</u> |
|---|------------------------------------|------------------------------------|
| <u>ASSETS</u> | | |
| Cash and Investments | \$ 1,372,706.30 | \$ 1,401,675.83 |
| Taxes, Assessments, Liens and Utility Charges Receivable | 45,736.41 | 32,897.05 |
| Accounts Receivable | 233,687.45 | 489,547.88 |
| Fixed Capital Authorized and Uncompleted-Utility | 250,000.00 | 250,000.00 |
| Fixed Capital-Utility | 3,282,033.41 | 3,282,033.41 |
| Deferred Charges to Future Taxation-General Capital | 1,200,029.60 | 1,344,455.60 |
| Deferred Charges to Revenue of Succeeding Years | 5,784.96 | |
| | <hr/> | <hr/> |
| <u>TOTAL ASSETS</u> | <u>\$ 6,389,978.13</u> | <u>\$ 6,800,609.77</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCES</u> | | |
| Bonds and Notes Payable | \$ 1,447,177.25 | \$ 1,653,976.86 |
| Improvement Authorizations | 371,988.17 | 632,375.49 |
| Other Liabilities and Special Funds | 887,890.96 | 977,388.48 |
| Amortization of Debt for Fixed Capital Acquired or Authorized | 2,836,716.48 | 2,755,391.67 |
| Reserve for Certain Assets Receivable and Inventory | 56,737.14 | 39,343.78 |
| Fund Balances | 789,468.13 | 742,133.49 |
| | <hr/> | <hr/> |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</u> | <u>\$ 6,389,978.13</u> | <u>\$ 6,800,609.77</u> |

BOROUGH OF STOCKTON

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

| | <u>YEAR 2013</u> | <u>YEAR 2012</u> |
|---|------------------------|-----------------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | |
| Fund Balance Utilized | \$ 163,000.00 | \$ 124,084.67 |
| Miscellaneous - from other than Local Property Tax Levies | 162,078.56 | 228,895.09 |
| Collection of Delinquent Taxes and Tax Title Liens | 12,572.61 | 25,537.85 |
| Collection of Current Tax Levy | <u>1,956,887.71</u> | <u>1,930,080.20</u> |
| <u>TOTAL INCOME</u> | <u>\$ 2,294,538.88</u> | <u>\$ 2,308,597.81</u> |
| <u>EXPENDITURES</u> | | |
| Budget Expenditures: | | |
| Municipal Purposes | \$ 519,463.12 | \$ 476,173.88 |
| County Taxes | 338,332.19 | 327,594.90 |
| School Taxes | 1,305,631.00 | 1,292,778.89 |
| Other | <u>4,695.48</u> | <u>23,319.22</u> |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 2,168,121.79</u> | <u>\$ 2,119,866.89</u> |
| Excess in Revenue | \$ 126,417.09 | \$ 188,730.92 |
| Adjustments to Income before Fund Balance: | | |
| Expenditures Included above which are by Statute | | |
| Deferred Charges to Budget of Succeeding Year | <u>254.85</u> | <u> </u> |
| Statutory Excess to Fund Balance | \$ 126,671.94 | \$ 188,730.92 |
| Fund Balance, January 1 | <u>337,291.72</u> | <u>272,645.47</u> |
| | \$ <u>463,963.66</u> | \$ <u>461,376.39</u> |
| Less: Utilization as Anticipated Revenue | <u>163,000.00</u> | <u>124,084.67</u> |
| Fund Balance, December 31 | <u>\$ 300,963.66</u> | <u>\$ 337,291.72</u> |

BOROUGH OF STOCKTON

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE-WATER UTILITY FUND

| | <u>YEAR 2013</u> | <u>YEAR 2012</u> |
|---|----------------------|----------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | |
| Collection of Water Rents | \$ 83,916.30 | \$ 83,281.41 |
| Miscellaneous - from other than Water Rents | <u>21,098.08</u> | <u>21,019.60</u> |
| <u>TOTAL INCOME</u> | <u>\$ 105,014.38</u> | <u>\$ 104,301.01</u> |
| <u>EXPENDITURES</u> | | |
| Budget Expenditures: | | |
| Operating | \$ 68,066.00 | \$ 72,300.00 |
| Deferred Charges and Statutory Expenditures | 1,224.00 | 1,700.00 |
| Debt Service | 6,200.00 | |
| Capital Improvements | <u>4,500.00</u> | <u>5,000.00</u> |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 79,990.00</u> | <u>\$ 79,000.00</u> |
| Excess in Revenue | \$ 25,024.38 | \$ 25,301.01 |
| Fund Balance, January 1 | <u>113,553.07</u> | <u>88,252.06</u> |
| Fund Balance, December 31 | <u>\$ 138,577.45</u> | <u>\$ 113,553.07</u> |

BOROUGH OF STOCKTON

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE-SEWER UTILITY FUND

| | <u>YEAR 2013</u> | <u>YEAR 2012</u> |
|--|-----------------------------|-----------------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | |
| Collection of Sewer Rents | \$ 274,419.89 | \$ 297,249.27 |
| Miscellaneous - from other than Sewer Rents | <u>69,372.10</u> | <u>14,503.01</u> |
| <u>TOTAL INCOME</u> | <u>\$ 343,791.99</u> | <u>\$ 311,752.28</u> |
| <u>EXPENDITURES</u> | | |
| Budget Expenditures: | | |
| Operating | \$ 110,334.04 | \$ 149,782.00 |
| Deferred Charges and Statutory Expenditures | 1,400.00 | 1,950.00 |
| Debt Service | 113,468.67 | 91,168.54 |
| Capital Improvements | 35,022.00 | 27,022.00 |
| Other | <u> </u> | <u>32,704.61</u> |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 260,224.71</u> | <u>\$ 302,627.15</u> |
| Excess in Revenue | \$ 83,567.28 | \$ 9,125.13 |
| Adjustments to Income before Fund Balance: | | |
| Expenditures Included above which are by Statute | | |
| Deferred Charges to Budget of Succeeding Year | <u>71.04</u> | <u> </u> |
| | 83,638.32 | 9,125.13 |
| Fund Balance, January 1 | <u>157,779.88</u> | <u>148,654.75</u> |
| Fund Balance, December 31 | <u>\$ 241,418.20</u> | <u>\$ 157,779.88</u> |

Report of Audit

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New Jersey

for the

Year Ended
December 31, 2013

BOROUGH OF STOCKTON

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|---|-------|
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BOROUGH OF STOCKTON

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES AND DATA

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2013 AND 2012



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Stockton
County of Hunterdon
Stockton, New Jersey 08559

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds of the Borough of Stockton, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the regulatory financial statements, except for the omission of Statement of General Fixed Assets, the regulatory financial statements are prepared by the Borough of Stockton on the basis of the financial reporting provisions 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 New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Stockton as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, as described in the sixth paragraph, if any, that might have been determined to be necessary had we been able to audit the Statement of General Fixed Assets, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds as of December 31, 2013 and 2012, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Stockton's regulatory financial statements. The supplementary information and data and schedule of state financial assistance listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents, schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the regulatory 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 July __, 2014 on our consideration of the Borough of Stockton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Stockton's internal control over financial reporting and compliance.

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July __, 2014

CURRENT FUND

BOROUGH OF STOCKTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | BALANCE DECEMBER <u>31, 2013</u> | BALANCE DECEMBER <u>31, 2012</u> |
|--|-------------|--|--|
| Cash-Treasurer | A-4 | \$ 424,445.04 | \$ 413,287.48 |
| Petty Cash | | 225.00 | 225.00 |
| Due State of New Jersey-Chapter 20, PL 1971 | A-8 | 2,779.76 | 2,779.76 |
| | | <u>\$ 427,449.80</u> | <u>\$ 416,292.24</u> |
| Receivables and other Assets with Full Reserves: | | | |
| Delinquent Property Taxes Receivable | A-7 | \$ 26,910.35 | \$ 15,780.04 |
| Revenue Accounts Receivable | A-9 | 90.08 | 231.56 |
| Interfunds Receivable | A-10 | 10,910.65 | 6,215.17 |
| | A | <u>\$ 37,911.08</u> | <u>\$ 22,226.77</u> |
| Deferred Charges: | | | |
| Overexpenditure of Appropriations | A-6 | \$ 254.85 | \$ |
| Overexpenditure of Appropriation Reserves | A-6 | 5,459.07 | |
| | | <u>\$ 5,713.92</u> | <u>\$</u> |
| | | <u>\$ 471,074.80</u> | <u>\$ 438,519.01</u> |
| Grant Fund: | | | |
| Due Current Fund | A-22 | \$ 12,985.93 | \$ 8,667.28 |
| | | <u>\$ 484,060.73</u> | <u>\$ 447,186.29</u> |

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

BOROUGH OF STOCKTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u> |
|---|-------------|--|--|
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves | A-3:A-12 | \$ 39,405.63 | \$ 4,922.26 |
| Encumbrances Payable | A-21 | 21,988.47 | 15,814.50 |
| Prepaid Taxes | A-16 | 12,332.54 | 1,432.27 |
| Tax Overpayments | A-17 | 18,478.15 | 18,510.58 |
| Interfunds Payable | A-10 | 39,995.27 | 37,816.58 |
| County Taxes-Payable | A-13 | | 504.33 |
| | | <u>\$ 132,200.06</u> | <u>\$ 79,000.52</u> |
| Reserve for Receivables and other Assets | A | 37,911.08 | 22,226.77 |
| Fund Balance | A-1 | 300,963.66 | 337,291.72 |
| | | <u>\$ 471,074.80</u> | <u>\$ 438,519.01</u> |
| Grant Fund: | | | |
| Reserve for Grants Appropriated | A-19 | \$ 8,577.82 | \$ 4,129.94 |
| Reserve for Grants Unappropriated | A-11 | 4,408.11 | 4,537.34 |
| | | <u>\$ 12,985.93</u> | <u>\$ 8,667.28</u> |
| | | <u>\$ 484,060.73</u> | <u>\$ 447,186.29</u> |

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

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | <u>YEAR 2013</u> | <u>YEAR 2012</u> |
|---|-------------|------------------------|------------------------|
| <u>REVENUE AND OTHER INCOME</u> | | | |
| Fund Balance Utilized | A-1:A-2 | \$ 163,000.00 | \$ 124,084.67 |
| Miscellaneous Revenue Anticipated | A-2 | 136,881.20 | 121,442.09 |
| Receipts from Delinquent Taxes | A-2 | 12,572.61 | 25,537.85 |
| Receipts from Current Taxes | A-2 | 1,956,887.71 | 1,930,080.20 |
| Non-Budget Revenue | A-2 | 17,393.53 | 11,936.59 |
| Other Credits to Income: | | | |
| Unexpended Balance of Appropriation Reserves | A-12 | 7,776.67 | 44,324.19 |
| Tax Overpayments Canceled | A-17 | 27.16 | 2,347.74 |
| Miscellaneous Reserves Canceled | | | 2,929.20 |
| Grants Canceled | | | 41,200.88 |
| Interfunds Returned | | | 4,714.40 |
| <u>Total Income</u> | | <u>\$ 2,294,538.88</u> | <u>\$ 2,308,597.81</u> |
| <u>EXPENDITURES</u> | | | |
| Budget Appropriations: | | | |
| Operations within "CAPS": | | | |
| Operating | A-3 | \$ 368,345.96 | \$ 329,097.00 |
| Deferred Charges and Statutory Expenditures | A-3 | 20,320.89 | 24,204.75 |
| Operations Excluded from "CAPS": | | | |
| Operating | A-3 | 26,287.34 | 22,631.94 |
| Capital Improvements | A-3 | 43,000.00 | 23,459.00 |
| Municipal Debt Service | A-3 | 61,508.93 | 46,781.19 |
| Deferred Charges | | | 30,000.00 |
| County Taxes | A-13 | 338,332.19 | 327,090.57 |
| County Share of Added Taxes | A-13 | | 504.33 |
| Local District School Tax | A-14 | 657,774.00 | 664,284.00 |
| Regional High School Tax | A-15 | 647,857.00 | 628,494.89 |
| Refund of Prior Year Revenue | | | 23,319.22 |
| Interfunds Advanced | | 4,695.48 | |
| <u>Total Expenditures</u> | | <u>\$ 2,168,121.79</u> | <u>\$ 2,119,866.89</u> |
| Excess in Revenue | | \$ 126,417.09 | \$ 188,730.92 |
| Adjustments to Income before Fund Balance: | | | |
| Expenditures Included above which are by Statute | | | |
| Deferred Charges to the Budget of the Succeeding Year | | 254.85 | |
| Statutory Excess to Fund Balance | | \$ 126,671.94 | \$ 188,730.92 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | A | \$ 337,291.72 | 272,645.47 |
| | | <u>\$ 463,963.66</u> | <u>\$ 461,376.39</u> |
| Decreased by: | | | |
| Utilization as Anticipated Revenue | A-1:A-2 | 163,000.00 | 124,084.67 |
| Fund Balance, December 31 | A | <u>\$ 300,963.66</u> | <u>\$ 337,291.72</u> |

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

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | | <u>ANTICIPATED</u> | | <u>EXCESS</u> |
|---|-------------|----------------------|----------------------|----------------------|
| | <u>REF.</u> | <u>BUDGET</u> | <u>REALIZED</u> | <u>OR</u> |
| | | | | <u>(DEFICIT)</u> |
| Fund Balance Anticipated | A-1 | \$ <u>163,000.00</u> | \$ <u>163,000.00</u> | \$ _____ |
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | A-9 | 3,824.00 | 3,824.00 | |
| Fines: | | | | |
| Municipal Court | A-9 | 2,000.00 | 3,042.82 | 1,042.82 |
| Interest and Costs on Taxes | A-9 | 3,800.00 | 5,052.20 | 1,252.20 |
| Consolidated Municipal Property Tax Relief Act | A-9 | 1,507.00 | 1,507.00 | |
| Energy Receipts Tax | A-9 | 44,064.00 | 44,064.42 | 0.42 |
| Cell Tower Rental | A-9 | 26,000.00 | 25,520.00 | (480.00) |
| Capital Surplus | A-9 | 25,000.00 | 25,000.00 | |
| Hotel and Motel Tax | A-9 | 22,000.00 | 24,333.42 | 2,333.42 |
| Recycling Tonnage Grant | A-18 | 537.34 | 537.34 | |
| Clean Communities Program | A-18 | 4,000.00 | 4,000.00 | |
| | A-1 | <u>132,732.34</u> | <u>136,881.20</u> | <u>4,148.86</u> |
| Receipts from Delinquent Taxes | A-7 | <u>10,000.00</u> | <u>12,572.61</u> | <u>2,572.61</u> |
| Amount to be Raised by Taxation for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purposes | A-2:A-7 | <u>343,209.01</u> | <u>437,924.52</u> | <u>94,715.51</u> |
| <u>Budget Totals</u> | | \$ <u>648,941.35</u> | \$ <u>750,378.33</u> | \$ <u>101,436.98</u> |
| Non-Budget Revenue | A-1:A-2 | _____ | <u>17,393.53</u> | <u>17,393.53</u> |
| | | \$ <u>648,941.35</u> | \$ <u>767,771.86</u> | \$ <u>118,830.51</u> |
| | <u>REF.</u> | A-3 | | |

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

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | | |
|--|-------------|----|--------------------------|
| Allocation of Current Tax Collections: | | | |
| Collections Realized on a Cash Basis | A-1:A-7 | \$ | 1,956,887.71 |
| Allocated to: | | | |
| School and County Taxes | | | <u>1,643,963.19</u> |
| Balance for Support of Municipal Budget Appropriations | | | 312,924.52 |
| Add: Appropriation-"Reserve for Uncollected Taxes" | A-3 | | <u>125,000.00</u> |
| Amount for Support of Municipal Budget Appropriations | A-2 | \$ | <u><u>437,924.52</u></u> |

Analysis of Non-Budget Revenues

Miscellaneous Revenue Not Anticipated:

| | | | |
|-------------------------|-----|----|-------------------------|
| Treasurer: | | | |
| Borough Clerk | | \$ | 6,722.60 |
| Interest on Investments | | | 269.30 |
| FEMA | | | 4,795.24 |
| Miscellaneous | | | <u>6,282.68</u> |
| | A-4 | \$ | 18,069.82 |
| Tax Collector | A-5 | | <u>115.69</u> |
| | | \$ | 18,185.51 |
| Refunds | A-4 | | <u>791.98</u> |
| | A-2 | \$ | <u><u>17,393.53</u></u> |

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

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

APPROPRIATIONS

| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELED | OVEREXPENDED |
|--|-------------|------------------------------|--------------------|-----------|----------|--------------|
| <u>OPERATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | | |
| Governing Body: | | | | | | |
| Salaries and Wages | \$ 9,284.00 | \$ 9,484.00 | \$ 9,305.50 | \$ 178.50 | \$ | |
| Other Expenses | 1,200.00 | 1,200.00 | 1,198.00 | 2.00 | | |
| Municipal Clerk (Admin and Executive): | | | | | | |
| Salaries and Wages | 38,862.00 | 40,862.00 | 40,848.31 | 13.69 | | |
| Other Expenses | 5,500.00 | 3,000.00 | 2,911.59 | 88.41 | | |
| Elections: | | | | | | |
| Other Expenses | 800.00 | 800.00 | 403.26 | 396.74 | | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 17,146.00 | 16,996.00 | 16,979.28 | 16.72 | | |
| Other Expenses | 500.00 | 500.00 | 497.30 | 2.70 | | |
| Computer Support | 2,500.00 | 7,710.00 | 7,678.40 | 31.60 | | |
| Administration: | | | | | | |
| Salaries and Wages | 7,310.00 | 5,610.00 | 5,599.95 | 10.05 | | |
| Audit Services | 10,000.00 | 17,200.00 | 17,200.00 | | | |
| Tax Assessment Administration: | | | | | | |
| Salaries and Wages | 5,466.00 | 5,466.00 | 5,412.00 | 54.00 | | |
| Other Expenses | 2,050.00 | 550.00 | 116.04 | 433.96 | | |
| Revenue Administration: | | | | | | |
| Salaries and Wages | 7,881.00 | 7,881.00 | 7,748.68 | 132.32 | | |
| Other Expenses | 3,825.00 | 1,325.00 | 725.06 | 599.94 | | |
| Legal Services: | | | | | | |
| Other Expenses | 12,900.00 | 3,900.00 | 2,773.60 | 1,126.40 | | |
| Engineering Services: | | | | | | |
| Other Expenses | 15,000.00 | 12,000.00 | 11,870.07 | 129.93 | | |
| Municipal Land Use Law (NJSA 40:550-1) | | | | | | |
| Planning Board: | | | | | | |
| Salaries and Wages | 4,517.00 | 6,317.00 | 6,534.96 | | | 217.96 |
| Other Expenses | 1,200.00 | 200.00 | 184.59 | 15.41 | | |
| Legal Fees | 2,500.00 | 1,000.00 | 434.00 | 566.00 | | |
| Planner Fees | 1,750.00 | 550.00 | 108.00 | 442.00 | | |
| Engineering Fees | 500.00 | | | | | |
| Zoning Board: | | | | | | |
| Salaries and Wages | 2,800.00 | 2,800.00 | | 2,800.00 | | |
| Insurance (NJSA 40A:4-45.3(00)): | | | | | | |
| Liability Insurance | 5,000.00 | 14,200.00 | 14,188.00 | 12.00 | | |
| Worker Compensation Insurance | 25,000.00 | 18,000.00 | 17,998.00 | 2.00 | | |
| Flood Insurance | 3,000.00 | 3,008.00 | 3,008.00 | | | |
| Employee Bonds | 750.00 | 1,450.00 | 1,449.00 | 1.00 | | |
| <u>PUBLIC SAFETY</u> | | | | | | |
| Police: | | | | | | |
| Salaries and Wages | 4,707.00 | 4,707.00 | 4,225.38 | 481.62 | | |
| Other Expenses | 150.00 | 150.00 | | 150.00 | | |
| Aid to Volunteer Fire Company | 17,000.00 | 17,000.00 | 17,000.00 | | | |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 1,785.00 | 1,785.00 | 1,784.28 | 0.72 | | |

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | APPROPRIATIONS | | | | | |
|--|----------------|------------------------------|--------------------|--------------|-----------|---------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED | OVER EXPENDED |
| <u>PUBLIC WORKS</u> | | | | | | |
| Street and Road Maintenance: | | | | | | |
| Other Expenses | \$ 15,500.00 | \$ 15,500.00 | \$ 13,574.51 | \$ 1,925.49 | \$ | \$ |
| Snow Removal: | | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | 7,930.00 | 4,070.00 | | |
| Solid Waste Collection: | | | | | | |
| Other Expenses | 63,000.00 | 65,600.00 | 65,565.84 | 34.16 | | |
| Building and Grounds: | | | | | | |
| Other Expenses | 13,000.00 | 10,500.00 | 9,410.94 | 1,089.06 | | |
| Recycling: | | | | | | |
| Other Expenses | 13,000.00 | 13,000.00 | 11,920.18 | 1,079.82 | | |
| Shade Tree Commission | 250.00 | 70.00 | | 70.00 | | |
| Environmental Commission: | | | | | | |
| Salaries and Wages | | | | | | |
| Other Expenses | 350.00 | 350.00 | | 350.00 | | |
| <u>HEALTH AND HUMAN SERVICES</u> | | | | | | |
| Board of Health: | | | | | | |
| Other Expenses | 2,000.00 | 1,000.00 | 200.00 | 800.00 | | |
| Animal Control Services: | | | | | | |
| Salaries and Wages | 805.00 | 805.00 | 796.92 | 8.08 | | |
| Other Expenses | 500.00 | 500.00 | | 500.00 | | |
| <u>PARKS AND RECREATION</u> | | | | | | |
| Recreation: | | | | | | |
| Other Expenses | 2,500.00 | 2,500.00 | 35.99 | 2,464.01 | | |
| <u>MUNICIPAL COURT</u> | | | | | | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 8,500.00 | 8,500.00 | 6,558.44 | 1,941.56 | | |
| Other Expenses | 4,800.00 | 4,800.00 | 3,398.00 | 1,402.00 | | |
| Public Defender (P.L. 1997, c.256): | | | | | | |
| Other Expenses | 200.00 | 200.00 | | 200.00 | | |
| <u>STATE UNIFORM CONSTRUCTION CODE</u> <u>(N.J.S.A.52:270-120 ET. SEQ.)</u> | | | | | | |
| Building Inspector: | | | | | | |
| Salaries and Wages | 1,902.00 | 1,902.00 | 1,873.88 | 28.12 | | |
| Other Expenses | 300.00 | 300.00 | | 300.00 | | |
| <u>UNCLASSIFIED</u> | | | | | | |
| Electricity | 1,000.00 | 1,000.00 | | 1,000.00 | | |
| Street Lighting | 15,000.00 | 15,000.00 | 10,566.15 | 4,433.85 | | |
| Telephone | 4,000.00 | 6,750.00 | 6,654.84 | 95.16 | | |
| Natural Gas | 1,800.00 | 2,200.00 | 2,110.60 | 89.40 | | |
| <u>TOTAL OPERATIONS WITHIN "CAPS"</u> | \$ 371,290.00 | \$ 368,128.00 | \$ 338,777.54 | \$ 29,568.42 | \$ | \$ 217.96 |

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | APPROPRIATIONS | | | | | |
|--|----------------------|------------------------------|----------------------|---------------------|--------------------|------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED | OVER EXPENDED |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS" | | | | | | |
| Statutory Expenditures: | | | | | | |
| Contribution to: | | | | | | |
| Public Employee's Retirement System | \$ 11,834.00 | \$ 11,834.00 | \$ 11,834.00 | \$ | \$ | |
| Social Security System | 8,200.00 | 8,200.00 | 8,236.89 | | | 36.89 |
| Unemployment Insurance | 250.00 | 250.00 | 120.00 | 130.00 | | |
| TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS" | \$ 20,284.00 | \$ 20,284.00 | \$ 20,190.89 | \$ 130.00 | \$ | \$ 36.89 |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS" | \$ 391,574.00 | \$ 388,412.00 | \$ 358,968.43 | \$ 29,698.42 | \$ | \$ 254.85 |
| OPERATIONS EXCLUDED FROM "CAPS" | | | | | | |
| Length of Service Award Program | \$ 19,000.00 | \$ 21,550.00 | \$ 21,397.50 | \$ 152.50 | \$ | |
| Council on Affordable Housing | 200.00 | 200.00 | | 200.00 | | |
| TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAF" | \$ 19,200.00 | \$ 21,750.00 | \$ 21,397.50 | \$ 352.50 | \$ | \$ |
| STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES | | | | | | |
| Clean Communities Program | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 | \$ | \$ | |
| Recycling Tonnage Grant | 537.34 | 537.34 | 537.34 | | | |
| TOTAL PUBLIC AND PRIVATE PROGRAMS | \$ 4,537.34 | \$ 4,537.34 | \$ 4,537.34 | \$ | \$ | \$ |
| TOTAL OPERATIONS - EXCLUDED FROM "CAPS" | \$ 23,737.34 | \$ 26,287.34 | \$ 25,934.84 | \$ 352.50 | \$ | \$ |
| CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS" | | | | | | |
| Capital Improvement Fund | \$ 18,000.00 | \$ 18,000.00 | \$ 18,000.00 | \$ | \$ | |
| Capital Improvement Fund - Lambertville Sewerage Authority | 25,000.00 | 25,000.00 | 15,645.29 | 9,354.71 | | |
| TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS" | \$ 43,000.00 | \$ 43,000.00 | \$ 33,645.29 | \$ 9,354.71 | \$ | \$ |
| MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS" | | | | | | |
| Interest on Notes | \$ 8,704.00 | \$ 8,704.00 | \$ 8,666.60 | \$ | \$ 37.40 | |
| Payment of Bond Anticipation Notes and Capital Notes | 2,105.26 | 2,105.26 | 2,105.26 | | | |
| Loan Repayments for Principal & Interest-Green Trust | 12,436.64 | 12,436.64 | 12,436.64 | | | |
| Loan Repayments for Principal & Interest-NJ Environmental | 42,384.11 | 42,996.11 | 38,300.43 | | 4,695.68 | |
| TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS" | \$ 65,630.01 | \$ 66,242.01 | \$ 61,508.93 | \$ | \$ 4,733.08 | \$ |

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | APPROPRIATIONS | | | | | |
|---|----------------------|--------------------------------------|----------------------------|---------------------|--------------------|----------------------|
| | <u>BUDGET</u> | <u>BUDGET AFTER MODIFICATION</u> | <u>PAID OR CHARGED</u> | <u>RESERVED</u> | <u>CANCELLED</u> | <u>OVER EXPENDED</u> |
| TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS" | \$ 132,367.35 | \$ 135,529.35 | \$ 121,089.06 | \$ 9,707.21 | \$ 4,733.08 | \$ _____ |
| SUB-TOTAL GENERAL APPROPRIATIONS | \$ 523,941.35 | \$ 523,941.35 | \$ 480,057.49 | \$ 39,405.63 | \$ 4,733.08 | \$ 254.85 |
| RESERVE FOR UNCOLLECTED TAXES | 125,000.00 | 125,000.00 | 125,000.00 | | | |
| <u>TOTAL GENERAL APPROPRIATIONS</u> | <u>\$ 648,941.35</u> | <u>\$ 648,941.35</u> | <u>\$ 605,057.49</u> | <u>\$ 39,405.63</u> | <u>\$ 4,733.08</u> | <u>\$ 254.85</u> |
| | <u>REF.</u> | A-2 | A-1 | A:A-1 | | A-6 |
| Encumbrances Payable | A-21 | | \$ 21,988.47 | | | |
| Reserve for Uncollected Taxes | A-2 | | 125,000.00 | | | |
| Reserve for Grants Appropriated | A-19 | | 4,537.34 | | | |
| Cash Disbursements | A-4 | | <u>458,291.68</u> | | | |
| | | | \$ <u>605,057.49</u> | | | |

TRUST FUND

BOROUGH OF STOCKTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2013</u> | <u>BALANCE DECEMBER 31, 2012</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Animal Control Trust Fund: | | | |
| Cash | B-1 | \$ <u>2,266.52</u> | \$ <u>1,827.68</u> |
| Other Funds: | | | |
| Cash | B-1 | <u>29,464.86</u> | <u>27,351.79</u> |
| | | \$ <u><u>31,731.38</u></u> | \$ <u><u>29,179.47</u></u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCES</u> | | | |
| Animal Control Trust Fund: | | | |
| Due Current Fund | B-5 | \$ 193.52 | \$ 193.28 |
| Due State of New Jersey | B-3 | 44.60 | 44.60 |
| Reserve for Animal Control Fund Expenditures | B-2 | <u>2,028.40</u> | <u>1,589.80</u> |
| | | <u>2,266.52</u> | <u>1,827.68</u> |
| Other Funds: | | | |
| Due Current Fund | B-5 | 4,235.19 | 4,235.19 |
| Reserve For: | | | |
| Various Reserves and Deposits | B-4 | <u>25,229.67</u> | <u>23,116.60</u> |
| | | <u>29,464.86</u> | <u>27,351.79</u> |
| | | \$ <u><u>31,731.38</u></u> | \$ <u><u>29,179.47</u></u> |

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

GENERAL CAPITAL FUND

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

| | <u>REF.</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u> |
|--|-------------|--|--|
| <u>ASSETS</u> | | | |
| Cash | C-2 | \$ 351,234.79 | \$ 625,398.94 |
| Deferred Charges to Future Taxation - Funded | C-11 | 476,086.80 | 599,455.60 |
| Deferred Charges to Future Taxation - Unfunded | C-5 | 723,942.80 | 745,000.00 |
| Interfunds Receivable | C-10 | 25,569.34 | 29,149.30 |
| N.J. Environmental Trust Loans Receivable | C-14 | | 104,798.06 |
| Grants Receivable | C-6 | 13,536.67 | 13,536.67 |
| | | <u>\$ 1,590,370.40</u> | <u>\$ 2,117,338.57</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Bond Anticipation Notes | C-8 | \$ 317,894.00 | \$ 320,000.00 |
| Contracts Payable | C-15 | 27,286.89 | 11,958.40 |
| Interfunds Payable | C-10 | 11,226.10 | 152,170.04 |
| Green Acres Loan Payable | C-12 | 127,200.80 | 136,946.99 |
| N.J. Environmental Trust Loans Payable | C-13 | 348,886.00 | 462,508.61 |
| Improvement Authorizations: | | | |
| Unfunded | C-7 | 302,019.77 | 559,407.09 |
| Capital Improvement Fund | C-9 | 148,007.95 | 140,007.95 |
| Reserve for: | | | |
| Miscellaneous Reserves | C-4 | 200,581.88 | 202,461.88 |
| Fund Balance | C-1 | 107,267.01 | 132,267.01 |
| | | <u>\$ 1,590,370.40</u> | <u>\$ 2,117,727.97</u> |

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

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

| | <u>REF.</u> | |
|---|-------------|----------------------|
| Balance, December 31, 2012 | C | \$ 132,267.01 |
| Decreased by: | | |
| Payment to Current Fund as Anticipated Revenue | C-2 | <u>25,000.00</u> |
| Balance, December 31, 2013 | C | <u>\$ 107,267.01</u> |

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

WATER UTILITY FUND

"D"

BOROUGH OF STOCKTON

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2013</u> | <u>BALANCE DECEMBER 31, 2012</u> |
|---|-------------|--|--|
| Operating Fund: | | | |
| Cash - Treasurer | D-4 | \$ 206,468.13 | \$ 52,442.77 |
| Interfunds Receivable | D-15 | 1,440.00 | 88,718.57 |
| | | <u>\$ 207,908.13</u> | <u>\$ 141,161.34</u> |
| Receivables and Inventories with Full Reserves: | | | |
| Consumer Accounts Receivable | D-6 | \$ 2,784.52 | \$ 3,627.02 |
| | D | <u>\$ 2,784.52</u> | <u>\$ 3,627.02</u> |
| <u>Total Operating Fund</u> | | <u>\$ 210,692.65</u> | <u>\$ 144,788.36</u> |
| Capital Fund: | | | |
| Fixed Capital | D-14 | \$ 402,376.93 | \$ 402,376.93 |
| Fixed Capital Authorized and Uncompleted | D-8 | 230,000.00 | 230,000.00 |
| Interfunds Receivable | D-16 | <u>64,951.47</u> | <u>152,170.04</u> |
| <u>Total Capital Fund</u> | | <u>\$ 697,328.40</u> | <u>\$ 784,546.97</u> |
| | | <u>\$ 908,021.05</u> | <u>\$ 929,335.33</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| Operating Fund: | | | |
| Liabilities: | | | |
| Appropriation Reserves | D-3:D-9 | \$ 8,713.77 | \$ 24,726.70 |
| Encumbrances Payable | D-5 | 2,215.32 | 765.43 |
| Accrued Interest on Bonds and Loans | D-7 | 1,440.00 | |
| Interfunds Payable | D-15 | <u>56,961.59</u> | <u>2,116.14</u> |
| | | <u>\$ 69,330.68</u> | <u>\$ 27,608.27</u> |
| Reserve for Receivables and Inventory | D | 2,784.52 | 3,627.02 |
| Fund Balance | D-1 | <u>138,577.45</u> | <u>113,553.07</u> |
| <u>Total Operating Fund</u> | | <u>\$ 210,692.65</u> | <u>\$ 144,788.36</u> |
| Capital Fund: | | | |
| Improvement Authorizations: | | | |
| Funded | D-10 | \$ 20,997.30 | \$ 23,997.30 |
| Unfunded | D-10 | 28,971.10 | 28,971.10 |
| Capital Improvement Fund | D-12 | 19,983.07 | 15,483.07 |
| Bond Anticipation Notes | D-17 | 175,000.00 | 175,000.00 |
| Interfunds Payable | | | 88,718.57 |
| Reserve for: | | | |
| Amortization | D-13 | 402,376.93 | 402,376.93 |
| Deferred Amortization | D-11 | 35,000.00 | 35,000.00 |
| Capital Outlay | D-18 | <u>15,000.00</u> | <u>15,000.00</u> |
| <u>Total Capital Fund</u> | | <u>\$ 697,328.40</u> | <u>\$ 784,546.97</u> |
| | | <u>\$ 908,021.05</u> | <u>\$ 929,335.33</u> |

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

BOROUGH OF STOCKTON

WATER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | <u>YEAR ENDED DECEMBER 31, 2013</u> | <u>YEAR ENDED DECEMBER 31, 2012</u> |
|--|-------------|---|---|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Rents | D-2 | \$ 83,916.30 | \$ 83,281.41 |
| Other Credits to Income: | | | |
| Miscellaneous Revenue Not Anticipated | D-2 | 1,751.21 | 800.87 |
| Overpayments Canceled | | | 353.84 |
| Unexpended Balance of Appropriation Reserves | D-9 | <u>19,346.87</u> | <u>19,864.89</u> |
| <u>TOTAL INCOME</u> | | <u>\$ 105,014.38</u> | <u>\$ 104,301.01</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | D-3 | \$ 68,066.00 | \$ 72,300.00 |
| Statutory Expenditures and Deferred Charges | D-3 | 1,224.00 | 1,700.00 |
| Debt Service | D-3 | 6,200.00 | |
| Capital Improvements | D-3 | <u>4,500.00</u> | <u>5,000.00</u> |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 79,990.00</u> | <u>\$ 79,000.00</u> |
| Excess in Revenue | | \$ 25,024.38 | \$ 25,301.01 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | D | <u>113,553.07</u> | <u>88,252.06</u> |
| Balance, December 31 | D | <u>\$ 138,577.45</u> | <u>\$ 113,553.07</u> |

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

BOROUGH OF STOCKTONWATER UTILITY OPERATING FUNDSTATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
|---------------------------------------|-------------|---------------------|---------------------|------------------------------------|
| Water Use Charges | D-1:D-6 | \$ 79,990.00 | \$ 83,916.30 | \$ 3,926.30 |
| Miscellaneous Revenue Not Anticipated | D-1:D-2 | | <u>1,751.21</u> | <u>1,751.21</u> |
| | D-3 | \$ <u>79,990.00</u> | \$ <u>85,667.51</u> | \$ <u>5,677.51</u> |

ANALYSIS OF REALIZED REVENUE

Water Use Charges:

Consumer Accounts Receivable:
Collected

| | |
|-----|---------------------|
| D-6 | \$ <u>83,916.30</u> |
| | \$ <u>83,916.30</u> |

Miscellaneous-Collector

Interest on Delinquent Accounts

| | |
|---------|--------------------|
| | \$ 1,267.16 |
| | <u>484.05</u> |
| D-2:D-4 | \$ <u>1,751.21</u> |

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

BOROUGH OF STOCKTON

WATER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | APPROPRIATIONS | | EXPENDED | |
|-------------------------------------|---------------------|------------------------------|---------------------|--------------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED |
| Operating: | | | | |
| Salaries and Wages | \$ 16,000.00 | \$ 16,000.00 | \$ 15,929.00 | \$ 71.00 |
| Other Expenses | 52,066.00 | 52,066.00 | 43,428.71 | 8,637.29 |
| <u>Total Operating</u> | <u>\$ 68,066.00</u> | <u>\$ 68,066.00</u> | <u>\$ 59,357.71</u> | <u>\$ 8,708.29</u> |
| Capital Improvements: | | | | |
| Capital Improvement Fund | \$ 4,500.00 | \$ 4,500.00 | \$ 4,500.00 | |
| <u>Total Capital Improvements</u> | <u>\$ 4,500.00</u> | <u>\$ 4,500.00</u> | <u>\$ 4,500.00</u> | |
| Debt Services: | | | | |
| Interest on Notes | \$ 6,200.00 | 6,200.00 | 6,200.00 | |
| <u>Total Debt Services</u> | <u>\$ 6,200.00</u> | <u>\$ 6,200.00</u> | <u>\$ 6,200.00</u> | |
| Statutory Expenditures: | | | | |
| Contributions to: | | | | |
| Social Security System (O.A.S.I.) | \$ 1,224.00 | \$ 1,224.00 | 1,218.52 | \$ 5.48 |
| <u>Total Statutory Expenditures</u> | <u>\$ 1,224.00</u> | <u>\$ 1,224.00</u> | <u>\$ 1,218.52</u> | <u>\$ 5.48</u> |
| | <u>\$ 79,990.00</u> | <u>\$ 79,990.00</u> | <u>\$ 71,276.23</u> | <u>\$ 8,713.77</u> |
| | REF. | D-2 | | D:D-1 |
| Cash Disbursements | D-4 | | \$ 67,620.91 | |
| Encumbrances Payable | D-5 | | 2,215.32 | |
| Accrued Interest | D-7 | | 1,440.00 | |
| | | | <u>\$ 71,276.23</u> | |

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

SEWER UTILITY FUND

BOROUGH OF STOCKTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>ASSETS</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2013</u> | <u>BALANCE DECEMBER 31, 2012</u> |
|---|-------------|--|--|
| Operating Fund: | | | |
| Cash - Treasurer | E-5 | \$ 358,601.96 | \$ 281,142.17 |
| Interfund Receivable | E-8 | <u>3,236.22</u> | <u>2,116.14</u> |
| | | \$ <u>361,838.18</u> | \$ <u>283,258.31</u> |
| Receivables and Inventories with Full Reserves: | | | |
| Consumer Accounts Receivable | E:E-7 | \$ 16,041.54 | \$ 13,489.99 |
| | | <u>16,041.54</u> | <u>13,489.99</u> |
| Deferred Charges: | | | |
| Overexpenditure of 2013 Appropriations | E-4 | \$ 71.04 | \$ |
| | | <u>71.04</u> | <u></u> |
| <u>Total Operating Fund</u> | | \$ <u>377,950.76</u> | \$ <u>296,748.30</u> |
| Capital Fund: | | | |
| Fixed Capital | E-16 | \$ 2,879,656.48 | \$ 2,879,656.48 |
| Fixed Capital Authorized and Uncompleted | E-13 | 20,000.00 | 20,000.00 |
| N.J. Environmental Infrastructure Loan Receivable | E-11 | 30,482.30 | 34,061.39 |
| Interfunds Receivable | E-14 | <u>67,705.03</u> | <u>47,103.94</u> |
| <u>Total Capital Fund</u> | | \$ <u>2,997,843.81</u> | \$ <u>2,980,821.81</u> |
| | | <u>\$ 3,375,794.57</u> | <u>\$ 3,277,570.11</u> |

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

BOROUGH OF STOCKTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2013</u> | <u>BALANCE DECEMBER 31, 2012</u> |
|--|-------------|--|--|
| Operating Fund: | | | |
| Liabilities: | | | |
| Budget Appropriations | E-4;E-10 | \$ 23,635.45 | \$ 67,428.83 |
| Encumbrances Payable | E-9 | 16,898.31 | |
| Interfunds Payable | E-8 | 74,186.97 | 48,890.64 |
| Accrued Interest | E-6 | 5,770.29 | 9,158.96 |
| | | <u>\$ 120,491.02</u> | <u>\$ 125,478.43</u> |
| Reserve for Receivables | E | 16,041.54 | 13,489.99 |
| Fund Balance | E-1 | <u>241,418.20</u> | <u>157,779.88</u> |
| <u>Total Operating Fund</u> | | <u>\$ 377,950.76</u> | <u>\$ 296,748.30</u> |
| Capital Fund: | | | |
| Improvement Authorizations: | | | |
| Unfunded | E-15 | \$ 20,000.00 | \$ 20,000.00 |
| Serial Bonds Payable: | E-19 | 177,986.05 | 202,877.19 |
| N.J. Environmental Infrastructure Loan Payable | E-20 | 300,210.40 | 356,644.07 |
| Reserve for: | | | |
| Amortization | E-17 | 2,399,339.55 | 2,318,014.74 |
| Capital Improvements | E-18 | 3,000.00 | 3,000.00 |
| Capital Improvement Fund | E-12 | 96,066.00 | 79,044.00 |
| Fund Balance | E-2 | <u>1,241.81</u> | <u>1,241.81</u> |
| <u>Total Capital Fund</u> | | <u>\$ 2,997,843.81</u> | <u>\$ 2,980,821.81</u> |
| | | <u>\$ 3,375,794.57</u> | <u>\$ 3,277,570.11</u> |

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

BOROUGH OF STOCKTON

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | <u>YEAR 2013</u> | <u>YEAR 2012</u> |
|---|-------------|----------------------|----------------------|
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | |
| Sewer Service Charges | E-3 | \$ 274,419.89 | \$ 297,249.27 |
| Miscellaneous | E-3 | 3,536.67 | 5,450.54 |
| Other Credits to Income: | | | |
| Accrued Interest Canceled | E-6 | 11,701.17 | |
| Unexpended Balance of Appropriation Reserves | E-10 | <u>54,134.26</u> | <u>9,052.47</u> |
| <u>TOTAL INCOME</u> | | <u>\$ 343,791.99</u> | <u>\$ 311,752.28</u> |
| <u>EXPENDITURES</u> | | | |
| Operating | E-4 | \$ 110,334.04 | \$ 149,782.00 |
| Statutory Expenditures and Deferred Charges | E-4 | 1,400.00 | 1,950.00 |
| Capital Improvement | E-4 | 35,022.00 | 27,022.00 |
| Debt Service | E-4 | 113,468.67 | 91,168.54 |
| Refund of Prior Year Revenues | | <u></u> | <u>32,704.61</u> |
| <u>TOTAL EXPENDITURES</u> | | <u>\$ 260,224.71</u> | <u>\$ 302,627.15</u> |
| Excess in Revenue | | \$ 83,567.28 | \$ 9,125.13 |
| Adjustments to Income before Fund Balance | | | |
| Deferred Charges to the Budget of the Succeeding Year | E-4 | <u>71.04</u> | <u></u> |
| Statutory Excess to Fund Balance | | \$ 83,638.32 | \$ 9,125.13 |
| <u>Fund Balance</u> | | | |
| Balance, January 1 | E-1 | <u>157,779.88</u> | <u>148,654.75</u> |
| Balance, December 31 | E | <u>\$ 241,418.20</u> | <u>\$ 157,779.88</u> |

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

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2012
and December 31, 2013

E

\$ 1,241.81

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

BOROUGH OF STOCKTON

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | <u>ANTICIPATED</u> | <u>REALIZED</u> | <u>EXCESS OR (DEFICIT)</u> |
|---------------|-------------|----------------------|----------------------|------------------------------------|
| Sewer Charges | E-1:E-3 | \$ 261,922.00 | \$ 274,419.89 | \$ 12,497.89 |
| Miscellaneous | E-1:E-3 | | <u>3,536.67</u> | <u>3,536.67</u> |
| | E-4 | <u>\$ 261,922.00</u> | <u>\$ 277,956.56</u> | <u>\$ 16,034.56</u> |

ANALYSIS OF REALIZED REVENUE

| | | |
|---------------------------------|---------|----------------------|
| Sewer Charges: | | |
| Collections | E-7 | \$ <u>274,419.89</u> |
| | E-3 | \$ <u>274,419.89</u> |
| Miscellaneous: | | |
| Interest on Delinquent Accounts | | \$ 1,703.15 |
| Connection Fees | | 1,800.00 |
| Interest on Investments | | <u>33.52</u> |
| | E-3:E-5 | \$ <u>3,536.67</u> |

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

BOROUGH OF STOCKTON

SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | APPROPRIATIONS | | EXPENDED | | CANCELLED | OVER-EXPENDED |
|---|----------------------|---------------------------|----------------------|---------------------|--------------------|-----------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | | |
| Operating: | | | | | | |
| Salaries and Wages | \$ 17,500.00 | \$ 17,500.00 | \$ 17,571.04 | \$ | \$ | 71.04 |
| Other Expenses | 94,000.00 | 92,763.00 | 87,183.41 | 5,579.59 | | |
| <u>Total Operating</u> | <u>\$ 111,500.00</u> | <u>\$ 110,263.00</u> | <u>\$ 104,754.45</u> | <u>\$ 5,579.59</u> | | <u>\$ 71.04</u> |
| Capital Improvements: | | | | | | |
| Capital Improvement Fund | \$ 17,022.00 | \$ 17,022.00 | \$ 17,022.00 | \$ | \$ | |
| Capital Outlay | 18,000.00 | 18,000.00 | | 18,000.00 | | |
| <u>Total Capital Improvements</u> | <u>\$ 35,022.00</u> | <u>\$ 35,022.00</u> | <u>\$ 17,022.00</u> | <u>\$ 18,000.00</u> | | <u>\$</u> |
| Debt Service: | | | | | | |
| Payment of Bond Principal | \$ 25,000.00 | \$ 25,000.00 | \$ 24,891.14 | \$ | \$ 108.86 | |
| Interest on Bonds | 10,000.00 | 11,237.00 | 10,143.86 | | 1,093.14 | |
| New Jersey Environmental Infrastructure Loan: | | | | | | |
| Payment of Bond Principal | 57,000.00 | 57,000.00 | 56,433.67 | | 566.33 | |
| Interest on Bonds | 22,000.00 | 22,000.00 | 22,000.00 | | | |
| <u>Total Debt Service</u> | <u>\$ 114,000.00</u> | <u>\$ 115,237.00</u> | <u>\$ 113,468.67</u> | <u>\$</u> | <u>\$ 1,768.33</u> | <u>\$</u> |
| Deferred Charges and Statutory Expenditures: | | | | | | |
| Social Security System (O.A.S.I.) | \$ 1,400.00 | \$ 1,400.00 | \$ 1,344.14 | \$ 55.86 | \$ | \$ |
| <u>Total Statutory Expenditures</u> | <u>\$ 1,400.00</u> | <u>\$ 1,400.00</u> | <u>\$ 1,344.14</u> | <u>\$ 55.86</u> | <u>\$</u> | <u>\$</u> |
| | <u>\$ 261,922.00</u> | <u>\$ 261,922.00</u> | <u>\$ 236,589.26</u> | <u>\$ 23,635.45</u> | <u>\$ 1,768.33</u> | <u>\$ 71.04</u> |
| | REF. E-3 | | E-1 | E:E-1 | | E |
| Cash Disbursements | E-5 | | \$ 211,378.45 | | | |
| Accounts Payable | E-9 | | 16,898.31 | | | |
| Accrued Interest | E-6 | | 8,312.50 | | | |
| | | | <u>\$ 236,589.26</u> | | | |

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF STOCKTON

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Stockton is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Stockton include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Stockton, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Stockton do not include the operations of the local and regional school districts, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Stockton conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Stockton are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

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

Water Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Water Utility

Sewer Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally owned Sewer Utility

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. All grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31st are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. 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.

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as revenue in a future budget. GAAP requires such proceeds to be recorded as revenue in the year of sale.

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$300.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on General Fixed Assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Adjustments for assets acquired/sold subsequent to this date have been recorded. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Borough's most recent property revaluation. The Borough has not updated its Fixed Asset Ledger since 2006.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Water Utility and Sewer Utility - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water Utility Fund and the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represents charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be held in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Stockton has the following cash and cash equivalents at December 31, 2013:

| Fund Type | Bank Balance | Change Funds | Total | Reconciling Items: | | Reconciled Balance |
|--------------------------------|-----------------------|------------------|------------------------|--------------------|-------------------|-----------------------|
| | | | | Additions | Deletions | |
| Current Fund | \$ 424,848.24 | \$ 225.00 | \$ 425,073.24 | \$ 221.80 | \$ 625.00 | \$ 424,670.04 |
| Animal Control Fund | 2,266.52 | | 2,266.52 | | | 2,266.52 |
| Other Trust Fund | 34,169.28 | | 34,169.28 | 1.90 | 4,706.32 | 29,464.86 |
| General Capital Fund | 351,234.79 | | 351,234.79 | | | 351,234.79 |
| Water Utility Operating Fund | 204,761.38 | | 204,761.38 | 1,709.03 | 2.28 | 206,468.13 |
| Sewer Utility Operating Fund | 360,310.99 | | 360,310.99 | | 1,709.03 | 358,601.96 |
| TOTAL DECEMBER 31, 2013 | \$1,377,591.20 | \$ 225.00 | \$ 1,377,816.20 | \$ 1,932.73 | \$7,042.63 | \$1,372,706.30 |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$250,000.00 was covered by Federal Depository Insurance and \$1,127,591.20 was covered under the provisions of NJGUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (c.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (c. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Stockton had no investments outstanding as of December 31, 2013.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, based by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years if financed by the issuance of bonds.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

| | <u>YEAR 2013</u> | <u>YEAR 2012</u> | <u>YEAR 2011</u> |
|--|----------------------------|----------------------------|----------------------------|
| Issued: | | | |
| General Capital | | | |
| Bonds, Notes and Loans | \$ 793,980.80 | \$ 919,455.60 | \$ 672,549.18 |
| Water Utility: | | | |
| Bonds and Notes | 175,000.00 | 175,000.00 | |
| Sewer Utility: | | | |
| Bonds and Notes | <u>478,196.45</u> | <u>559,521.26</u> | <u>740,501.80</u> |
| <u>Net Debt Issued</u> | <u>\$ 1,447,177.25</u> | <u>\$ 1,653,976.86</u> | <u>\$ 1,413,050.98</u> |
| Authorized But Not Issued: | | | |
| General Capital - Bonds and Notes | \$ 406,048.80 | \$ 425,000.00 | \$ 280,000.00 |
| Water Capital - Bonds and Notes | 20,000.00 | 20,000.00 | 20,000.00 |
| Sewer Utility - Bonds and Notes | <u>22,120.48</u> | <u>22,120.48</u> | <u>24,376.00</u> |
| <u>Total Authorized But Not Issued</u> | <u>\$ 448,169.28</u> | <u>\$ 467,120.48</u> | <u>\$ 324,376.00</u> |
| NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED | <u>\$ 1,895,346.53</u> | <u>\$ 2,121,097.34</u> | <u>\$ 1,737,426.98</u> |

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.161%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

| | <u>GROSS DEBT</u> | <u>DEDUCTIONS</u> | <u>NET DEBT</u> |
|-------------------------------|------------------------|------------------------|------------------------|
| Regional School District Debt | \$ 1,116,726.48 | \$ 1,116,726.48 | \$ |
| Sewer Utility Debt | 500,316.93 | 500,316.93 | |
| Water Utility Debt | 195,000.00 | 195,000.00 | |
| General Debt | <u>1,200,029.60</u> | <u>127,243.88</u> | <u>1,072,785.72</u> |
| | <u>\$ 3,012,073.01</u> | <u>\$ 1,939,287.29</u> | <u>\$ 1,072,785.72</u> |

NET DEBT \$1,216,005.80 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$92,435,443.33 EQUALS 1.161%.

BORROWING POWER UNDER N.J.S.A. 40A:2-6 AS AMENDED

| | |
|--|------------------------|
| Equalized Valuation Basis - December 31, 2013 | <u>\$92,435,443.33</u> |
| 3-1/2% of Equalized Valuation Basis | \$3,235,240.52 |
| Net Debt | <u>1,072,785.72</u> |
| Remaining Borrowing Power at December 31, 2013 | <u>\$2,162,454.80</u> |

Equalized Valuation basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 3% of the Average Equalized Assessed Valuation of real property for the Local and Regional School Districts.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER UTILITY
PER N.J.S.A. 40A:2-45

| | | |
|--|-----------------|---------------------|
| Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus | | \$85,667.51 |
| Deduction: | | |
| Operating and Maintenance Cost | \$69,290.00 | |
| Debt Service Per Water Utility Account | <u>6,200.00</u> | |
| | | <u>75,490.00</u> |
| Excess (Deficit) in Revenue | | <u>\$ 10,177.51</u> |

CALCULATION OF "SELF-LIQUIDATING PURPOSE" SEWER UTILITY
PER N.J.S.A. 40A:2-45

| | | |
|--|-------------------|---------------------|
| Cash Receipts from Fees, Rents of Other Charges for Year and Anticipated Surplus | | \$277,956.56 |
| Deduction: | | |
| Operating and Maintenance Cost | \$111,663.00 | |
| Debt Service Per Sewer Utility Account | <u>113,468.67</u> | |
| | | <u>225,131.67</u> |
| Excess (Deficit) in Revenue | | <u>\$ 52,824.89</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT:

General Capital

Green Acres Trust Loan:

\$200,000.00 of 2005 Trust Loan due in annual installments of \$6,156.74 to \$12,131.23 through January 2025 at an interest rate 2.00%. \$ 127,200.80

New Jersey Environmental Infrastructure Trust Loans:

\$300,000.00 of 2006 Trust Loan due in annual installments of \$15,000.00 to \$25,000.00 through August 2026 at variable interest rates of 4.00% to 5.00%. \$ 235,000.00

\$282,975.00 of 2006 Trust Loan due in annual installments of \$8,788.26 to \$16,497.49 through August 2021. \$ 113,886.00

Sewer Utility Capital

New Jersey Environmental Infrastructure Loans:

\$495,000.00 of 2000 Trust Loan due in annual installments of \$30,000.00 to \$40,000.00 through August 2020 at interest rates of 5.00% to 5.25%. \$ 235,000.00

\$488,624.00 of 2000 Trust Fund due in annual installments of principal only \$15,065.83 to \$26,433.67 through August 2016. 65,210.40

\$ 300,210.40

Sewer Improvement Bonds:

\$591,000.00 of 1979 Serial Bonds due in annual installments of \$26,135.70 to \$33,569.82 through December 2019 at a variable interest rate. \$ 177,986.05

NOTE 3: MUNICIPAL DEBT (CONTINUED)

| <u>General Capital</u> | <u>Interest Rate</u> | <u>Original Issue Date</u> | <u>Amount</u> |
|------------------------|----------------------|----------------------------|----------------------|
| 2010-02 | 1.08% | 9/23/2010 | \$ 37,894.00 |
| 2011-01 | 1.08% | 9/21/2012 | <u>280,000.00</u> |
| | | | \$ <u>317,894.00</u> |

Water Capital

| | | | |
|---------|-------|-----------|----------------------|
| 2012-04 | 1.08% | 9/21/2012 | \$ <u>175,000.00</u> |
|---------|-------|-----------|----------------------|

Bonds and Notes Authorized But Not Issued

At December 31, 2013, the Borough has authorized but not issued bonds and notes as follows:

| | |
|----------------------------|---------------------|
| General Capital Fund | <u>\$406,048.80</u> |
| Water Utility Capital Fund | <u>\$20,000.00</u> |
| Sewer Utility Capital Fund | <u>\$22,120.48</u> |

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2013

SEWER UTILITY

| <u>Calendar Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|----------------------|---------------------|----------------------|
| 2014 | \$ 26,135.70 | \$ 8,899.30 | \$ 35,035.00 |
| 2015 | 27,442.48 | 7,592.52 | 35,035.00 |
| 2016 | 28,814.61 | 6,220.39 | 35,035.00 |
| 2017 | 30,255.34 | 4,779.66 | 35,035.00 |
| 2018 | 31,768.10 | 3,266.90 | 35,035.00 |
| 2019 | <u>33,569.82</u> | <u>1,678.49</u> | <u>35,248.31</u> |
| Total | \$ <u>177,986.05</u> | \$ <u>32,437.26</u> | \$ <u>210,423.31</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND
OUTSTANDING DECEMBER 31, 2013

SEWER UTILITY

| Calendar Year | Trust Loan | | Fund Loan | | Total |
|------------------|----------------------|---------------------|---------------------|----|-------------------|
| | Principal | Interest | Principal | | |
| 2014 | \$ 30,000.00 | \$ 12,187.50 | \$ 25,526.08 | \$ | 67,713.58 |
| 2015 | 30,000.00 | 10,687.50 | 24,618.49 | | 65,305.99 |
| 2016 | 30,000.00 | 9,150.00 | 15,065.83 | | 54,215.83 |
| 2017 | 35,000.00 | 7,612.50 | | | 42,612.50 |
| 2018 | 35,000.00 | 5,775.00 | | | 40,775.00 |
| 2019 | 35,000.00 | 3,937.50 | | | 38,937.50 |
| 2020 | 40,000.00 | 2,100.00 | | | 42,100.00 |
| Total | \$ <u>235,000.00</u> | \$ <u>51,450.00</u> | \$ <u>65,210.40</u> | \$ | <u>351,660.40</u> |

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND
OUTSTANDING DECEMBER 31, 2013

| Calendar Year | Trust Loan | | Fund Loan | | Total |
|------------------|----------------------|---------------------|----------------------|----|-------------------|
| | Principal | Interest | Principal | | |
| 2014 | \$ 15,000.00 | \$ 10,262.50 | \$ 15,899.59 | \$ | 41,162.09 |
| 2015 | 15,000.00 | 9,512.50 | 15,427.55 | | 39,940.05 |
| 2016 | 15,000.00 | 8,762.50 | 14,955.52 | | 38,718.02 |
| 2017 | 15,000.00 | 8,012.50 | 14,483.49 | | 37,495.99 |
| 2018 | 15,000.00 | 7,412.50 | 14,105.87 | | 36,518.37 |
| 2019 | 15,000.00 | 6,812.50 | 13,728.23 | | 35,540.73 |
| 2020 | 20,000.00 | 6,212.50 | 16,497.49 | | 42,709.99 |
| 2021 | 20,000.00 | 5,412.50 | 8,788.26 | | 34,200.76 |
| 2022 | 20,000.00 | 4,587.50 | | | 24,587.50 |
| 2023 | 20,000.00 | 3,762.50 | | | 23,762.50 |
| 2024 | 20,000.00 | 2,912.50 | | | 22,912.50 |
| 2025 | 20,000.00 | 1,912.50 | | | 21,912.50 |
| 2026 | 25,000.00 | 1,062.50 | | | 26,062.50 |
| Total | \$ <u>235,000.00</u> | \$ <u>76,637.50</u> | \$ <u>113,886.00</u> | \$ | <u>425,523.50</u> |

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR GREEN TRUST LOANS ISSUED AND
OUTSTANDING DECEMBER 31, 2013

| Calendar Year | Trust Loan | | Total |
|------------------|----------------------|---------------------|----------------------|
| | Principal | Interest | |
| 2014 | \$ 9,942.08 | \$ 2,494.56 | \$ 12,436.64 |
| 2015 | 10,141.92 | 2,294.72 | 12,436.64 |
| 2016 | 10,345.77 | 2,090.87 | 12,436.64 |
| 2017 | 10,553.72 | 1,882.91 | 12,436.63 |
| 2018 | 10,765.86 | 1,670.78 | 12,436.64 |
| 2019 | 10,982.24 | 1,454.39 | 12,436.63 |
| 2020 | 11,202.99 | 1,233.65 | 12,436.64 |
| 2021 | 11,428.17 | 1,008.47 | 12,436.64 |
| 2022 | 11,657.88 | 778.76 | 12,436.64 |
| 2023 | 11,892.20 | 544.44 | 12,436.64 |
| 2024 | 12,131.23 | 305.41 | 12,436.64 |
| 2025 | 6,156.74 | 61.57 | 6,218.31 |
| Total | \$ <u>127,200.80</u> | \$ <u>15,820.53</u> | \$ <u>143,021.33</u> |

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 were as follows:

| | |
|----------------------|---------------|
| Current Fund | \$ 163,000.00 |
| Water Operating Fund | \$ None |
| Sewer Operating Fund | \$ None |

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

| | BALANCE DECEMBER 31, 2013 | BALANCE DECEMBER 31, 2012 |
|---------------|---------------------------------|---------------------------------|
| Prepaid Taxes | <u>\$12,332.54</u> | <u>\$1,432.27</u> |

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of two pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees Retirement System and the Police and Firemen's Retirement System. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$12,591.00 for 2011. \$12,859.00 for 2012 and \$11,834.00 for 2013.

Information as to the comparison of the actuarially computed value of vested benefits with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

The Borough does not have a policy which allows employees to accrue unused vacation and sick pay.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 9: TAX APPEALS

There are tax appeals filed with the County and State Tax Court of New Jersey requesting a reduction of assessments for the year 2013. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51.

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II of the 2013 audit report. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2013:

| <u>FUND</u> | <u>INTERFUND RECEIVABLE</u> | <u>INTERFUND PAYABLE</u> |
|-------------------------|---------------------------------|------------------------------|
| Current | \$10,910.65 | \$39,995.27 |
| Grant | 12,985.93 | |
| Animal Control | | 193.52 |
| Trust Other | | 4,235.19 |
| General Capital | 25,569.34 | 11,226.10 |
| Water Utility Operating | 1,440.00 | 56,961.59 |
| Water Utility Capital | 64,951.47 | |
| Sewer Utility Operating | 3,236.22 | 74,186.97 |
| Sewer Utility Capital | 67,705.03 | |
| | <hr/> | <hr/> |
| TOTAL | <u>\$186,798.64</u> | <u>\$186,798.64</u> |

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: LENGTH OF SERVICE AWARDS PROGRAM

The Borough approved a Voluntary Length of Service Awards Program (LOSAP) on November 4, 2003. Under the program, a fixed amount of funds may be contributed on behalf of those volunteer fire and medical personnel which meet the eligibility criteria adopted by the governing body of the Borough. The Borough's sponsoring agency is Lincoln National, with the maximum contribution per volunteer set at \$380.00 for 2013.

NOTE 14: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Borough is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Government Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired. The Borough does not provide post retirement benefits other than pension to its employees which is provided through the New Jersey pension system.

NOTE 15: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown:

| | Balance December 31, 2013 | Raised in 2014 Budget | Balance Deferred to Succeeding Years |
|--|---------------------------------|--------------------------|---|
| Current Fund: | | | |
| Overexpenditure of 2013 Appropriations | \$254.85 | \$254.85 | -0- |
| Overexpenditure of Appropriation Reserves | 5,459.07 | 5,459.07 | -0- |
| Sewer Utility Fund: | | | |
| Overexpenditure of 2013 | <u>71.04</u> | <u>71.04</u> | <u>-0-</u> |
| | <u>\$5,784.96</u> | <u>\$5,784.96</u> | <u>-0-</u> |

The appropriations in the 2014 Budget are not less than that required by statute.

BOROUGH OF STOCKTON

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF CASH-TREASURER

| | <u>REF.</u> | <u>CURRENT FUND</u> | <u>FEDERAL AND STATE GRANT FUND</u> |
|---|-------------|----------------------|-------------------------------------|
| Balance, December 31, 2012 | A | \$ 413,287.48 | \$ |
| Increased by Receipts: | | | |
| Collector | A-5 | \$ 2,056,913.59 | \$ |
| State of New Jersey-Chapter 20, P.L. 1971 | A-8 | 6,750.00 | |
| Revenue Accounts Receivable | A-9 | 127,291.66 | |
| Miscellaneous Revenue Not Anticipated | A-2 | 18,069.82 | |
| Interfunds Received | A-10:A-22 | 6,310.11 | 89.46 |
| Reserve for Grants - Unappropriated | A-11 | | 4,408.11 |
| | | <u>2,220,095.18</u> | <u>4,497.57</u> |
| | | \$ 2,633,382.66 | \$ 4,497.57 |
| Decreased by Disbursements: | | | |
| 2013 Appropriations | A-3 | \$ 458,291.68 | \$ |
| 2012 Appropriation Reserves | A-12 | 18,419.16 | |
| Interfunds Disbursed | A-10:A-22 | 8,826.90 | 4,408.11 |
| County Taxes | A-13 | 338,836.52 | |
| Local District School Tax | A-14 | 657,774.00 | |
| Regional High School Tax | A-15 | 647,857.00 | |
| Tax Overpayments | A-17 | 970.88 | |
| Grants Appropriated | A-19 | | 89.46 |
| Miscellaneous Reserves | A-20 | 77,169.50 | |
| Refund of Current Years Revenue | A-2 | 791.98 | |
| | | <u>2,208,937.62</u> | <u>4,497.57</u> |
| Balance, December 31, 2013 | A | \$ <u>424,445.04</u> | \$ <u>-0-</u> |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

REF.

| | | | | |
|---------------------------------------|------|----|--------------|---------------------|
| Received: | | | | |
| Interest on Delinquent Taxes | A-9 | \$ | 5,052.20 | |
| Taxes Receivable | A-7 | | 1,959,386.41 | |
| 2014 Taxes Prepaid | A-16 | | 12,332.54 | |
| Tax Overpayments | A-17 | | 2,607.25 | |
| Outside Liens | A-20 | | 77,169.50 | |
| Senior Citizen Deductions Disallowed | A-8 | | 250.00 | |
| Miscellaneous Revenue Not Anticipated | A-2 | | 115.69 | |
| | | | <hr/> | |
| | | | \$ | 2,056,913.59 |
| Decreased by Disbursements: | | | | |
| Payments to Treasurer | A-4 | | \$ | <u>2,056,913.59</u> |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

| | ADDED IN <u>2013</u> | BALANCE DECEMBER <u>31, 2013</u> |
|---|-------------------------|--|
| Overexpenditure of Appropriation | \$ 254.85 | \$ 254.85 |
| Overexpenditure of Appropriation Reserves | <u>5,459.07</u> | <u>5,459.07</u> |
| | <u>\$ 5,713.92</u> | <u>\$ 5,713.92</u> |
| <u>REF.</u> | A-3:A-12 | A |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

| YEAR | BALANCE DECEMBER 31, 2012 | 2013 LEVY | COLLECTED | | OVERPAYMENTS APPLIED | CANCELED | BALANCE DECEMBER 31, 2013 |
|---------------------|---------------------------------|-----------------|-------------|-----------------|-------------------------|-------------|---------------------------------|
| | | | IN 2012 | IN 2013 | | | |
| 2012 | \$ 15,780.04 | \$ | \$ | \$ 12,572.61 | \$ | \$ 24.38 | \$ 3,183.05 |
| | \$ 15,780.04 | \$ | \$ | \$ 12,572.61 | \$ | \$ 24.38 | \$ 3,183.05 |
| 2013 | | 1,987,173.10 | 1,432.27 | 1,953,813.80 | 1,641.64 | 6,558.09 | 23,727.30 |
| | \$ 15,780.04 | \$ 1,987,173.10 | \$ 1,432.27 | \$ 1,966,386.41 | \$ 1,641.64 | \$ 6,582.47 | \$ 26,910.35 |
| | REF. A | | A-2:A-16 | A-2 | A-2 | | A |
| Collector | A-5 | | | \$ 1,959,386.41 | | | |
| State of New Jersey | A-8 | | | 7,000.00 | | | |
| | | | | \$ 1,966,386.41 | | | |

ANALYSIS OF 2013 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax \$ 1,987,173.10

TAX LEVY

| | | |
|---|------|------------------------|
| Regional High School Tax (Abstract) | A-15 | \$ 647,857.00 |
| Local District School Tax (Abstract) | A-14 | 657,774.00 |
| County Taxes: | | |
| County Tax (Abstract) | A-13 | 338,332.19 |
| Local Tax for Municipal Purposes (Abstract) | A-2 | \$ 343,209.01 |
| Add: Additional Tax Levied | | 0.90 |
| | | <u>343,209.91</u> |
| | | \$ <u>1,987,173.10</u> |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

| | <u>REF.</u> | | |
|---|-------------|----|------------------------|
| Balance, December 31, 2012 | A | \$ | 2,779.76 |
| Increased by: | | | |
| Deductions Per Tax Duplicate: | | | |
| Senior Citizens | | \$ | 250.00 |
| Veterans | | | 6,750.00 |
| | | | <u>7,000.00</u> |
| | | \$ | <u>9,779.76</u> |
| Decreased by: | | | |
| Received From State of New Jersey | A-4 | \$ | 6,750.00 |
| Disallowed by Collector - 2012 Taxes | A-5 | | 250.00 |
| | | | <u>7,000.00</u> |
| Balance, December 31, 2013 | A | \$ | <u><u>2,779.76</u></u> |
| <u>SUMMARY OF 2013 EXEMPTIONS</u> | | | |
| Senior Citizens and Veterans Deductions Per Tax Billings | A-7 | \$ | <u><u>7,000.00</u></u> |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

| | <u>REF.</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>ACCRUED IN 2013</u> | <u>COLLECTED BY COLLECTOR</u> | <u>COLLECTED BY: TREASURER</u> | <u>BALANCE DECEMBER 31, 2013</u> |
|--|-------------|--|----------------------------|-----------------------------------|------------------------------------|--|
| Clerk: | | | | | | |
| Alcoholic Beverage Licenses | A-2 | \$ | \$ 3,824.00 | \$ | \$ 3,824.00 | \$ |
| Municipal Court: | | | | | | |
| Fines and Costs | A-2 | 231.56 | 2,901.34 | | 3,042.82 | 90.08 |
| Interest and Costs on Taxes | A-2 | | 5,052.20 | 5,052.20 | | |
| Consolidated Municipal Property Tax Relief Act | A-2 | | 1,507.00 | | 1,507.00 | |
| Energy Receipts Tax | A-2 | | 44,064.42 | | 44,064.42 | |
| Hotel and Motel Tax | A-2 | | 24,333.42 | | 24,333.42 | |
| Cell Tower Rental | A-2 | | 25,520.00 | | 25,520.00 | |
| Capital Fund Surplus | A-2 | | 25,000.00 | | 25,000.00 | |
| | | <u>\$ 231.56</u> | <u>\$ 132,202.38</u> | <u>\$ 5,052.20</u> | <u>\$ 127,291.66</u> | <u>\$ 90.08</u> |
| | <u>REF.</u> | A | | A-5 | A-4 | A |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>GRANT FUND</u> | <u>ANIMAL CONTROL FUND</u> | <u>TRUST OTHER FUND</u> | <u>GENERAL CAPITAL FUND</u> | <u>WATER UTILITY OPERATING FUND</u> | <u>SEWER UTILITY OPERATING FUND</u> |
|-----------------------------|-------------|------------------|-----------------------|------------------------------------|---------------------------------|-------------------------------------|---|---|
| Balance, December 31, 2012: | | | | | | | | |
| Due From | A | \$ 6,215.17 | \$ | \$ 193.28 | \$ 4,235.19 | \$ | \$ | \$ 1,786.70 |
| Due To | A | <u>37,816.58</u> | <u>8,667.28</u> | | | <u>29,149.30</u> | | |
| Cash Receipts | A-4 | <u>6,310.11</u> | <u>4,408.11</u> | | | <u>462.00</u> | <u>1,440.00</u> | |
| Cash Disbursements | A-4 | <u>8,826.90</u> | <u>89.46</u> | <u>0.24</u> | | <u>4,041.96</u> | | <u>4,695.24</u> |
| Balance, December 31, 2013: | | | | | | | | |
| Due From | A | \$ 10,910.65 | \$ | \$ 193.52 | \$ 4,235.19 | \$ | \$ | \$ 6,481.94 |
| Due To | A | <u>39,995.27</u> | <u>12,985.93</u> | | | <u>25,569.34</u> | <u>1,440.00</u> | |

BOROUGH OF STOCKTON

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

| | BALANCE DECEMBER <u>31, 2012</u> | CASH <u>RECEIPTS</u> | APPLIED TO <u>RECEIVABLE</u> | BALANCE DECEMBER <u>31, 2013</u> |
|-------------------------|--|-------------------------|---------------------------------|--|
| Clean Communities | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 | \$ 4,000.00 |
| Recycling Tonnage Grant | <u>537.34</u> | <u>408.11</u> | <u>537.34</u> | <u>408.11</u> |
| | <u>\$ 4,537.34</u> | <u>\$ 4,408.11</u> | <u>\$ 4,537.34</u> | <u>\$ 4,408.11</u> |
| <u>REF.</u> | A | A-4 | A-18 | A |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2012 | ENCUMBR. PAYABLE | BALANCE AFTER TRANSFERS | CASH | CASH ADJUSTMENTS | PAID OR CHARGED | BALANCE LAPSED | OVER- EXPENDED |
|--|---------------------------------|---------------------|-------------------------------|--------------|---------------------|--------------------|-------------------|-------------------|
| SALARIES AND WAGES | | | | | | | | |
| Governing Body | \$ 0.73 | | \$ 0.73 | \$ | | \$ | \$ 0.73 | |
| Municipal Clerk | 0.56 | | 0.56 | | | | 0.56 | |
| Financial Administration | 0.60 | | 0.60 | | | | 0.60 | |
| Assessment of Taxes | 0.10 | | 0.10 | | | | 0.10 | |
| Revenue Administration | 69.23 | | 69.23 | | | | 69.23 | |
| Administration | 0.84 | | 0.84 | | | | 0.84 | |
| Planning Board | 5.20 | | 5.20 | | | | 5.20 | |
| Zoning Board | 0.54 | | 0.54 | | | | 0.54 | |
| Police | 92.00 | | 92.00 | | | | 92.00 | |
| Municipal Prosecutor | 285.50 | | 285.50 | | | | 285.50 | |
| Animal Control Services | 0.68 | | 0.68 | | | | 0.68 | |
| Environmental Commission | 311.00 | | 311.00 | | | | 311.00 | |
| Building Inspector | 200.00 | | 200.00 | | | | 200.00 | |
| OTHER EXPENSES | | | | | | | | |
| Governing Body | | 232.00 | 232.00 | | | | 232.00 | |
| Municipal Clerk | 0.80 | | 0.80 | 42.35 | (42.35) | | 0.80 | |
| Elections | | | | 80.00 | | 80.00 | | 80.00 |
| Financial Administration | 0.06 | | 0.06 | 346.40 | (346.40) | | 0.06 | |
| Assessment of Taxes | 0.96 | | 0.96 | 30.00 | | 30.00 | | 29.04 |
| Revenue Administration | 0.76 | | 0.76 | | | | 0.76 | |
| Legal Services and Costs | 0.50 | 1,632.00 | 1,632.50 | 434.00 | | 434.00 | 1,198.50 | |
| Engineering Services | 0.60 | 3,313.10 | 3,313.70 | 1,506.10 | | 1,506.10 | 1,807.60 | |
| Planning Board: | | | | | | | | |
| Other Expenses | 0.50 | | 0.50 | | | | 0.50 | |
| Legal Fees | 915.00 | | 915.00 | 325.50 | | 325.50 | 589.50 | |
| Planning Fees | | 240.00 | 240.00 | 60.00 | | 60.00 | 180.00 | |
| Insurance: | | | | | | | | |
| Liability Insurance | 546.00 | 150.00 | 696.00 | | | | 696.00 | |
| Employee Bonds | 101.00 | 464.00 | 565.00 | | | | 565.00 | |
| Police | 75.00 | | 75.00 | | | | 75.00 | |
| Environmental Commission | 80.00 | | 80.00 | | | | 80.00 | |
| Public Defender | 200.00 | | 200.00 | | | | 200.00 | |
| Streets and Road Maintenance | 0.12 | 618.03 | 618.15 | 618.03 | | 618.03 | 0.12 | |
| Snow Removal | | | | 1,760.00 | | 1,760.00 | | 1,760.00 |
| Solid Waste Collection | 0.98 | 5,460.82 | 5,461.80 | 5,460.82 | | 5,460.82 | 0.98 | |
| Recycling | 599.82 | 1,036.38 | 1,636.20 | 2,072.76 | | 2,072.76 | | 436.56 |
| Shade Tree | | | | | | | | |
| Building and Grounds | 0.23 | 2,235.00 | 2,235.23 | 4,164.42 | | 4,164.42 | | 1,929.19 |
| Animal Control | 300.00 | | 300.00 | | | | 300.00 | |
| Board of Health | 500.00 | | 500.00 | 200.00 | | 200.00 | 300.00 | |
| Building Inspector | 0.80 | | 0.80 | | | | 0.80 | |
| Street Lighting | 6.57 | | 6.57 | 1,020.26 | | 1,020.26 | | 1,013.69 |
| Electricity | 1.39 | | 1.39 | 15.35 | | 15.35 | | 13.96 |
| Telephone | 0.41 | 303.57 | 303.98 | 303.57 | | 303.57 | 0.41 | |
| Natural Gas | 42.12 | | 42.12 | 238.75 | | 238.75 | | 196.63 |
| Municipal Court | 0.40 | 129.60 | 130.00 | 129.60 | | 129.60 | 0.40 | |
| Social Security System | 0.07 | | 0.07 | | | | 0.07 | |
| Unemployment Insurance | 380.18 | | 380.18 | | | | 380.18 | |
| Length of Service Award Program | 0.65 | | 0.65 | | | | 0.65 | |
| Capital Improvement Fund Lambertville Sewerage Authority | 0.36 | | 0.36 | | | | 0.36 | |
| Council on Affordable Housing | 200.00 | | 200.00 | | | | 200.00 | |
| | \$ 4,922.26 | \$ 15,814.50 | \$ 20,736.76 | \$ 18,807.91 | \$ (388.75) | \$ 18,419.16 | \$ 7,776.67 | \$ 5,459.07 |

REF. A A-4 A-1 A-6

Balance, December 31, 2012 A-12 \$ 4,922.26
 Encumbrances Payable A-21 15,814.50
 \$ 20,736.76

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

| | <u>REF.</u> | | |
|----------------------------|-------------|----|--------------------------|
| Balance, December 31, 2012 | A | \$ | 504.33 |
| 2013 Tax Levy: | | | |
| County Taxes | A-1:A-7 | \$ | 282,059.88 |
| County Open Space | A-1:A-7 | | 28,069.82 |
| County Library | A-1:A-7 | | <u>28,202.49</u> |
| | | | <u>338,332.19</u> |
| | | \$ | <u>338,836.52</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u><u>338,836.52</u></u> |

"A-14"

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

REF.

| | | | |
|--------------------|---------|----|-------------------|
| Increased by: | | | |
| Levy | A-1:A-7 | \$ | 657,774.00 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u>657,774.00</u> |

"A-15"

SCHEDULE OF REGIONAL HIGH SCHOOL TAX

| | | | |
|--------------------|---------|----|-------------------|
| Increased by: | | | |
| Levy | A-1:A-7 | \$ | 647,857.00 |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | <u>647,857.00</u> |

BOROUGH OF STOCKTON
CURRENT FUND
SCHEDULE OF PREPAID TAXES

| | <u>REF.</u> | | |
|---|-------------|----|-------------------------|
| Balance, December 31, 2012 (2013 Taxes) | A | \$ | 1,432.27 |
| Increased by: | | | |
| Collection of 2014 Taxes | A-5 | | 12,332.54 |
| | | \$ | <u>13,764.81</u> |
| Decreased by: | | | |
| Application to 2013 Taxes Receivable | A-7 | | <u>1,432.27</u> |
| Balance, December 31, 2013 (2014 Taxes) | A | \$ | <u><u>12,332.54</u></u> |

SCHEDULE OF TAX OVERPAYMENTS

| | | | |
|----------------------------|-----|----|-------------------------|
| Balance, December 31, 2012 | A | \$ | 18,510.58 |
| Increased by: | | | |
| Cash Receipts | A-5 | | 2,607.25 |
| | | \$ | <u>21,117.83</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | \$ | 970.88 |
| Applied | A-7 | | 1,641.64 |
| Canceled | A-1 | | <u>27.16</u> |
| | | | <u>2,639.68</u> |
| Balance, December 31, 2013 | A | \$ | <u><u>18,478.15</u></u> |

"A-18"

BOROUGH OF STOCKTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

| | ACCRUED 2013 <u>BUDGET</u> | UNAPPROPRIATED <u>APPLIED</u> |
|---------------------------|----------------------------------|----------------------------------|
| Clean Communities Program | \$ 4,000.00 | \$ 4,000.00 |
| Recycling Tonnage Grant | <u>537.34</u> | <u>537.34</u> |
| | <u>\$ 4,537.34</u> | <u>\$ 4,537.34</u> |
| <u>REF.</u> | A-2 | A-11 |

BOROUGH OF STOCKTON

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

| | BALANCE DECEMBER 31, 2012 | 2013 BUDGET APPROPRIATIONS | CASH DISBURSEMENTS | BALANCE DECEMBER 31, 2013 |
|---------------------------|---------------------------------|----------------------------------|-----------------------|---------------------------------|
| Clean Communities Program | \$ 4,000.00 | \$ 4,000.00 | \$ 89.46 | \$ 7,910.54 |
| Recycling Tonnage Grant | <u>129.94</u> | <u>537.34</u> | <u> </u> | <u>667.28</u> |
| | <u>\$ 4,129.94</u> | <u>\$ 4,537.34</u> | <u>\$ 89.46</u> | <u>\$ 8,577.82</u> |
| <u>REF.</u> | A | A-3 | A-4 | A |

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

| | <u>CASH</u> <u>RECEIPTS</u> | <u>CASH</u> <u>DISBURSEMENTS</u> |
|---------------|--------------------------------|-------------------------------------|
| Outside Liens | \$ <u>77,169.50</u> | \$ <u>77,169.50</u> |
| | \$ <u><u>77,169.50</u></u> | \$ <u><u>77,169.50</u></u> |
| <u>REF.</u> | A-5 | A-4 |

"A-21"

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2012 | A | \$ | 15,814.50 |
| Increased by: | | | |
| Charges to Appropriations | A-3 | | <u>21,988.47</u> |
| | | \$ | <u>37,802.97</u> |
| Decreased by: | | | |
| Transferred to Appropriation Reserves | A-12 | | <u>15,814.50</u> |
| Balance, December 31, 2013 | A | \$ | <u><u>21,988.47</u></u> |

"A-22"

SCHEDULE OF DUE CURRENT FUND - GRANT FUND

| | | | |
|----------------------------|----------|----|-------------------------|
| Balance, December 31, 2012 | A | \$ | 8,667.28 |
| Increased by: | | | |
| Cash Disbursements | A-4:A-10 | | <u>4,408.11</u> |
| | | \$ | <u>13,075.39</u> |
| Decreased by: | | | |
| Cash Receipts | A-4:A-10 | | <u>89.46</u> |
| Balance, December 31, 2013 | A | \$ | <u><u>12,985.93</u></u> |

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF CASH-TREASURER

| | <u>REF.</u> | <u>ANIMAL CONTROL</u> | <u>TRUST OTHER</u> |
|-----------------------------------|-------------|---------------------------|----------------------------|
| Balance, December 31, 2012 | B | \$ 1,827.68 | \$ 27,351.79 |
| Increased by Receipts: | | | |
| Dog License Fees | B-2 | \$ 982.60 | \$ |
| Due from State of New Jersey | B-3 | 80.40 | |
| Various Reserves and Deposits | B-4 | | 194,359.62 |
| Due Current Fund | B-5 | <u>0.24</u> | |
| | | <u>1,063.24</u> | <u>194,359.62</u> |
| | | \$ <u>2,890.92</u> | \$ <u>221,711.41</u> |
| Decreased by Disbursements: | | | |
| Expenditures under R.S.4:19-15.11 | B-2 | \$ 544.00 | \$ |
| Due from State of New Jersey | B-3 | 80.40 | |
| Various Reserves and Deposits | B-4 | | <u>192,246.55</u> |
| | | <u>624.40</u> | <u>192,246.55</u> |
| Balance, December 31, 2013 | B | \$ <u><u>2,266.52</u></u> | \$ <u><u>29,464.86</u></u> |

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

| | <u>REF.</u> | | |
|------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2012 | B | \$ | 1,589.80 |
| Increased by: | | | |
| Animal Control Fees Collected | B-1 | | 982.60 |
| | | \$ | <u>2,572.40</u> |
| Decreased by: | | | |
| Expenditures under R.S.4:19-15.11: | | | |
| Cash Disbursements | B-1 | | 544.00 |
| | | | <u>544.00</u> |
| Balance, December 31, 2013 | B | \$ | <u><u>2,028.40</u></u> |

| <u>LICENSE FEES COLLECTED</u> | | |
|-------------------------------|----|------------------------|
| <u>YEAR</u> | | <u>AMOUNT</u> |
| 2012 | \$ | 1,099.00 |
| 2011 | | 947.60 |
| | \$ | <u><u>2,046.60</u></u> |

SCHEDULE OF DUE STATE OF NEW JERSEY -
ANIMAL CONTROL FUND

| | | | |
|----------------------------|-----|----|---------------------|
| Balance, December 31, 2012 | B | \$ | 44.60 |
| Increased by: | | | |
| Cash Receipts | B-1 | | 80.40 |
| | | \$ | <u>125.00</u> |
| Decreased by: | | | |
| Cash Disbursements | B-1 | | 80.40 |
| | | | <u>80.40</u> |
| Balance, December 31, 2013 | B | \$ | <u><u>44.60</u></u> |

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

| | BALANCE DECEMBER <u>31, 2012</u> | CASH <u>RECEIPTS</u> | <u>EXPENDED</u> | BALANCE DECEMBER <u>31, 2013</u> |
|------------------------------|--|-------------------------|----------------------|--|
| State Unemployment Insurance | \$ 14,277.93 | \$ 271.95 | \$ 34.50 | \$ 14,515.38 |
| Stockton Park Auxiliary | 906.64 | | | 906.64 |
| Payroll Agency | 3,468.24 | 164,725.67 | 165,796.05 | 2,397.86 |
| Planning Board Escrow | <u>4,463.79</u> | <u>29,362.00</u> | <u>26,416.00</u> | <u>7,409.79</u> |
| | <u>\$ 23,116.60</u> | <u>\$ 194,359.62</u> | <u>\$ 192,246.55</u> | <u>\$ 25,229.67</u> |
| <u>REF.</u> | B | B-1 | B-1 | B |

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

| | <u>REF.</u> | <u>TOTAL</u> | <u>TRUST OTHER</u> | <u>ANIMAL CONTROL</u> |
|-----------------------------|-------------|---------------------------|-----------------------------|---------------------------|
| Balance, December 31, 2012: | | | | |
| Due to | B | \$ <u>4,428.47</u> | \$ <u>4,235.19</u> | \$ <u>193.28</u> |
| Increased by: | | | | |
| Cash Receipts | B-1 | <u>0.24</u> | <u> </u> | <u>0.24</u> |
| Balance, December 31, 2013: | | | | |
| Due to | B | \$ <u><u>4,428.71</u></u> | \$ <u><u>4,235.19</u></u> | \$ <u><u>193.52</u></u> |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

| | <u>REF.</u> | | |
|--------------------------------------|-------------|-------------------|-----------------------------|
| Balance, December 31, 2012 | C | | \$ 625,398.94 |
| Increased by Receipts: | | | |
| Budget Appropriations: | | | |
| Capital Improvement Fund | C-9 | \$ 18,000.00 | |
| Deferred Unfunded | | 123,750.00 | |
| Interfunds | C-10 | 179,041.96 | |
| Bond Anticipation Notes | C-8 | 317,894.00 | |
| Refund of Improvement Authorizations | C-7 | <u>150.00</u> | |
| | | | \$ <u>638,835.96</u> |
| | | | 1,264,234.90 |
| Decreased by Disbursements: | | | |
| Bond Anticipation Notes | C-8 | \$ 317,894.74 | |
| Fund Balance | C-1 | 25,000.00 | |
| Contracts Payable | C-15 | 251,819.43 | |
| Miscellaneous Deposits | C-4 | 1,880.00 | |
| Interfunds | C-10 | <u>316,405.94</u> | |
| | | | <u>913,000.11</u> |
| Balance, December 31, 2013 | C | | \$ <u><u>351,234.79</u></u> |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

ANALYSIS OF CASH

| | BALANCE DECEMBER <u>31, 2013</u> |
|---|--|
| Capital Improvement Fund | \$ 148,007.95 |
| Contracts Payable | 27,286.89 |
| Grants Receivable | (13,536.67) |
| Improvement Authorizations Expended as set forth on "C-5" | (249,080.38) |
| Interfunds Receivable | (25,569.34) |
| Interfunds Payable | 11,226.10 |
| Miscellaneous Reserves | 200,581.88 |
| Capital Fund Balance | 107,267.01 |
| Unexpended Proceeds of Bond Anticipation Notes Issued as set forth on "C-5" | <u>145,051.35</u> |
| | <u>\$ 351,234.79</u> |
| <u>REF.</u> | C-2 |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS

| | BALANCE DECEMBER 31, 2012 | CASH DISBURSEMENTS | BALANCE DECEMBER 31, 2013 |
|--|---------------------------------|-----------------------|---------------------------------|
| Purchase of Recreation Equipment | \$ 2,215.00 | \$ | \$ 2,215.00 |
| Debt Service | 2,975.00 | | 2,975.00 |
| State Aid | 35,000.00 | | 35,000.00 |
| Purchase of Fire Equipment | 21,500.00 | | 21,500.00 |
| Purchase of OEM Equipment | 817.00 | 817.00 | |
| Purchase of Public Safety Equipment | 10,000.00 | 1,063.00 | 8,937.00 |
| Master Plan Revisions | 5,486.00 | | 5,486.00 |
| Prallsville Road Improvements | 200.00 | | 200.00 |
| N.J. DOT - Prallsville Road Improvements | 124,268.88 | | 124,268.88 |
| | <u>\$ 202,461.88</u> | <u>\$ 1,880.00</u> | <u>\$ 200,581.88</u> |
| <u>REF.</u> | C | C-2 | C |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | BALANCE DECEMBER 31, 2013 | ANALYSIS OF BALANCE, DECEMBER 31, 2013 | | |
|---------------------|---|---------------------------------|--|----------------------|---|
| | | | BOND ANTICIPATION NOTES | EXPENDITURES | UNEXPENDED IMPROVEMENT AUTHORIZATIONS |
| 2005-06 | Reconstruction of Mill Street | \$ 104,798.06 | \$ | \$ 104,798.06 | \$ |
| 2010-02 | Improvements to Woolverton Road | 37,894.74 | 37,894.00 | | 0.74 |
| 2011-01 | Improvements to Old Prallsville Road | 280,000.00 | 280,000.00 | | |
| 2012-08 | Road and Drainage Improvements - Wilson Drive | <u>301,250.00</u> | | <u>144,282.32</u> | <u>156,967.68</u> |
| | | <u>\$ 723,942.80</u> | <u>\$ 317,894.00</u> | <u>\$ 249,080.38</u> | <u>\$ 156,968.42</u> |
| | <u>REF.</u> | C | C-8 | C-3 | |
| | Improvement Authorizations-Unfunded | C-7 | | | \$ 302,019.77 |
| | Less: Unexpended Proceeds of Bond Anticipation Notes - 2010-02 | C-3 | | | <u>145,051.35</u> |
| | | | | | <u>\$ 156,968.42</u> |

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

REF.

Balance, December 31, 2012 and
December 31, 2013

C

\$ 13,536.67

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2012 | | 2013 AUTHORIZATIONS | PAID OR CHARGED | BALANCE DECEMBER 31, 2013 | |
|-----------------------|---|-------------------|---------------------|------------------------------|---------------|------------------------|--------------------|------------------------------|---------------|
| | | | | FUNDED | UNFUNDED | | | FUNDED | UNFUNDED |
| General Improvements: | | | | | | | | | |
| 2010-02 | Woolverton Road | 02/08/10 | \$ 140,000.00 | \$ | \$ 3,342.47 | \$ | \$ 1,794.00 | \$ | \$ 1,548.47 |
| 2011-01 | Old Prallsville Road | 04/11/11 | 280,000.00 | | 143,503.62 | | | | 143,503.62 |
| 2012-08 | Road and Drainage Improvements - Wilson Drive | 12/10/12 | 425,000.00 | | 412,561.00 | | 255,593.32 | | 156,967.68 |
| 2013-02 | Codification of Land Use Ordinances | 07/08/13 | 10,000.00 | | | 10,000.00 | 10,000.00 | | |
| | | | | \$ | \$ 559,407.09 | \$ 10,000.00 | \$ 267,387.32 | \$ | \$ 302,019.77 |
| | | | | <u>REF.</u> | C | C | | C:C-3 | C:C-5 |
| | Capital Improvement Fund | | | C-9 | | 10,000.00 | | | |
| | | | | | | \$ 10,000.00 | | | |
| | Contracts Payable | | | C-5 | | \$ 267,537.32 | | | |
| | Less: Refunds | | | C-2 | | 150.00 | | | |
| | | | | | | \$ 267,387.32 | | | |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ISSUE OF ORIGINAL NOTE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2013</u> |
|------------------|--------------------------------------|---|--------------------------|--------------------------------|--------------------------|--|----------------------|------------------------|--|
| 2010-02 | Improvements to Woolverton Street | 09/23/10 | 09/22/12 9/20/13 | 09/20/13 9/19/14 | 2.72% 1.08% | \$ 40,000.00 | \$ 37,894.00 | \$ 40,000.00 | \$ 37,894.00 |
| 2011-01 | Improvements to Old Prallsville Road | 09/21/12 | 09/21/12 9/20/13 | 09/20/13 9/19/14 | 2.72% 1.80% | 280,000.00 | 280,000.00 | 280,000.00 | 280,000.00 |
| | | | | | | <u>\$ 320,000.00</u> | <u>\$ 317,894.00</u> | <u>\$ 320,000.00</u> | <u>\$ 317,894.00</u> |
| | | | | | <u>REF.</u> | C | C-2 | C-2 | C:C-5 |
| | | | | Disbursement Paid by Budget | C-2 | | | 317,894.74 2,105.26 | |
| | | | | | | | | <u>320,000.00</u> | |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|--|-------------|-----------------------------|
| Balance, December 31, 2012 | C | \$ 140,007.95 |
| Increased by: | | |
| 2013 Budget Appropriation | C-2 | <u>18,000.00</u> |
| | | \$ <u>158,007.95</u> |
| Decreased by: | | |
| Appropriation to Finance Improvement Authorizations | C-7 | <u>10,000.00</u> |
| Balance, December 31, 2013 | C | \$ <u><u>148,007.95</u></u> |

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>WATER CAPITAL FUND</u> |
|-----------------------------|-------------|-------------------|-----------------------------|---------------------------|
| Balance, December 31, 2012: | | | | |
| Due from | C | \$ 29,149.30 | \$ 29,149.30 | \$ |
| Due to | C | <u>152,170.04</u> | <u> </u> | <u>152,170.04</u> |
| Receipts | C-2 | <u>179,041.96</u> | <u>4,041.96</u> | <u>175,000.00</u> |
| Disbursements | C-2 | <u>316,405.94</u> | <u>462.00</u> | <u>315,943.94</u> |
| Balance, December 31, 2013: | | | | |
| Due from | C | \$ 25,569.34 | \$ 25,569.34 | \$ |
| Due to | C | <u>11,226.10</u> | <u> </u> | <u>11,226.10</u> |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION FUNDED

| | <u>REF.</u> | | |
|----------------------------|-------------|------------------|-----------------------------|
| Balance, December 31, 2012 | C | | \$ 599,455.60 |
| Decreased by: | | | |
| Bonds Paid by Budget | C-13 | \$ 31,371.61 | |
| Loans Paid by Budget | C-12 | 9,746.19 | |
| Canceled | C-13 | <u>82,251.00</u> | |
| | | | <u>123,368.80</u> |
| Balance, December 31, 2013 | C | | \$ <u><u>476,086.80</u></u> |

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE

| <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORIGINAL ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>OUTSTANDING DECEMBER 31, 2013</u> | | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2013</u> |
|--------------------------------|-------------------------------|---------------------------------|--------------------------------------|---------------|----------------------|----------------------------------|--------------------|----------------------------------|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Open Space Acquisition | 01/07/05 | \$ 200,000.00 | 2014 | 9,942.08 | 2.00% | \$ <u>136,946.99</u> | \$ <u>9,746.19</u> | \$ <u>127,200.80</u> |
| | | | 2015 | 10,141.92 | | | | |
| | | | 2016 | 10,345.77 | | | | |
| | | | 2017 | 10,553.72 | | | | |
| | | | 2018 | 10,765.86 | | | | |
| | | | 2019 | 10,982.24 | | | | |
| | | | 2020 | 11,202.99 | | | | |
| | | | 2021 | 11,428.17 | | | | |
| | | | 2022 | 11,657.88 | | | | |
| | | | 2023 | 11,892.20 | | | | |
| | | | 2024 | 12,131.23 | | | | |
| | | | 2025 | 6,156.74 | | | | |
| | | | | | <u>REF.</u> | C | C-11 | C |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

| IMPROVEMENT DESCRIPTION | DATE OF ORIGINAL ISSUE | AMOUNT OF ORIGINAL ISSUE | OUTSTANDING DECEMBER 31, 2013 | | INTEREST RATE | BALANCE DECEMBER 31, 2012 | DECREASED | BALANCE DECEMBER 31, 2013 | | | | | | |
|-------------------------------|------------------------|--------------------------|-------------------------------|--------------|---------------|---------------------------|-------------------|---------------------------|----------------------|----------------------|----------------------|--|--|--|
| | | | DATE | AMOUNT | | | | | | | | | | |
| Mill Street | 11/09/06 | \$ 300,000.00 | 08/01/14-16 | \$ 15,000.00 | 5.000% | \$ | \$ | \$ | | | | | | |
| | | | 08/01/17-19 | 15,000.00 | 4.000% | | | | | | | | | |
| | | | 08/01/20 | 20,000.00 | 4.000% | | | | | | | | | |
| | | | 08/01/21-22 | 20,000.00 | 4.125% | | | | | | | | | |
| | | | 08/01/23 | 20,000.00 | 4.250% | | | | | | | | | |
| | | | 08/01/24 | 20,000.00 | 5.000% | | | | | | | | | |
| | | | 08/01/25 | 20,000.00 | 4.250% | | | | | | | | | |
| | | | 08/01/26 | 25,000.00 | 4.250% | | | | | | | | | |
| Mill Street | 11/09/06 | 282,975.00 | 2014 | 15,899.59 | | | | | | | | | | |
| | | | 2015 | 15,427.55 | | | | | | | | | | |
| | | | 2016 | 14,955.52 | | | | | | | | | | |
| | | | 2017 | 14,483.49 | | | | | | | | | | |
| | | | 2018 | 14,105.87 | | | | | | | | | | |
| | | | 2019 | 13,728.23 | | | | | | | | | | |
| | | | 2020 | 16,497.49 | | | | | | | | | | |
| | | | 2021 | 8,788.26 | | | | | | | | | | |
| | | | | | | | | | <u>212,508.61</u> | <u>98,622.61</u> | <u>113,886.00</u> | | | |
| | | | | | | | | | <u>\$ 462,508.61</u> | <u>\$ 113,622.61</u> | <u>\$ 348,886.00</u> | | | |
| | | | | | | | | | REF. C | C-11 | C | | | |
| | | | | | | | 31,371.61 | | | | | | | |
| Loans Paid by Budget Canceled | | | | | | C-11 | <u>82,251.00</u> | | | | | | | |
| | | | | | | | <u>113,622.61</u> | | | | | | | |

"C-14"

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST LOANS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2012 | C | \$ 104,798.06 |
| Decreased by: | | |
| Canceled | | \$ <u>104,798.06</u> |

"C-15"

SCHEDULE OF CONTRACTS PAYABLE

| | | |
|---------------------------------------|-----|----------------------|
| Balance, December 31, 2012 | C | \$ 11,569.00 |
| Increased by: | | |
| Charges to Improvement Authorizations | C-7 | <u>267,537.32</u> |
| | | \$ <u>279,106.32</u> |
| Decreased by: | | |
| Cash Disbursements | C-2 | <u>251,819.43</u> |
| Balance, December 31, 2013 | C | \$ <u>27,286.89</u> |

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>BALANCE DECEMBER 31, 2013</u> |
|-----------------------------|---|--|
| 2005-06 | Reconstruction of Mill Street | \$ 104,798.06 |
| 2010-02 | Improvements to Woolverton Street | 0.74 |
| 2012-08 | Road and Drainage Improvements - Wilson Drive | <u>301,250.00</u> |
| | | <u>\$ 406,048.80</u> |

BOROUGH OF STOCKTON

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2013

| | <u>REF.</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
|---------------------------------------|-------------|-----------------------------|---------------------------------------|
| Balance, December 31, 2012 | D | \$ 52,442.77 | \$ |
| Increased by Receipts: | | | |
| Capital Improvement Fund | D-14 | \$ | \$ 4,500.00 |
| Collections | D-6 | 83,916.30 | |
| Interfunds | D-15:D-16 | 146,638.16 | 143,943.94 |
| Bond Anticipation Notes | D-17 | | 175,000.00 |
| Miscellaneous Revenue Not Anticipated | D-2 | <u>1,751.21</u> | |
| | | 232,305.67 | <u>323,443.94</u> |
| | | \$ <u>284,748.44</u> | \$ <u>323,443.94</u> |
| Decreased by Disbursements: | | | |
| 2013 Appropriations | D-3 | \$ 67,620.91 | \$ |
| 2012 Appropriation Reserves | D-9 | 6,145.26 | |
| Improvement Authorizations | D-10 | | 3,000.00 |
| Bond Anticipation Notes | D-17 | | 175,000.00 |
| Interfunds | D-15:D-16 | <u>4,514.14</u> | <u>145,443.94</u> |
| | | <u>78,280.31</u> | <u>323,443.94</u> |
| Balance, December 31, 2013 | D | \$ <u><u>206,468.13</u></u> | \$ <u><u> </u></u> |

BOROUGH OF STOCKTON
WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | | |
|---------------------------------------|-------------|----|------------------------|
| Balance, December 31, 2012 | D | \$ | 765.43 |
| Increased by: | | | |
| Transferred from Budget | D-3 | | <u>2,215.32</u> |
| | | \$ | <u>2,980.75</u> |
| Decreased by: | | | |
| Transferred to Appropriation Reserves | D-9 | | <u>765.43</u> |
| Balance, December 31, 2013 | D | \$ | <u><u>2,215.32</u></u> |

"D-6"

BOROUGH OF STOCKTON
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2012 | D | \$ 3,627.02 |
| Increased by: | | |
| Water Rents Levied - Net | | <u>83,073.80</u> |
| | | \$ <u>86,700.82</u> |
| Decreased by: | | |
| Collection | D-2:D-4 | <u>83,916.30</u> |
| Balance, December 31, 2013 | D | \$ <u><u>2,784.52</u></u> |

"D-7"

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

| | | |
|----------------------------------|-----|---------------------------|
| Increased by: | | |
| Charges to Budget Appropriations | D-3 | \$ <u>1,440.00</u> |
| Balance, December 31, 2013 | D | \$ <u><u>1,440.00</u></u> |

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>ORDINANCE</u> | | <u>BALANCE</u> | <u>BALANCE</u> |
|-----------------------------|---|------------------|---------------|------------------------------|------------------------------|
| | | <u>DATE</u> | <u>AMOUNT</u> | <u>DECEMBER 31, 2012</u> | <u>DECEMBER 31, 2013</u> |
| | General Improvements: | | | | |
| 2006-21 | Purchase and Installation of Equipment | 12/01/06 | 10,000.00 | 10,000.00 | 10,000.00 |
| 2007-11 | Purchase and Installation of Equipment | 10/29/07 | 10,000.00 | 10,000.00 | 10,000.00 |
| 2008-11 | Acquisition and Installation of Capital Equipment | 11/10/08 | 20,000.00 | 20,000.00 | 20,000.00 |
| 2011-05 | Acquisition and Installation of Capital Equipment | 11/14/11 | 15,000.00 | 15,000.00 | 15,000.00 |
| 2012-04 | Pump Station Repairs | 03/12/12 | 175,000.00 | <u>175,000.00</u> | <u>175,000.00</u> |
| | | | | <u>\$ 230,000.00</u> | <u>\$ 230,000.00</u> |
| | | | <u>REF.</u> | D | D |

BOROUGH OF STOCKTON

WATER UTILITY OPERATING FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

| | <u>BALANCE DECEMBER 31, 2012</u> | <u>ENCUMBRANCES</u> | <u>BALANCE AFTER TRANSFERS</u> | <u>CASH</u> | <u>REFUNDS</u> | <u>PAID OR CHARGED</u> | <u>BALANCE LAPSED</u> |
|-----------------------------------|--|---------------------|--|-----------------|----------------|----------------------------|---------------------------|
| Operating: | | | | | | | |
| Salaries and Wages | \$ 7,899.96 | \$ | \$ 7,899.96 | \$ | \$ | \$ | \$ 7,899.96 |
| Other Expenses | 16,317.24 | 765.43 | 17,082.67 | 6,145.26 | | 6,145.26 | 10,937.41 |
| Contributions to: | | | | | | | |
| Social Security System (O.A.S.I.) | <u>509.50</u> | | <u>509.50</u> | | | | <u>509.50</u> |
| | <u>\$ 24,726.70</u> | <u>\$ 765.43</u> | <u>\$ 25,492.13</u> | <u>6,145.26</u> | | <u>\$ 6,145.26</u> | <u>\$ 19,346.87</u> |
| <u>REF.</u> | D | | | | | D-4 | D-1 |
| Balance, December 31, 2012 | D-9 | | \$ 24,726.70 | \$ | | | |
| Encumbrances Payable | D-5 | | <u>765.43</u> | | | | |
| | | | <u>\$ 25,492.13</u> | | | | |

BOROUGH OF STOCKTON
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| ORDINANCE NUMBER | IMPROVEMENT DESCRIPTION | ORDINANCE DATE | ORDINANCE AMOUNT | BALANCE DECEMBER 31, 2012 | | PAID OR CHARGED | BALANCE DECEMBER 31, 2013 | |
|------------------------------|---|-------------------|---------------------|------------------------------|---------------------|--------------------|------------------------------|---------------------|
| | | | | FUNDED | UNFUNDED | | FUNDED | UNFUNDED |
| <u>General Improvements:</u> | | | | | | | | |
| 2006-21 | Purchase and Installation of Equipment | 12/01/06 | 10,000.00 | 4,125.00 | | 3,000.00 | 1,125.00 | |
| 2007-11 | Purchase and Installation of Equipment | 10/29/07 | 10,000.00 | 4,872.30 | | | 4,872.30 | |
| 2008-11 | Acquisition and Installation of Capital Equipment | 11/10/08 | 20,000.00 | | 17,745.00 | | | 17,745.00 |
| 2011-05 | Acquisition and Installation of Capital Equipment | 11/14/11 | 15,000.00 | 15,000.00 | | | 15,000.00 | |
| 2012-04 | Pump Station Repairs | 03/12/12 | 175,000.00 | | 11,226.10 | | | 11,226.10 |
| | | | | <u>\$ 23,997.30</u> | <u>\$ 28,971.10</u> | <u>\$ 3,000.00</u> | <u>\$ 20,997.30</u> | <u>\$ 28,971.10</u> |
| | | <u>REF.</u> | | D | D | D-4 | D | D |

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

| <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORDINANCE</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>BALANCE DECEMBER 31, 2013</u> |
|---|------------------------------|--|--|
| General Improvements: | | | |
| Ord. 2006-21 Purchase and Installation of Equipment | 12/01/06 | 10,000.00 | 10,000.00 |
| Ord. 2007-11 Purchase and Installation of Equipment | 10/29/07 | 10,000.00 | 10,000.00 |
| Ord. 2011-05 Purchase and Installation of Equipment | 11/14/11 | <u>15,000.00</u> | <u>15,000.00</u> |
| | | <u>\$ 35,000.00</u> | <u>\$ 35,000.00</u> |
| <u>REF.</u> | | D | D |

"D-12"

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | <u>REF.</u> | |
|--|-------------|---------------------|
| Balance, December 31, 2012 | D | \$ 15,483.07 |
| Increased by: 2013 Budget Appropriation | D-4 | <u>4,500.00</u> |
| Balance, December 31, 2013 | D | <u>\$ 19,983.07</u> |

"D-13"

SCHEDULE OF RESERVE FOR AMORTIZATION

| | | |
|---|---|----------------------|
| Balance, December 31, 2012 and December 31, 2013 | D | <u>\$ 402,376.93</u> |
|---|---|----------------------|

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u> | <u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u> |
|---|--|--|
| Unallocated Balance of 1938 and Prior | \$ 7,523.00 | \$ 7,523.00 |
| Fire Hydrants | 15,167.00 | 15,167.00 |
| Pumping Equipment | 32,948.00 | 32,948.00 |
| Spring and Wells | 3,998.00 | 3,998.00 |
| Storage Tanks | 12,574.00 | 12,574.00 |
| Distribution Mains and Accessories | 27,136.00 | 27,136.00 |
| Purification System | 1,766.00 | 1,766.00 |
| General Equipment | 8,915.00 | 8,915.00 |
| General Construction Expenditures | 3,674.00 | 3,674.00 |
| Meters | 1,145.00 | 1,145.00 |
| Generator | 10,843.00 | 10,843.00 |
| Thermal Coil Meter Pits | 1,781.00 | 1,781.00 |
| Touch Reader | 400.00 | 400.00 |
| Painting of Various Buildings | 1,455.00 | 1,455.00 |
| Roof Replacements | 1,050.00 | 1,050.00 |
| Purchase and Installation of Water Meters (Ord. 11/12/73) | 13,877.00 | 13,877.00 |
| Repairs and Construction of a Cover for the Reservoir of the Water System (Ord 11/12/73) | 10,100.00 | 10,100.00 |
| Improvement to the Water Supply System (12/11/74) | 2,283.00 | 2,283.00 |
| Construction of a Water Main Extension (Ord. 04/28/86) | 49,650.00 | 49,650.00 |
| Water Line on Route 523 and Broad Street | 35,048.00 | 35,048.00 |
| Water Tower Pipe Extension | 1,185.00 | 1,185.00 |
| Water Tank Painting | 2,227.00 | 2,227.00 |
| Replacement of Water Line on Ferry Street | 56,000.00 | 56,000.00 |
| Water Line Construction | 4,630.00 | 4,630.00 |
| Water Main Construction on Mill Street | 1,390.00 | 1,390.00 |
| Water Tank Renovations | 1,152.00 | 1,152.00 |
| Well House Renovations | 2,423.00 | 2,423.00 |
| Capital Outlay | 11,575.00 | 11,575.00 |
| Construction of New Water Services on Broad and Bridge Street | 10,163.00 | 10,163.00 |
| Painting of the Water Tank | 57,035.00 | 57,035.00 |
| Authorizing New Services on Railroad Avenue and Main Street | 6,500.00 | 6,500.00 |
| Preparation of EPA Application | 6,763.93 | 6,763.93 |
| | <u>\$ 402,376.93</u> | <u>\$ 402,376.93</u> |
| <u>REF.</u> | D | D |

BOROUGH OF STOCKTON
WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>SEWER OPERATING FUND</u> | <u>WATER CAPITAL FUND</u> |
|-----------------------------|-------------|-------------------|-----------------------------|-----------------------------|-----------------------------|
| Balance, December 31, 2012: | | | | | |
| Due from | D | \$ 88,718.57 | \$ | \$ | \$ 88,718.57 |
| Due to | D | <u>2,116.14</u> | <u> </u> | <u>2,116.14</u> | <u> </u> |
| Increased by: | | | | | |
| Cash Receipts | D-4 | <u>146,638.16</u> | <u> </u> | <u>1,194.22</u> | <u>145,443.94</u> |
| Decreased by: | | | | | |
| Cash Disbursements | D-4 | <u>4,514.14</u> | <u>1,440.00</u> | <u>74.14</u> | <u>3,000.00</u> |
| Balance, December 31, 2013: | | | | | |
| Due from | D | \$ 1,440.00 | \$ 1,440.00 | \$ | \$ |
| Due to | D | <u>56,961.59</u> | <u> </u> | <u>3,236.22</u> | <u>53,725.37</u> |

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>GENERAL CAPITAL FUND</u> | <u>WATER OPERATING FUND</u> |
|-----------------------------|-------------|---------------------|-------------------------------------|-------------------------------------|
| Balance, December 31, 2012: | | | | |
| Due from | D | \$ 152,170.04 | \$ 152,170.04 | \$ |
| Due to | D | <u>88,718.57</u> | <u></u> | <u>88,718.57</u> |
| Increased by: | | | | |
| Cash Receipts | D-4 | <u>143,943.94</u> | <u>140,943.94</u> | <u>3,000.00</u> |
| Decreased by: | | | | |
| Cash Disbursements | D-4 | <u>145,443.94</u> | <u></u> | <u>145,443.94</u> |
| Balance, December 31, 2013: | | | | |
| Due from | D | <u>\$ 64,951.47</u> | <u>\$ 11,226.10</u> | <u>\$ 53,725.37</u> |

BOROUGH OF STOCKTON
WATER CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

| <u>ORDINANCE</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ISSUE OF ORIGINAL NOTE</u> | <u>DATE OF ISSUE</u> | <u>DATE OF MATURITY</u> | <u>INTEREST RATE</u> | <u>BALANCE DECEMBER 31, 2012</u> | <u>INCREASED</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2013</u> | |
|------------------|--------------------------------|---|--------------------------|-----------------------------|--------------------------|--|----------------------|----------------------|--|---|
| 2012-04 | Pump Station Repairs | 09/21/12 | 09/21/12 | 09/20/13 | 2.72% | \$ 175,000.00 | \$ | \$ 175,000.00 | \$ | |
| | | 09/21/12 | 09/20/13 | 09/19/14 | 1.08% | | 175,000.00 | | 175,000.00 | |
| | | | | | | <u>\$ 175,000.00</u> | <u>\$ 175,000.00</u> | <u>\$ 175,000.00</u> | <u>\$ 175,000.00</u> | |
| | | | | | | <u>REF.</u> | D | D-4 | D-4 | D |

BOROUGH OF STOCKTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS DEPOSITS - CAPITAL OUTLAY

| <u>ITEM</u> | BALANCE DECEMBER <u>31, 2012</u> | BALANCE DECEMBER <u>31, 2013</u> |
|----------------|--|--|
| CAPITAL OUTLAY | \$ <u>15,000.00</u> | \$ <u>15,000.00</u> |
| | \$ <u><u>15,000.00</u></u> | \$ <u><u>15,000.00</u></u> |
| <u>REF.</u> | D | D |

"D-19"

BOROUGH OF STOCKTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>IMPROVEMENT DESCRIPTION</u> | BALANCE DECEMBER 31, 2013 |
|---|---------------------------------|
| Acquisition and Installation of Capital Equipment | \$ <u>20,000.00</u> |
| | \$ <u><u>20,000.00</u></u> |

BOROUGH OF STOCKTON

SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

| | APPROPRIATIONS | | EXPENDED | | | OVER-EXPENDED |
|---|----------------------|---------------------------|----------------------|---------------------|--------------------|-----------------|
| | BUDGET | BUDGET AFTER MODIFICATION | PAID OR CHARGED | RESERVED | CANCELLED | |
| Operating: | | | | | | |
| Salaries and Wages | \$ 17,500.00 | \$ 17,500.00 | \$ 17,571.04 | \$ | \$ | 71.04 |
| Other Expenses | 94,000.00 | 92,763.00 | 87,183.41 | 5,579.59 | | |
| <u>Total Operating</u> | <u>\$ 111,500.00</u> | <u>\$ 110,263.00</u> | <u>\$ 104,754.45</u> | <u>\$ 5,579.59</u> | <u>\$</u> | <u>\$ 71.04</u> |
| Capital Improvements: | | | | | | |
| Capital Improvement Fund | \$ 17,022.00 | \$ 17,022.00 | \$ 17,022.00 | \$ | \$ | |
| Capital Outlay | 18,000.00 | 18,000.00 | | 18,000.00 | | |
| <u>Total Capital Improvements</u> | <u>\$ 35,022.00</u> | <u>\$ 35,022.00</u> | <u>\$ 17,022.00</u> | <u>\$ 18,000.00</u> | <u>\$</u> | <u>\$</u> |
| Debt Service: | | | | | | |
| Payment of Bond Principal | \$ 25,000.00 | \$ 25,000.00 | \$ 24,891.14 | \$ | \$ 108.86 | |
| Interest on Bonds | 10,000.00 | 11,237.00 | 10,143.86 | | 1,093.14 | |
| New Jersey Environmental Infrastructure Loan: | | | | | | |
| Payment of Bond Principal | 57,000.00 | 57,000.00 | 56,433.67 | | 566.33 | |
| Interest on Bonds | 22,000.00 | 22,000.00 | 22,000.00 | | | |
| <u>Total Debt Service</u> | <u>\$ 114,000.00</u> | <u>\$ 115,237.00</u> | <u>\$ 113,468.67</u> | <u>\$</u> | <u>\$ 1,768.33</u> | <u>\$</u> |
| Deferred Charges and Statutory Expenditures: | | | | | | |
| Social Security System (O.A.S.I.) | \$ 1,400.00 | \$ 1,400.00 | \$ 1,344.14 | \$ 55.86 | \$ | \$ |
| <u>Total Statutory Expenditures</u> | <u>\$ 1,400.00</u> | <u>\$ 1,400.00</u> | <u>\$ 1,344.14</u> | <u>\$ 55.86</u> | <u>\$</u> | <u>\$</u> |
| | <u>\$ 261,922.00</u> | <u>\$ 261,922.00</u> | <u>\$ 236,589.26</u> | <u>\$ 23,635.45</u> | <u>\$ 1,768.33</u> | <u>\$ 71.04</u> |
| REF. | E-3 | | E-1 | E:E-1 | | E |
| Cash Disbursements | E-5 | | \$ 211,378.45 | | | |
| Accounts Payable | E-9 | | 16,898.31 | | | |
| Accrued Interest | E-6 | | 8,312.50 | | | |
| | | | <u>\$ 236,589.26</u> | | | |

BOROUGH OF STOCKTON

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2013

| <u>REF.</u> | <u>OPERATING</u> | <u>CAPITAL</u> |
|-------------------------------------|-------------------------------|----------------------|
| Balance, December 31, 2012 | E \$ 281,142.17 | \$ -0- |
| Increased by Receipts: | | |
| Consumer Accounts Receivable | E-7 \$ 274,419.89 | \$ |
| Miscellaneous | E-3 3,536.67 | |
| Interfunds | E-8 33,459.65 | |
| N.J. Infrastructure Loan Receivable | E-11 | 3,579.09 |
| Capital Improvement Fund | E-12 | 17,022.00 |
| | <u>311,416.21</u> | <u>20,601.09</u> |
| | \$ <u>592,558.38</u> | \$ <u>20,601.09</u> |
| Decreased by Disbursements: | | |
| 2013 Appropriations | E-4 \$ 211,378.45 | \$ |
| 2012 Appropriation Reserves | E-10 13,294.57 | |
| Interfunds | E-8:E-14 <u>9,283.40</u> | <u>20,601.09</u> |
| | <u>233,956.42</u> | <u>20,601.09</u> |
| Balance, December 31, 2013 | E \$ <u><u>358,601.96</u></u> | \$ <u><u>-0-</u></u> |

"E-6"

BOROUGH OF STOCKTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2012 | E | \$ 9,158.96 |
| Increased by: | | |
| Charges to 2013 Budget | E-4 | 8,312.50 |
| | | \$ <u>17,471.46</u> |
| Decreased by: | | |
| Canceled | E-1 | <u>11,701.17</u> |
| Balance, December 31, 2013 | E | \$ <u><u>5,770.29</u></u> |

"E-7"

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

| | | |
|--------------------------------|-----|----------------------------|
| Balance, December 31, 2012 | E | \$ 13,489.99 |
| Increased by: | | |
| Sewer Use Charges Levied - Net | | 276,971.44 |
| | | \$ <u>290,461.43</u> |
| Decreased by: | | |
| Collections | E-5 | <u>274,419.89</u> |
| Balance, December 31, 2013 | E | \$ <u><u>16,041.54</u></u> |

BOROUGH OF STOCKTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>CURRENT FUND</u> | <u>SEWER CAPITAL FUND</u> | <u>WATER OPERATING FUND</u> |
|-----------------------------|-------------|------------------|-------------------------|-----------------------------------|-------------------------------------|
| Balance, December 31, 2012: | | | | | |
| Due from | E | \$ 2,116.14 | \$ | \$ | \$ 2,116.14 |
| Due to | E | <u>48,890.64</u> | <u>1,786.70</u> | <u>47,103.94</u> | <u> </u> |
| Receipts | E-5 | 33,459.65 | 12,784.42 | 20,601.09 | 74.14 |
| Disbursements | E-5 | <u>9,283.40</u> | <u>8,089.18</u> | <u> </u> | <u>1,194.22</u> |
| Balance, December 31, 2013: | | | | | |
| Due from | E | \$ 3,236.22 | \$ | \$ | \$ 3,236.22 |
| Due to | E | <u>74,186.97</u> | <u>6,481.94</u> | <u>67,705.03</u> | <u> </u> |

BOROUGH OF STOCKTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

| | <u>REF.</u> | |
|-----------------------------------|-------------|---------------------|
| Increased by: | | |
| Transfer from 2013 Appropriations | E-4 | \$ 16,898.31 |
| Balance, December 31, 2013 | E | \$ <u>16,898.31</u> |

BOROUGH OF STOCKTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

| | BALANCE DECEMBER 31, 2012 | PAID OR CHARGED | BALANCE LAPSED |
|--------------------|---------------------------------|---------------------|---------------------|
| Operating: | | | |
| Salaries and Wages | \$ 7,885.32 | \$ | \$ 7,885.32 |
| Other Expenses | 48,901.96 | 13,294.57 | 35,607.39 |
| Capital Outlay | 10,000.00 | | 10,000.00 |
| Social Security | 641.55 | | 641.55 |
| | <u>\$ 67,428.83</u> | <u>\$ 13,294.57</u> | <u>\$ 54,134.26</u> |
| <u>REF.</u> | E | E-5 | E-1 |

"E-11"

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

| | <u>REF.</u> | |
|----------------------------|-------------|---------------------|
| Balance, December 31, 2012 | E | \$ 34,061.39 |
| Decreased by: | | |
| Cash Receipts | E-5 | <u>3,579.09</u> |
| Balance, December 31, 2013 | E | <u>\$ 30,482.30</u> |

"E-12"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

| | | |
|----------------------------|-----|---------------------|
| Balance, December 31, 2012 | E | \$ 79,044.00 |
| Increased by: | | |
| Cash Receipts | E-5 | <u>17,022.00</u> |
| Balance, December 31, 2013 | E | <u>\$ 96,066.00</u> |

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | <u>ORDINANCE</u> | | <u>BALANCE DECEMBER 31, 2012 AND 2013</u> |
|-----------------------------|---|-------------|------------------|---------------|---|
| | | | | <u>AMOUNT</u> | |
| 2008-12 | Acquisition and Installation of Capital Equipment | 11/10/08 | \$ | 20,000.00 | \$ <u>20,000.00</u> |
| | | | | | \$ <u>20,000.00</u> |
| | | | | <u>REF.</u> | E |

BOROUGH OF STOCKTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

| | <u>REF.</u> | <u>TOTAL</u> | <u>SEWER OPERATING FUND</u> |
|-----------------------------|-------------|----------------------------|-------------------------------------|
| Balance, December 31, 2012: | | | |
| Due from | E | \$ <u>47,103.94</u> | \$ <u>47,103.94</u> |
| Disbursements | E-5 | <u>20,601.09</u> | <u>20,601.09</u> |
| Balance, December 31, 2013: | | | |
| Due from | E | \$ <u><u>67,705.03</u></u> | \$ <u><u>67,705.03</u></u> |

BOROUGH OF STOCKTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| <u>ORDINANCE NUMBER</u> | <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE</u> | <u>ORDINANCE</u> | | <u>BALANCE DECEMBER 31, 2012 AND 2013</u> | |
|-----------------------------|---|-------------|------------------|-------------|---|-----------------|
| | | | <u>AMOUNT</u> | | <u>FUNDED</u> | <u>UNFUNDED</u> |
| 2008-12 | Acquisition and Installation of Capital Equipment | 11/10/08 | \$ | 20,000.00 | \$ | \$ 20,000.00 |
| | | | | | \$ | \$ 20,000.00 |
| | | | | <u>REF.</u> | | |
| | | | | | E | E |

BOROUGH OF STOCKTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

| <u>ACCOUNT</u> | <u>BALANCE</u> <u>DECEMBER 31,</u> <u>2012 AND 2013</u> |
|--|---|
| Miscellaneous Equipment | \$ 4,612.00 |
| Improvement Authorizations: | |
| Construction of Sanitary Sewer System: | |
| 1974 | 1,200,000.00 |
| 1975 | 165,000.00 |
| 1977 | 362,900.00 |
| 1979 | 157,100.00 |
| Safety Equipment | 4,387.00 |
| Engineering Studies | 19,600.00 |
| Pump Station Stairways and Landings | 18,929.00 |
| Chemical Tank | 4,400.00 |
| Comminutor | 13,094.00 |
| Repair and Improvements to the Wastewater Collection System | <u>929,634.48</u> |
| | \$ <u><u>2,879,656.48</u></u> |
| <u>REF.</u> | E |

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

| | | | | |
|----------------------------|------|----|------------------|---------------------|
| Balance, December 31, 2012 | E | | \$ | 2,318,014.74 |
| Increased by: | | | | |
| Bonds Paid by Budget | E-19 | \$ | 24,891.14 | |
| Loans Paid by Budget | E-20 | | <u>56,433.67</u> | |
| | | | | <u>81,324.81</u> |
| Balance, December 31, 2013 | E | | \$ | <u>2,399,339.55</u> |

BOROUGH OF STOCKTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS

Balance, December 31, 2012 and
December 31, 2013

E

\$ 3,000.00

BOROUGH OF STOCKTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS PAYABLE

| <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORIGINAL ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>OUTSTANDING DECEMBER 31, 2013</u> | | <u>BALANCE DECEMBER 31, 2012</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2013</u> | |
|--------------------------------|-------------------------------|---------------------------------|--------------------------------------|---------------|----------------------------------|---------------------|----------------------------------|----------|
| | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| Sewer Improvements | 1979 | \$ 591,000.00 | 12/02/14 | \$ 26,135.70 | | | | |
| | | | 12/02/15 | 27,442.48 | | | | |
| | | | 12/02/16 | 28,814.61 | | | | |
| | | | 12/02/17 | 30,255.34 | | | | |
| | | | 12/02/18 | 31,768.10 | | | | |
| | | | 12/02/19 | 33,569.82 | | | | |
| | | | | | \$ <u>202,877.19</u> | \$ <u>24,891.14</u> | \$ <u>177,986.05</u> | |
| | | | | | <u>REF.</u> | <u>E</u> | <u>E-17</u> | <u>E</u> |

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

| <u>IMPROVEMENT DESCRIPTION</u> | <u>DATE OF ORIGINAL ISSUE</u> | <u>AMOUNT OF ORIGINAL ISSUE</u> | <u>INTEREST RATE</u> | <u>OUTSTANDING DECEMBER 31, 2013</u> | | <u>BALANCE DECEMBER 31, 2012</u> | <u>DECREASED</u> | <u>BALANCE DECEMBER 31, 2013</u> | |
|--|-------------------------------|---------------------------------|----------------------|--------------------------------------|------------------|----------------------------------|----------------------|----------------------------------|----------------------|
| | | | | <u>DATE</u> | <u>AMOUNT</u> | | | | |
| N.J. Environmental Infrastructure Trust Loan | 10/15/00 | \$ 495,000.00 | 5.00% | 08/01/14 | \$ 30,000.00 | \$ | \$ | \$ | |
| | | | 5.13% | 08/01/15 | 30,000.00 | | | | |
| | | | 5.13% | 08/01/16 | 30,000.00 | | | | |
| | | | 5.25% | 08/01/17 | 35,000.00 | | | | |
| | | | 5.25% | 08/01/18 | 35,000.00 | | | | |
| | | | 5.25% | 08/01/19 | 35,000.00 | | | | |
| | | | 5.25% | 08/01/20 | 40,000.00 | | | | |
| N.J. Environmental Infrastructure Fund Loan | 10/15/00 | 488,624.00 | 0.00% | 08/01/14 | 25,526.08 | | | | |
| | | | | 08/01/15 | 24,618.49 | | | | |
| | | | | 08/01/16 | 15,065.83 | | | | |
| | | | | | <u>91,644.07</u> | | | | |
| | | | | | | | <u>26,433.67</u> | <u>65,210.40</u> | |
| | | | | | | | <u>\$ 356,644.07</u> | <u>\$ 56,433.67</u> | <u>\$ 300,210.40</u> |
| | | | | <u>REF.</u> | | | E | E-17 | E |

"E-21"

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>IMPROVEMENT DESCRIPTION</u> | BALANCE DECEMBER <u>31, 2013</u> |
|--|--|
| Repair and Improvement of the Wastewater Collection System | \$ 2,120.48 |
| Acquisition and Installation of Capital Equipment | <u>20,000.00</u> |
| | \$ <u><u>22,120.48</u></u> |

BOROUGH OF STOCKTON

PART II

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE



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

The Honorable Mayor and Members
of the Borough Council
Borough of Stockton
County of Hunterdon
Stockton, New Jersey 08559

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Stockton, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated July __, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Stockton prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we noted certain immaterial matters involving internal control that we have reported to the Borough of Stockton in the General Comments and Recommendations Section of the audit report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, there were immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of the audit report.

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 Borough of Stockton's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Stockton's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANT NO. 50

July __, 2014

BOROUGH OF STOCKTON

SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL AWARDS
 YEAR ENDED DECEMBER 31, 2013

| FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE | FEDERAL CFDA NUMBER | STATE ACCOUNT NUMBER | GRANT PERIOD | | GRANT AWARD AMOUNT | 2013 FUNDS RECEIVED | 2013 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2013 |
|--|---------------------------|----------------------------|--------------|----------|--------------------------|---------------------------|----------------------|--|
| | | | FROM | TO | | | | |
| <u>Department of Homeland Security</u> Public Assistance for Presidentially Declared Disasters - Passed Through the New Jersey Office of Emergency Management | 97.036 | N/A | 01/01/13 | 12/31/13 | \$ 4,795.24 | \$ 4,795.24 | \$ 4,795.24 | \$ 4,795.24 |
| | | | | | \$ | \$ 4,795.24 | \$ 4,795.24 | \$ 4,795.24 |

BOROUGH OF STOCKTON

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
YEAR ENDED DECEMBER 31, 2013

| STATE GRANTOR/PROGRAM TITLE | STATE ACCOUNT NUMBER | GRANT PERIOD | | GRANT AWARD AMOUNT | 2013 FUNDS RECEIVED | 2013 EXPENDITURES | CUMULATIVE EXPENDITURES DECEMBER 31, 2013 |
|---|---------------------------------|----------------|----|--------------------------|---------------------------|----------------------|--|
| | | FROM | TO | | | | |
| <u>Department of Environmental Protection</u> | | | | | | | |
| Clean Communities Program | 4900-765-042-4900-004-V42Y-6020 | Continuous | | \$ 4,000.00 | \$ | \$ 89.46 | \$ 89.46 |
| Clean Communities Program | 4900-765-042-4900-004-V42Y-6020 | Continuous | | 4,000.00 | | | |
| Clean Communities Program | 4900-765-042-4900-004-V42Y-6020 | Unappropriated | | 4,000.00 | 4,000.00 | | |
| Recycling Tonnage Grant | 4900-752-042-4900-001-V42Y-6020 | Unappropriated | | 408.11 | 408.11 | | |
| Recycling Tonnage Grant | 4900-752-042-4900-001-V42Y-6020 | Continuous | | 537.34 | | | |
| Recycling Tonnage Grant | 4900-752-042-4900-001-V42Y-6020 | Continuous | | 129.94 | | | |
| | <u>Total</u> | | | \$ | <u>4,408.11</u> | \$ <u>89.46</u> | \$ <u>89.46</u> |
| <u>Department of Transportation</u> | | | | | | | |
| Improvements to Wilson Drive | | Continuous | | 165,000.00 | \$ 123,750.00 | \$ 123,750.00 | \$ 123,750.00 |
| Improvements to Old Prallsville Road | 11-480-078-6320-001-AK3-6010 | Continuous | | 155,937.00 | | | 124,268.88 |
| | | | | \$ | <u>123,750.00</u> | \$ <u>123,750.00</u> | \$ <u>248,018.88</u> |
| | <u>GRAND TOTAL</u> | | | \$ | <u>128,158.11</u> | \$ <u>123,839.46</u> | \$ <u>248,108.34</u> |

BOROUGH OF STOCKTON

NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal and state financial award programs of the Borough of Stockton, County of Hunterdon, New Jersey. All federal and state financial awards received directly from state agencies, as well as federal financial awards passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. These amounts are reported in the Current Fund, Grant Fund, General Capital Fund or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS (CONTINUED)

Revenues:

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|----------------------|----------------------|--------------------|----------------------|
| Grant Fund | \$ 4,408.11 | \$ | \$ 4,408.11 |
| General Capital Fund | <u>123,750.00</u> | <u>4,795.24</u> | <u>128,545.24</u> |
| | <u>\$ 128,158.11</u> | <u>\$ 4,795.24</u> | <u>\$ 132,953.35</u> |

Expenditures:

| | <u>State</u> | <u>Federal</u> | <u>Total</u> |
|----------------------|----------------------|--------------------|----------------------|
| Current Fund | \$ 89.46 | \$ | \$ |
| General Capital Fund | <u>123,750.00</u> | <u>4,795.24</u> | <u>128,545.24</u> |
| | <u>\$ 123,839.46</u> | <u>\$ 4,795.24</u> | <u>\$ 128,545.24</u> |

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

GENERAL COMMENTS AND RECOMMENDATIONS

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

| | YEAR 2013 | | YEAR 2012 | |
|--|------------------------|----------------|------------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Fund Balance Utilized | \$ 163,000.00 | 7.10% | \$ 124,084.67 | 5.37% |
| Miscellaneous-from other than Local Property | | | | |
| Tax Levies | 162,078.56 | 7.06% | 228,895.09 | 9.91% |
| Collection of Delinquent Taxes and Tax Title Liens | 12,572.61 | 0.55% | 25,537.85 | 1.11% |
| Collection of Current Tax Levy | 1,956,887.71 | 85.28% | 1,930,080.20 | 83.60% |
| <u>TOTAL INCOME</u> | <u>\$ 2,294,538.88</u> | <u>100.00%</u> | <u>\$ 2,308,597.81</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Municipal Purposes | \$ 519,463.12 | 23.96% | \$ 476,173.88 | 22.46% |
| County Taxes | 338,332.19 | 15.60% | 327,594.90 | 15.45% |
| School Taxes | 1,305,631.00 | 60.22% | 1,292,778.89 | 60.98% |
| Other | 4,695.48 | 0.22% | 23,319.22 | 1.10% |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 2,168,121.79</u> | <u>100.00%</u> | <u>\$ 2,119,866.89</u> | <u>100.00%</u> |
| Excess in Revenue | \$ 126,417.09 | | \$ 188,730.92 | |
| Adjustments to Income before Fund Balance: | | | | |
| Expenditures Included above which are by Statute | | | | |
| Deferred Charges to Budget of Succeeding Year | 254.85 | | | |
| Statutory Excess of Fund Balance | \$ 126,671.94 | | \$ 188,730.92 | |
| Fund Balance, January 1 | 337,291.72 | | 272,645.47 | |
| | \$ 463,963.66 | | \$ 461,376.39 | |
| Less: Utilization as Anticipated Revenue | 163,000.00 | | 124,084.67 | |
| Fund Balance, December 31 | <u>\$ 300,963.66</u> | | <u>\$ 337,291.72</u> | |

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-WATER UTILITY FUND

| | YEAR 2013 | | YEAR 2012 | |
|---|----------------------|----------------|----------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Collection of Water Rents | \$ 83,916.30 | 79.91% | \$ 83,281.41 | 79.85% |
| Miscellaneous-from other than Water Rents | 21,098.08 | 20.10% | 21,019.60 | 20.16% |
| <u>TOTAL INCOME</u> | <u>\$ 105,014.38</u> | <u>100.00%</u> | <u>\$ 104,301.01</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 68,066.00 | 85.09% | \$ 72,300.00 | 91.52% |
| Deferred Charges and Statutory Expenditures | 1,224.00 | 1.53% | 1,700.00 | 2.15% |
| Debt Service | 6,200.00 | 7.75% | | |
| Capital Improvements | 4,500.00 | 5.63% | 5,000.00 | 6.33% |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 79,990.00</u> | <u>100.00%</u> | <u>\$ 79,000.00</u> | <u>100.00%</u> |
| Excess in Revenue to Fund Balance | \$ 25,024.38 | | \$ 25,301.01 | |
| Fund Balance, January 1 | 113,553.07 | | 88,252.06 | |
| Fund Balance, December 31 | <u>\$ 138,577.45</u> | | <u>\$ 113,553.07</u> | |

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE-SEWER UTILITY FUND

| | YEAR 2013 | | YEAR 2012 | |
|--|----------------------|----------------|----------------------|----------------|
| | AMOUNT | % | AMOUNT | % |
| <u>REVENUE AND OTHER INCOME REALIZED</u> | | | | |
| Collection of Sewer Rents | \$ 274,419.89 | 79.82% | \$ 297,249.27 | 95.35% |
| Miscellaneous - from other than Sewer Rents | 69,372.10 | 20.18% | 14,503.01 | 4.65% |
| <u>TOTAL INCOME</u> | <u>\$ 343,791.99</u> | <u>100.00%</u> | <u>\$ 311,752.28</u> | <u>100.00%</u> |
| <u>EXPENDITURES</u> | | | | |
| Budget Expenditures: | | | | |
| Operating | \$ 110,334.04 | 42.40% | \$ 149,782.00 | 49.49% |
| Deferred Charges and Statutory Expenditures | 1,400.00 | 0.54% | 1,950.00 | 0.64% |
| Debt Service | 113,468.67 | 43.60% | 91,168.54 | 30.13% |
| Capital Improvements | 35,022.00 | 13.46% | 27,022.00 | 8.93% |
| Other | | | 32,704.61 | 10.81% |
| <u>TOTAL EXPENDITURES</u> | <u>\$ 260,224.71</u> | <u>100.00%</u> | <u>\$ 302,627.15</u> | <u>100.00%</u> |
| Excess Revenue | \$ 83,567.28 | | \$ 9,125.13 | |
| Adjustments to Income before Fund Balance: | | | | |
| Expenditures Included Above which are by Statute | | | | |
| Deferred Charges to Budget of Succeeding Year | 71.04 | | | |
| | <u>\$ 83,638.32</u> | | <u>\$ 9,125.13</u> | |
| Fund Balance, January 1 | <u>157,779.88</u> | | <u>148,654.75</u> | |
| Fund Balance, December 31 | <u>\$ 241,418.20</u> | | <u>\$ 157,779.88</u> | |

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|--------------------------|----------------|----------------|----------------|
| Tax Rate | <u>\$2.122</u> | <u>\$2.075</u> | <u>\$1.968</u> |
| Appointment of Tax Rate: | | | |
| Municipal | \$0.366 | \$0.351 | \$0.334 |
| County | 0.302 | 0.290 | 0.288 |
| County Open Space | 0.030 | 0.030 | 0.031 |
| County Library | 0.031 | 0.029 | 0.025 |
| District School | 0.702 | 0.707 | 0.687 |
| Regional School | <u>0.691</u> | <u>0.668</u> | <u>0.603</u> |

Assessed Valuations:

| | | | |
|------|-------------------------|-------------------------|-------------------------|
| 2013 | \$ <u>93,646,236.00</u> | | |
| 2012 | | \$ <u>94,024,961.00</u> | |
| 2011 | | | \$ <u>94,178,900.00</u> |

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

| Year | Tax Levy | <u>Currently</u> | |
|------|-----------------|-------------------------|---------------------------------|
| | | <u>Cash Collections</u> | <u>Percentage of Collection</u> |
| 2013 | \$ 1,987,173.10 | \$ 1,956,887.71 | 98.47% |
| 2012 | 1,954,037.87 | 1,930,080.20 | 98.77% |
| 2011 | 1,855,975.61 | 1,828,388.06 | 98.51% |

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison expressed in percentage of the total delinquent taxes, in relation to the tax levies of the last three years:

| <u>YEAR</u> | <u>AMOUNT OF DELINQUENT TAXES</u> | <u>TOTAL DELINQUENT</u> | <u>PERCENTAGE OF TAX LEVY</u> |
|-------------|---|-----------------------------|-----------------------------------|
| 2013 | \$26,910.35 | \$26,910.35 | 1.35% |
| 2012 | \$15,780.04 | \$15,780.04 | 0.81% |
| 2011 | \$25,543.30 | \$25,543.30 | 1.38% |

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The Borough has no property acquired by foreclosure or deed as a result of liquidation of outstanding tax title liens.

COMPARISON OF WATER UTILITY LEVIES

| <u>YEAR</u> | <u>LEVY</u> | <u>CASH COLLECTIONS</u> |
|-------------|--------------|-----------------------------|
| 2013 | \$ 83,073.80 | \$ 83,916.30 |
| 2012 | 81,637.04 | 83,281.41 |
| 2011 | 108,815.66 | 110,122.42 |

COMPARISON OF SEWER UTILITY LEVIES

| <u>YEAR</u> | <u>LEVY</u> | <u>CASH COLLECTIONS</u> |
|-------------|---------------|-----------------------------|
| 2013 | \$ 277,088.60 | \$ 274,419.89 |
| 2012 | 282,425.22 | 297,249.27 |
| 2011 | 301,532.66 | 300,108.00 |

COMPARATIVE SCHEDULE OF FUND BALANCES

| | <u>YEAR</u> | | <u>BALANCE DECEMBER 31</u> | | <u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u> |
|------------------------------|-------------|----|--------------------------------|----|--|
| Current Fund | 2013 | \$ | 300,963.66 | \$ | 163,000.00 |
| | 2012 | | 337,291.72 | | 163,000.00 |
| | 2011 | | 272,645.47 | | 124,084.67 |
| | 2010 | | 147,779.28 | | 83,444.00 |
| | 2009 | | 119,782.55 | | 81,444.00 |
| Water Utility Operating Fund | 2013 | \$ | 138,577.45 | \$ | -0- |
| | 2012 | | 113,553.07 | | -0- |
| | 2011 | | 88,252.06 | | -0- |
| | 2010 | | 34,513.78 | | -0- |
| | 2009 | | 27,873.71 | | -0- |
| Sewer Utility Operating Fund | 2013 | \$ | 241,418.20 | \$ | -0- |
| | 2012 | | 157,779.88 | | -0- |
| | 2011 | | 148,654.75 | | -0- |
| | 2010 | | 112,868.52 | | -0- |
| | 2009 | | 13,670.82 | | -0- |

OFFICIALS IN OFFICE AND SURETY BONDS

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

| <u>NAME</u> | <u>TITLE</u> | <u>AMOUNT OF BOND</u> | <u>NAME OF SURETY</u> |
|-------------------|-----------------------------|---------------------------|-----------------------------|
| Stephen Giocondo | Mayor | | |
| Michael Hagerty | Council President | | |
| Nic Messina | Councilman | | |
| Aaron Lipsen | Councilman | | |
| Neal Esposito | Councilman | | |
| Timothy Nemeth | Councilman | | |
| Kate Steffanelli | Councilwoman | | |
| Donna Griffiths | Tax Collector, Deputy Clerk | \$80,000.00 | Selective Insurance Company |
| Michele Hovan | Borough Clerk | | |
| Judie McGrorey | CFO | \$250,000.00 | Selective Insurance Company |
| John Bennett | Counsel | | |
| Michelle Trivigno | Assessor | | |
| Edward Martin | Magistrate | | |
| Cindy Hooven | Court Administrator | | |

All bonds were examined and were properly executed.

The Borough does not maintain blanket bond coverage for individuals not specifically covered by a separate bond.

PART III
BOROUGH OF STOCKTON
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (C.40A:11-3), except by contract or agreement.

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution dated October 30, 2006 of the governing body, the bid threshold for all purchases made by the Borough's qualified purchasing agent is \$29,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$29,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bid were requested by public advertising for the following items:

Wilson Drive Road Improvements

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed. Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$29,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6".

The minutes indicate that resolution authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 was advertised during 2013 for the following professional services:

Borough Auditor
Borough Engineer
Borough Attorney
Planning Board Attorney
Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 2, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes.

WHEREAS, N.J.S.A. 54:4-67 permits the governing body of each municipality to fix the rate of interest to be charged for non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate of 8% per annum on the first \$1,500.00 of delinquency and 18% per annum on any amount in excess of \$1,500.00 and allows an additional penalty of 6% be collected against a delinquency in excess of \$10,000.00 on properties that fail to pay the delinquency prior to the end of the calendar year.

1. The Tax Collector and Water and Sewer Clerk are hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of delinquency after the due date and 18% per annum on any delinquencies in excess of \$1,500.00 becoming delinquent after the due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31 an additional penalty of 6% shall be charged against the delinquency.
2. BE IT FURTHER RESOLVED that these interest rates be effective for the year 2013.

It appears from an examination of the records that interest was collected in accordance with the forgoing resolution.

DELINQUENT TAXES AND TAX TITLE LIENS

No tax sale was held in 2013.

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

| <u>YEAR</u> | <u>NUMBER OF LIENS</u> |
|-------------|------------------------|
| 2013 | None |
| 2012 | None |
| 2011 | None |

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

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

OTHER

Fixed Assets

The General Fixed Assets Ledger has not been updated since 2006.

Other Fund Vouchers

During the course of our audit we noted several purchase orders that were processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order.

The Borough has not maintained a complete encumbrance accounting system in accordance with the minimum requirements as promulgated by the Division of Local Government Services. We noted that several purchase orders are processed as confirming orders. This is where goods have been received or services have been rendered prior to the issuance of a purchase order. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation.

Budget

Funds were committed in excess of balances remaining in 2013 appropriations and the 2012 appropriation reserves in the Current Fund and the 2013 appropriation for the Sewer Utility Fund. In accordance with N.J.S.A. 40A:4-57, no expenditures of funds for any purpose can be made for which no appropriation is provided or in excess of the amount appropriated for such purpose. As a result of the Borough committing funds in excess of amounts appropriated deferred charges in the total amount of \$5,784.96 will have to be raised in the 2014 budget.

We noted that the Borough did not file IRS Form 1099 for all unincorporated vendors receiving payments in excess of \$600.00.

RECOMMENDATIONS

*That the Fixed Assets Ledger be updated for all additions and deletions.

That the Borough issue a purchase order prior to the purchase of any goods or services.

That sufficient appropriation balances be available prior to the commitment or expenditure of funds.

That the Borough file IRS Form 1099 for all eligible vendors.

*Prior Year Recommendations