

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, 2019

BOROUGH OF STOCKTON

I N D E X

	<u>PAGES</u>
<u>PART I</u>	
Independent Auditor's Report	1-3
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	4-5
	<u>EXHIBITS</u>
<u>Financial Statements - Statutory Basis</u>	
<u>Current Fund:</u>	
Balance Sheets - Regulatory Basis	"A"
Statements of Operations and Change in Fund Balance - Regulatory Basis for the Year Ended December 31, 2019	"A-1"
Statement of Revenues - Regulatory Basis for the Year Ended December 31, 2019	"A-2"
Statement of Expenditures - Regulatory Basis for the Year Ended December 31, 2019	"A-3"
<u>Trust Fund:</u>	
Balance Sheets - Regulatory Basis	"B"
<u>General Capital Fund:</u>	
Balance Sheets - Regulatory Basis	"C"
Statement of Fund Balance - Regulatory Basis as of December 31, 2019	"C-1"
<u>Water Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"D"
Statements of Operations and Changes in Fund Balance - Operating Fund - Regulatory Basis for the Year Ended December 31, 2019	"D-1"
Statement of Revenues - Operating Fund - Regulatory Basis for the Year Ended December 31, 2019	"D-2"
Statement of Expenditures - Operating Fund - Regulatory Basis for the Year Ended December 31, 2019	"D-3"
<u>Sewer Utility Fund:</u>	
Balance Sheets - Regulatory Basis	"E"
Statements of Operations and Changes in Fund Balance - Regulatory Basis for the Year Ended December 31, 2019	"E-1"
Statement of Fund Balance - Capital Fund - Regulatory Basis	"E-2"
Statement of Revenues - Operating Fund - Regulatory Basis for the Year Ended December 31, 2019	"E-3"
Statement of Expenditures - Operating Fund - Regulatory Basis for the Year Ended December 31, 2019	"E-4"
<u>General Fixed Assets Account Group:</u>	
Balance Sheets - Regulatory Basis	"F"
Notes to Financial Statements	6-32

BOROUGH OF STOCKTON

I N D E X (CONTINUED)

EXHIBITS

Supplementary Schedules - All Funds

Current Fund:

Schedule of Cash-Treasurer	"A-4"
Schedule of Cash-Collector	"A-5"
Schedule of Due Current Fund - Grant Fund	"A-6"
Schedule of Taxes Receivable and Analysis of Property Tax Levy	"A-7"
Schedule of Due State of New Jersey per Chapter 20, P.L. 1971	"A-8"
Schedule of Revenue Accounts Receivable	"A-9"
Schedule of Interfunds	"A-10"
Schedule of Petty Cash Funds	"A-11"
Schedule of 2018 Appropriation Reserves	"A-12"
Schedule of County Taxes Payable	"A-13"
Schedule of Regional School Taxes Payable	"A-14"
Schedule of Reserve for Grants Unappropriated – Grant Fund	"A-15"
Schedule of Prepaid Taxes	"A-16"
Schedule of Tax Overpayments	"A-17"
Schedule of Reserve for Miscellaneous Reserves	"A-18"
Schedule of Reserve for Grants Appropriated - Grant Fund	"A-19"
Schedule of Encumbrances Payable	"A-20"
Schedule of Grants Receivable – Grant Fund	"A-21"

Trust Fund:

Schedule of Cash-Treasurer	"B-1"
Schedule of Reserve for Animal Control Trust Fund Expenditures	"B-2"
Schedule of Due State of New Jersey - Animal Control Fund	"B-3"
Schedule of Various Reserves and Deposits	"B-4"
Schedule of Due Current Fund	"B-5"

General Capital Fund:

Schedule of Cash-Treasurer	"C-2"
Analysis of Cash	"C-3"
Schedule of Deferred Charges to Future Taxation - Funded	"C-4"
Schedule of Deferred Charges to Future Taxation - Unfunded	"C-5"
Schedule of Contracts Payable	"C-6"
Schedule of Improvement Authorizations	"C-7"
Schedule of Capital Improvement Fund	"C-8"
Schedule of Bonds and Notes Authorized But Not Issued	"C-9"
Schedule of Grants Receivable	"C-10"
Schedule of Green Acres Trust Loans Payable	"C-11"
Schedule of Reserve for Receivables	"C-12"
Schedule of Bond Anticipation Notes	"C-13"
Schedule of Various Reserves and Deposits	"C-14"
Schedule of New Jersey Environmental Trust Loans Payable	"C-15"

BOROUGH OF STOCKTON

I N D E X (CONTINUED)

EXHIBITS

Water Utility Fund:

Schedule of Cash-Treasurer	"D-4"
Schedule of Encumbrances Payable - Operating Fund	"D-5"
Schedule of Consumer Accounts Receivable - Operating Fund	"D-6"
Schedule of Accrued Interest on Bonds, Notes and Loans - Operating Fund	"D-7"
Schedule of 2018 Appropriation Reserves - Operating Fund	"D-8"
Schedule of Interfunds - Operating Fund	"D-9"
Schedule of Improvement Authorizations - Capital Fund	"D-10"
Schedule of Reserve for Deferred Amortization - Capital Fund	"D-11"
Schedule of Capital Improvement Fund - Capital Fund	"D-12"
Schedule of Reserve for Amortization - Capital Fund	"D-13"
Schedule of Fixed Capital - Capital Fund	"D-14"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"D-15"
Schedule of Interfunds - Capital Fund	"D-16"
Schedule of Bond Anticipation Notes - Capital Fund	"D-17"
Schedule of Contracts Payable - Capital Fund	"D-18"
Schedule of Bonds and Notes Authorized But Not Issued - Capital Fund	"D-19"

Sewer Utility Fund:

Schedule of Cash-Treasurer	"E-5"
Schedule of Accrued Interest - Operating Fund	"E-6"
Schedule of Consumer Accounts Receivable - Operating Fund	"E-7"
Schedule of Contracts Payable - Capital Fund	"E-8"
Schedule of Encumbrances Payable - Operating Fund	"E-9"
Schedule of 2018 Appropriation Reserves - Operating Fund	"E-10"
Schedule of NJ Environmental Infrastructure Trust Loan Payable - Capital Fund	"E-11"
Schedule of Capital Improvement Fund - Capital Fund	"E-12"
Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	"E-13"
Schedule of Schedule of Bonds and Notes Authorized But Not Issued - Capital Fund	"E-14"
Schedule of Improvement Authorizations - Capital Fund	"E-15"
Schedule of Fixed Capital - Capital Fund	"E-16"
Schedule of Reserve for Amortization - Capital Fund	"E-17"
Schedule of Reserve for Deferred Amortization - Capital Fund	"E-18"
Schedule of Reserve for Capital Improvements - Capital Fund	"E-19"
Schedule of Bonds Payable - Capital Fund	"E-20"
Schedule of Bond Anticipation Notes - Capital Fund	"E-21"

PAGES

PART II

Statistical Data	33-38
Officials in Office and Surety Bonds	39
General Comments and Recommendations	40-43

BOROUGH OF STOCKTON

PART I

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

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

FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2019 AND 2018



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

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, 2019 and 2018, 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, 2019, 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.

SUPLEE, CLOONEY & COMPANY

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, 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, 2019 and 2018, 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, 2019.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account groups as of December 31, 2019 and 2018, 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, 2019 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.

SUPLEE, CLOONEY & COMPANY

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 supplemental information, schedules and data 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.

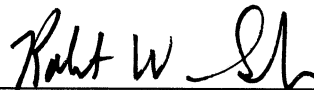
The supplemental information, schedules and data listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has 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, schedules and data listed in the table of contents 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 30, 2020 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. 439

July 30, 2020



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@senco.com

**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, 2019, 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 30, 2020. 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.

SUPLEE, CLOONEY & COMPANY

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 II, 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. 439

July 30, 2020

CURRENT FUND

BOROUGH OF STOCKTON

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
Cash-Treasurer	A-4	\$ <u>746,898.34</u>	\$ <u>689,139.07</u>
		\$ <u>746,898.34</u>	\$ <u>689,139.07</u>
Receivables and other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 25,915.31	\$ 14,951.02
Revenue Accounts Receivable	A-9		873.87
Interfunds Receivable	A-10	570.09	278.11
	A	\$ <u>26,485.40</u>	\$ <u>16,103.00</u>
		\$ <u>773,383.74</u>	\$ <u>705,242.07</u>
Grant Fund:			
Due Current Fund	A-6	\$ 43,037.14	\$ 37,143.74
		\$ <u>43,037.14</u>	\$ <u>37,143.74</u>
		\$ <u>816,420.88</u>	\$ <u>742,385.81</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>		BALANCE DECEMBER <u>31, 2019</u>		BALANCE DECEMBER <u>31, 2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>					
Liabilities:					
Appropriation Reserves	A-3:A-12	\$	66,001.90	\$	69,341.32
Encumbrances Payable	A-20		15,179.99		7,024.86
Prepaid Taxes	A-16		8,955.33		470.00
Tax Overpayments	A-17		2,100.61		2,581.50
Interfunds Payable	A-10		43,047.39		37,143.74
County Taxes Payable	A-13		379.31		603.98
Miscellaneous Reserves	A-18		<u>13,125.00</u>		<u>12,300.00</u>
		\$	148,789.53	\$	129,465.40
Reserve for Receivables and other Assets	A		26,485.40		16,103.00
Fund Balance	A-1		<u>598,108.81</u>		<u>559,673.67</u>
		\$	<u>773,383.74</u>	\$	<u>705,242.07</u>
Grant Fund:					
Reserve for Grants Appropriated	A-19	\$	38,176.06	\$	33,070.51
Reserve for Grants Unappropriated	A-15		4,861.08		4,073.23
		\$	<u>43,037.14</u>	\$	<u>37,143.74</u>
		\$	<u>816,420.88</u>	\$	<u>742,385.81</u>

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

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 165,000.00	\$ 165,000.00
Miscellaneous Revenue Anticipated	A-2	145,612.21	187,685.58
Receipts from Delinquent Taxes	A-2	14,951.02	29,696.86
Receipts from Current Taxes	A-2	1,875,882.03	1,902,691.75
Non-Budget Revenue	A-2	22,916.89	13,067.49
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	58,954.15	41,753.85
Tax Overpayments Canceled			27.93
Reserve for Prepaid Regional High School Tax			194,457.00
Interfunds Returned			480.48
<u>Total Income</u>		<u>\$ 2,283,316.30</u>	<u>\$ 2,534,860.94</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Operations within "CAPS":			
Operating	A-3	\$ 430,700.00	\$ 430,550.00
Deferred Charges and Statutory Expenditures	A-3	75,190.00	59,741.00
Operations Excluded from "CAPS":			
Operating	A-3	12,139.55	7,941.00
Capital Improvements	A-3	20,000.00	20,000.00
Municipal Debt Service	A-3	56,139.56	62,530.85
County Taxes	A-13	339,948.51	338,794.36
County Share of Added Taxes	A-13	379.31	603.98
Regional School Tax	A-14	1,135,807.00	1,157,837.00
Municipal Open Space Tax	A-7	9,210.25	
Refund of Prior Year Revenue	A-4	75.00	75.00
Interfunds Advanced	A-2.2	291.98	
<u>Total Expenditures</u>		<u>\$ 2,079,881.16</u>	<u>\$ 2,078,073.19</u>
Excess in Revenue		\$ 203,435.14	\$ 456,787.75
<u>Fund Balance</u>			
Balance, January 1	A	559,673.67	267,885.92
		<u>\$ 763,108.81</u>	<u>\$ 724,673.67</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	165,000.00	165,000.00
Fund Balance, December 31	A	<u>\$ 598,108.81</u>	<u>\$ 559,673.67</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, 2019

	<u>REF.</u>	<u>ANTICIPATED</u> <u>BUDGET</u>	<u>REALIZED</u>	<u>EXCESS</u> <u>OR</u> <u>(DEFICIT)</u>
Fund Balance Anticipated	A-1	\$ 165,000.00	\$ 165,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-9	\$ 3,824.00	\$ 3,824.00	\$
Other	A-9	1,500.00	688.00	(812.00)
Fees and Permits:				
Other	A-9	1,500.00	1,923.30	423.30
Fines:				
Municipal Court	A-9	4,280.00	5,449.81	1,169.81
Interest and Costs on Taxes	A-9	6,720.00	4,326.13	(2,393.87)
Energy Receipts Tax	A-9	45,571.00	45,571.00	
Garden State Trust Fund	A-9	6,150.00	6,150.00	
Cell Tower Rental	A-9	36,000.00	48,588.82	12,588.82
Hotel and Motel Tax	A-9	22,000.00	23,985.60	1,985.60
Clean Communities Program	A-18	4,000.00	4,000.00	
Recycling Tonnage Grant	A-18	1,032.32	1,032.32	
Alcohol Education & Rehabilitation Program	A-18	73.23	73.23	
	A-1	\$ 132,650.55	\$ 145,612.21	\$ 12,961.66
Receipts from Delinquent Taxes	A-1:A-7	14,000.00	14,951.02	951.02
Amount to be Raised by Taxation for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-7	418,469.06	523,536.96	105,067.90
<u>Budget Totals</u>		\$ 730,119.61	\$ 849,100.19	\$ 118,980.58
Non-Budget Revenue	A-1:A-2		22,916.89	22,916.89
		\$ 730,119.61	\$ 872,017.08	\$ 141,897.47
	<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, 2019

	<u>REF.</u>		
Allocation of Current Tax Collections: Collections Realized on a Cash Basis	A-1:A-7	\$	1,875,882.03
Allocated to:			
School and County Taxes		\$	1,476,134.82
Municipal Open Space Trust Fund			<u>9,210.25</u>
			<u>1,485,345.07</u>
Balance for Support of Municipal Budget Appropriations			390,536.96
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3		<u>133,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>523,536.96</u></u>

Analysis of Non-Budget Revenues

Miscellaneous Revenue Not Anticipated:			
Treasurer:			
Interest on Investments		\$	20,038.00
Cable Franchise Fee			2,133.80
Administrative Fee - Homestead Rebate			54.00
Miscellaneous			31.00
Administrative Fee - Senior Citizen and Veterans			<u>90.00</u>
	A-4		22,346.80
Excess Animal Control Fees	A-10		<u>570.09</u>
	A-2	\$	<u><u>22,916.89</u></u>

Analysis of Interfunds Advanced/Returned

	<u>Balance December 31,</u>		<u>Net Interfund Advanced (Returned)</u>
	<u>2019</u>	<u>2018</u>	
Animal Control Fund	\$ <u>570.09</u>	\$ <u>278.11</u>	\$ <u>291.98</u>
Totals	\$ <u><u>570.09</u></u>	\$ <u><u>278.11</u></u>	\$ <u><u>291.98</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, 2019

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Governing Body:					
Salaries and Wages	\$ 9,600.00	\$ 9,600.00	\$ 9,181.07	\$ 418.93	\$
Other Expenses	1,000.00	1,000.00	327.00	673.00	
Municipal Clerk:					
Salaries and Wages	48,840.00	48,840.00	47,190.00	1,650.00	
Other Expenses	4,600.00	4,600.00	4,061.74	538.26	
Elections:					
Other Expenses	500.00	500.00	408.58	91.42	
Financial Administration:					
Salaries and Wages	20,420.00	20,420.00	20,400.00	20.00	
Other Expenses	1,500.00	1,500.00	304.99	1,195.01	
Audit Services	18,250.00	18,250.00	15,300.00	2,950.00	
Computer Support:					
Other Expenses	10,500.00	11,000.00	10,194.48	805.52	
Administration & Executive:					
Salaries and Wages	6,590.00	6,590.00	6,588.97	1.03	
Collection of Taxes:					
Salaries and Wages	8,365.00	8,365.00	8,364.00	1.00	
Other Expenses	1,600.00	1,600.00	1,120.90	479.10	
Assessment of Taxes:					
Salaries and Wages	6,307.00	6,307.00	6,306.73	0.27	
Other Expenses	450.00	450.00	381.18	68.82	
Public Buildings & Grounds:					
Other Expenses	11,000.00	11,000.00	10,908.49	91.51	
Legal Services:					
Other Expenses	7,000.00	7,000.00	6,246.74	753.26	
Engineering Services:					
Other Expenses	18,000.00	18,000.00	14,494.75	3,505.25	
Planning Board:					
Salaries and Wages	3,496.00	3,496.00	3,495.86	0.14	
Other Expenses	1,200.00	1,200.00	423.68	776.32	
Legal Fees	1,100.00	1,100.00	876.50	223.50	
Planner Fees	600.00	800.00	679.80	120.20	
Engineering Fees	700.00	700.00		700.00	
Zoning Board:					
Salaries and Wages	5,573.00	5,573.00	5,572.83	0.17	
Insurance (NJSA 40A:4-45.3(00)):					
Liability Insurance	17,100.00	19,100.00	19,037.00	63.00	
Worker Compensation Insurance	20,950.00	21,050.00	20,982.00	68.00	
Flood Insurance	4,200.00	4,200.00	4,174.00	26.00	
Employee Bonds	1,200.00	1,200.00	999.00	201.00	

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, 2019

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>PUBLIC SAFETY</u>					
Aid to Volunteer Fire Company	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$	\$
Aid to Volunteer Rescue Squad	3,000.00	3,000.00	3,000.00		
Municipal Prosecutor:					
Salaries and Wages	2,080.00	2,080.00	2,079.14	0.86	
<u>PUBLIC WORKS</u>					
Street and Road Maintenance:					
Other Expenses	15,100.00	12,300.00	4,750.00	7,550.00	
Snow Removal:					
Other Expenses	15,000.00	15,000.00	10,355.00	4,645.00	
Solid Waste Collection:					
Other Expenses	79,500.00	79,500.00	56,457.83	23,042.17	
Flood Insurance Program:					
Other Expenses	3,500.00	3,500.00		3,500.00	
Recycling:					
Other Expenses	14,200.00	14,200.00	13,562.78	637.22	
<u>HEALTH AND HUMAN SERVICES</u>					
Board of Health:					
Other Expenses	800.00	800.00	200.00	600.00	
Animal Control Services:					
Salaries and Wages	929.00	929.00	928.59	0.41	
<u>PARKS AND RECREATION</u>					
Recreation:					
Other Expenses	13,000.00	13,000.00	12,996.82	3.18	
<u>MUNICIPAL COURT</u>					
Municipal Court:					
Salaries and Wages	4,200.00	4,200.00	3,192.29	1,007.71	
Other Expenses	10,000.00	10,000.00	9,935.50	64.50	
Public Defender (P.L. 1997, c.256):					
Other Expenses	200.00	200.00		200.00	
<u>UNCLASSIFIED</u>					
Electricity	250.00	250.00	238.37	11.63	
Street Lighting	14,000.00	14,000.00	9,156.25	4,843.75	
Telephone	5,000.00	5,000.00	2,868.28	2,131.72	
Natural Gas	2,300.00	2,300.00	1,648.32	651.68	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	<u>\$ 430,700.00</u>	<u>\$ 430,700.00</u>	<u>\$ 366,389.46</u>	<u>\$ 64,310.54</u>	<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, 2019

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-</u> <u>MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	\$ 14,990.00	\$ 14,990.00	\$ 14,990.00	\$	\$
Social Security System	9,900.00	9,900.00	8,794.09	1,105.91	
Unemployment Insurance	300.00	300.00		300.00	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	<u>\$ 25,190.00</u>	<u>\$ 25,190.00</u>	<u>\$ 23,784.09</u>	<u>\$ 1,405.91</u>	<u>\$</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 455,890.00</u>	<u>\$ 455,890.00</u>	<u>\$ 390,173.55</u>	<u>\$ 65,716.45</u>	<u>\$</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Length of Service Award Program	\$ 4,500.00	\$ 4,500.00	\$ 4,400.00	\$ 100.00	\$
<u>TOTAL OTHER OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 4,500.00</u>	<u>\$ 4,500.00</u>	<u>\$ 4,400.00</u>	<u>\$ 100.00</u>	<u>\$</u>
<u>INTERLOCAL AGREEMENTS</u>					
Township of Delaware Building Inspector:					
Salaries and Wages	\$ 2,184.00	\$ 2,184.00	\$ 2,183.55	\$ 0.45	\$
Other Expenses	350.00	350.00	165.00	185.00	
<u>TOTAL INTERLOCAL AGREEMENTS - EXCLUDED FROM "CAPS"</u>	<u>\$ 2,534.00</u>	<u>\$ 2,534.00</u>	<u>\$ 2,348.55</u>	<u>\$ 185.45</u>	<u>\$</u>
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Clean Communities Program	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$	\$
Alcohol Education Rehabilitation Grant	73.23	73.23	73.23		
Recycling Tonnage Grant	1,032.32	1,032.32	1,032.32		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS</u>	<u>\$ 5,105.55</u>	<u>\$ 5,105.55</u>	<u>\$ 5,105.55</u>	<u>\$</u>	<u>\$</u>
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	<u>\$ 12,139.55</u>	<u>\$ 12,139.55</u>	<u>\$ 11,854.10</u>	<u>\$ 285.45</u>	<u>\$</u>
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>	<u>\$</u>	<u>\$</u>
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Interest on Notes	\$ 11,112.68	\$ 11,112.68	\$ 11,112.68	\$	\$
Principal and Interest-Green Trust	12,436.65	12,436.65	12,436.63		0.02
Principal and Interest-NJ EIT	35,540.73	35,540.73	32,590.25		2,950.48
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	<u>\$ 59,090.06</u>	<u>\$ 59,090.06</u>	<u>\$ 56,139.56</u>	<u>\$</u>	<u>\$ 2,950.50</u>

BOROUGH OF STOCKTON

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>DEFERRED CHARGES-MUNICIPAL EXCLUDED FROM "CAPS"</u>					
Ordinance 2005-06	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$	\$
<u>TOTAL DEFERRED CHARGES- MUNICIPAL EXCLUDED FROM "CAPS"</u>	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 141,229.61	\$ 141,229.61	\$ 137,993.66	\$ 285.45	\$ 2,950.50
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	\$ 597,119.61	\$ 597,119.61	\$ 528,167.21	\$ 66,001.90	\$ 2,950.50
<u>RESERVE FOR UNCOLLECTED TAXES</u>	133,000.00	133,000.00	133,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 730,119.61	\$ 730,119.61	\$ 661,167.21	\$ 66,001.90	\$ 2,950.50
	<u>REF.</u>	A-2	A-3	A-1	A:A-1
Encumbrances Payable	A-20			\$ 15,179.99	
Reserve for Uncollected Taxes	A-2			133,000.00	
Reserve for Grants Appropriated	A-19			5,105.55	
Disbursements	A-4			507,881.67	
				\$ 661,167.21	

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

TRUST FUND

BOROUGH OF STOCKTON

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
<u>ASSETS</u>			
Animal Control Trust Fund:			
Cash	B-1	\$ 2,396.60	\$ 2,342.91
Due From State of New Jersey	B-3	<u>1.20</u>	<u>1.20</u>
		<u>2,397.80</u>	<u>2,344.11</u>
Other Funds:			
Cash	B-1	\$ 36,980.26	\$ 31,840.94
Due Current Fund	B-5	<u>10.25</u>	<u></u>
		<u>\$ 36,990.51</u>	<u>\$ 31,840.94</u>
		<u>\$ 39,388.31</u>	<u>\$ 34,185.05</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Trust Fund:			
Due Current Fund	B-5	\$ 570.09	\$ 278.11
Reserve for Animal Control Trust Fund Expenditures	B-2	<u>1,827.71</u>	<u>2,066.00</u>
		<u>2,397.80</u>	<u>2,344.11</u>
Other Funds:			
Various Reserves and Deposits	B-4	<u>\$ 36,990.51</u>	<u>\$ 31,840.94</u>
		<u>36,990.51</u>	<u>31,840.94</u>
		<u>\$ 39,388.31</u>	<u>\$ 34,185.05</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 748,481.71	\$ 535,652.89
Deferred Charges to Future Taxation - Funded	C-4	234,754.96	274,465.43
Deferred Charges to Future Taxation - Unfunded	C-5	633,083.61	683,083.61
Grants Receivable	C-10	<u>324,652.15</u>	<u>324,652.15</u>
		<u>\$ 1,940,972.43</u>	<u>\$ 1,817,854.08</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Bond Anticipation Notes	C-13	625,000.00	422,696.00
NJ Environmental Trust Loans Payable	C-15	170,285.75	199,013.98
Green Acres Trust Loans Payable	C-11	64,469.21	75,451.45
Improvement Authorizations:			
Funded	C-7	135,217.16	29,400.88
Unfunded	C-7	410,077.49	455,968.95
Various Reserves and Deposits	C-14	37,561.97	37,561.97
Reserve for Receivables	C-12	311,115.48	311,115.48
Contracts Payable	C-6	24,136.79	23,536.79
Capital Improvement Fund	C-8	159,507.95	259,507.95
Fund Balance	C-1	<u>3,600.63</u>	<u>3,600.63</u>
		<u>\$ 1,940,972.43</u>	<u>\$ 1,817,854.08</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
AS OF DECEMBER 31, 2019

	<u>REF.</u>	
Balance, December 31, 2018 and December 31, 2019	C	\$ <u><u>3,600.63</u></u>

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

THIS PAGE INTENTIONALLY LEFT BLANK

WATER UTILITY FUND

"D"

BOROUGH OF STOCKTON

WATER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2018
Operating Fund:			
Cash - Treasurer	D-4	\$ 200,997.31	\$ 220,917.19
Interfunds Receivable	D-9	23,307.15	
		<u>\$ 224,304.46</u>	<u>\$ 220,917.19</u>
Receivables and Inventories with Full Reserves:			
Consumer Accounts Receivable	D-6	\$ 1,129.38	\$ 597.31
	D	<u>\$ 1,129.38</u>	<u>\$ 597.31</u>
<u>Total Operating Fund</u>		<u>\$ 225,433.84</u>	<u>\$ 221,514.50</u>
Capital Fund:			
Cash - Treasurer	D-4	\$ 20,400.10	\$ 13,589.24
Fixed Capital	D-14	629,376.93	402,376.93
Fixed Capital Authorized and Uncompleted	D-15	<u>115,000.00</u>	<u>330,000.00</u>
<u>Total Capital Fund</u>		<u>\$ 764,777.03</u>	<u>\$ 745,966.17</u>
		<u>\$ 990,210.87</u>	<u>\$ 967,480.67</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3:D-8	\$ 15,374.98	\$ 10,602.14
Encumbrances Payable	D-5	6,303.51	4,291.33
Accrued Interest on Bonds, Notes and Loans	D-7	928.53	1,081.12
		<u>\$ 22,607.02</u>	<u>\$ 15,974.59</u>
Reserve for Receivables and Inventory	D	1,129.38	597.31
Fund Balance	D-1	<u>201,697.44</u>	<u>204,942.60</u>
<u>Total Operating Fund</u>		<u>\$ 225,433.84</u>	<u>\$ 221,514.50</u>
Capital Fund:			
Improvement Authorizations:			
Funded	D-10	\$ 629.15	\$ 8,891.12
Unfunded	D-10	81.73	959.45
Capital Improvement Fund	D-12	1,983.07	10,983.07
Bond Anticipation Notes	D-17	196,515.00	200,368.00
Interfunds Payable	D-16	23,307.15	
Reserve for:			
Contracts Payable	D-18	14,399.00	12,755.60
Amortization	D-13	475,456.93	402,376.93
Deferred Amortization	D-11	<u>52,405.00</u>	<u>109,632.00</u>
<u>Total Capital Fund</u>		<u>\$ 764,777.03</u>	<u>\$ 745,966.17</u>
		<u>\$ 990,210.87</u>	<u>\$ 967,480.67</u>

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

BOROUGH OF STOCKTONWATER UTILITY OPERATING FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2019</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2018</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1	\$ 17,000.00	\$ 17,000.00
Rents	D-2	83,214.83	87,615.67
Other Credits to Income:			
Miscellaneous Revenue Not Anticipated	D-2	7,231.12	1,119.70
Unexpended Balance of Appropriation Reserves	D-8	<u>10,654.97</u>	<u>22,250.89</u>
<u>TOTAL INCOME</u>		<u>\$ 118,100.92</u>	<u>\$ 127,986.26</u>
<u>EXPENDITURES</u>			
Operating	D-3	\$ 90,833.00	\$ 78,000.00
Statutory Expenditures and Deferred Charges	D-3	1,545.00	1,500.00
Debt Service	D-3	8,968.08	17,877.00
Capital Improvements	D-3	<u>3,000.00</u>	<u>3,000.00</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 104,346.08</u>	<u>\$ 100,377.00</u>
Excess in Revenue		\$ 13,754.84	\$ 27,609.26
<u>Fund Balance</u>			
Balance, January 1	D	<u>204,942.60</u>	<u>194,333.34</u>
		\$ 218,697.44	\$ 221,942.60
Utilization as Anticipated Revenue	D-1	<u>17,000.00</u>	<u>17,000.00</u>
Balance, December 31	D	<u>\$ 201,697.44</u>	<u>\$ 204,942.60</u>

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

BOROUGH OF STOCKTON

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Anticipated		\$ 17,000.00	\$ 17,000.00	\$
Water Use Charges	D-1:D-6	87,500.00	83,214.83	(4,285.17)
Miscellaneous Revenue Not Anticipated	D-1:D-2		<u>7,231.12</u>	<u>7,231.12</u>
	D-3	<u>\$ 104,500.00</u>	<u>\$ 107,445.95</u>	<u>\$ 2,945.95</u>

ANALYSIS OF MISCELLANEOUS REVENUES NOT ANTICIPATED

Miscellaneous-Collector		\$ 3,539.81
Interest on Delinquent Accounts		<u>384.16</u>
Cash Received	D-2:D-4	3,923.97
Cash Disbursed	D-4	(3.00)
Water Capital -Prior Year Adjustment	D-9	<u>3,310.15</u>
Total		<u>\$ 7,231.12</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, 2019

	<u>APPROPRIATIONS</u>		<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>			<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Operating:						
Salaries and Wages	\$ 20,600.00	\$	20,600.00	\$ 18,698.65	\$ 1,901.35	\$
Other Expenses	70,233.00		70,233.00	56,873.08	13,359.92	
	<u>\$ 90,833.00</u>	<u>\$</u>	<u>90,833.00</u>	<u>\$ 75,571.73</u>	<u>\$ 15,261.27</u>	<u>\$</u>
<u>Total Operating</u>						
Capital Improvements:						
Capital Improvement Fund	\$ 3,000.00	\$	3,000.00	\$ 3,000.00	\$	\$
	<u>\$ 3,000.00</u>	<u>\$</u>	<u>3,000.00</u>	<u>\$ 3,000.00</u>	<u>\$</u>	<u>\$</u>
<u>Total Capital Improvements</u>						
Debt Services:						
Payment of Bond Anticipation Notes	\$ 3,854.00	\$	3,854.00	\$ 3,853.00	\$	\$ 1.00
Interest on Notes	5,268.00		5,268.00	5,115.08		152.92
	<u>\$ 9,122.00</u>	<u>\$</u>	<u>9,122.00</u>	<u>\$ 8,968.08</u>	<u>\$</u>	<u>153.92</u>
<u>Total Debt Services</u>						
Statutory Expenditures:						
Contributions to:						
Social Security System (O.A.S.I.)	\$ 1,545.00	\$	1,545.00	\$ 1,431.29	\$ 113.71	\$
	<u>\$ 1,545.00</u>	<u>\$</u>	<u>1,545.00</u>	<u>\$ 1,431.29</u>	<u>\$ 113.71</u>	<u>\$</u>
<u>Total Statutory Expenditures</u>	<u>\$ 104,500.00</u>	<u>\$</u>	<u>104,500.00</u>	<u>\$ 88,971.10</u>	<u>\$ 15,374.98</u>	<u>\$ 153.92</u>

REF.

D-2

D-1

D:D-1

Disbursements
Encumbrances Payable
Accrued Interest

\$ 77,552.51
6,303.51
5,115.08
\$ 88,971.10

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

THIS PAGE INTENTIONALLY LEFT BLANK

SEWER UTILITY FUND

BOROUGH OF STOCKTON

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
Operating Fund:			
Cash - Treasurer	E-5	\$ <u>362,655.24</u>	\$ <u>388,575.31</u>
		\$ <u>362,655.24</u>	\$ <u>388,575.31</u>
Receivables and Inventories with Full Reserves:			
Consumer Accounts Receivable	E:E-7	\$ <u>8,557.34</u>	\$ <u>8,159.53</u>
		\$ <u>8,557.34</u>	\$ <u>8,159.53</u>
Deferred Charges:			
Overexpenditure of Appropriations	E-1:E-4	\$ <u> </u>	\$ <u>17,254.67</u>
		\$ <u> </u>	\$ <u>17,254.67</u>
<u>Total Operating Fund</u>		\$ <u>371,212.58</u>	\$ <u>413,989.51</u>
Capital Fund:			
Cash - Treasurer	E-5	\$ 165,220.08	\$ 218,862.18
Fixed Capital	E-16	2,879,656.48	2,879,656.48
Fixed Capital Authorized and Uncompleted	E-13	<u>250,000.00</u>	<u>70,000.00</u>
<u>Total Capital Fund</u>		\$ <u>3,294,876.56</u>	\$ <u>3,168,518.66</u>
		\$ <u><u>3,666,089.14</u></u>	\$ <u><u>3,582,508.17</u></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, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>
Operating Fund:			
Liabilities:			
Budget Appropriations	E-4:E-10	\$ 54,003.70	\$ 10,760.68
Encumbrances Payable	E-9	19,886.50	48,593.97
Accrued Interest	E-6	1,016.75	2,001.91
		<u>\$ 74,906.95</u>	<u>\$ 61,356.56</u>
Reserve for Receivables	E	8,557.34	8,159.53
Fund Balance	E-1	<u>287,748.29</u>	<u>344,473.42</u>
<u>Total Operating Fund</u>		<u>\$ 371,212.58</u>	<u>\$ 413,989.51</u>
Capital Fund:			
Improvement Authorizations:			
Funded	E-15	\$ 104,049.35	\$ 480.85
Unfunded	E-15	26,389.40	44,150.00
Serial Bonds Payable	E-20		33,569.82
Contracts Payable	E-8	8,550.00	
N.J. Environmental Infrastructure Trust Loan Payable	E-11	40,000.00	75,000.00
Bond Anticipation Notes Payable	E-21	30,000.00	30,000.00
Reserve for:			
Amortization	E-17	2,837,536.00	2,768,966.18
Deferred Amortization	E-18	200,000.00	20,000.00
Capital Improvements	E-19	3,000.00	3,000.00
Capital Improvement Fund	E-12	44,110.00	192,110.00
Fund Balance	E-2	<u>1,241.81</u>	<u>1,241.81</u>
<u>Total Capital Fund</u>		<u>\$ 3,294,876.56</u>	<u>\$ 3,168,518.66</u>
		<u>\$ 3,666,089.14</u>	<u>\$ 3,582,508.17</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 CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>REF.</u>	<u>YEAR 2019</u>	<u>YEAR 2018</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	E-3	\$ 79,900.00	\$ 52,800.00
Sewer Service Charges	E-3	274,242.57	281,180.07
Miscellaneous	E-3	9,575.31	2,825.97
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-10	<u>13,703.17</u>	<u>27,319.40</u>
<u>TOTAL INCOME</u>		<u>\$ 377,421.05</u>	<u>\$ 364,125.44</u>
<u>EXPENDITURES</u>			
Operating	E-4	\$ 222,724.51	\$ 190,254.67
Statutory Expenditures and Deferred Charges	E-4	18,799.67	1,500.00
Capital Improvement	E-4	44,500.00	72,000.00
Debt Service	E-4	<u>68,222.00</u>	<u>70,660.50</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 354,246.18</u>	<u>\$ 334,415.17</u>
Excess in Revenue		\$ 23,174.87	\$ 29,710.27
Adjustments to Income before Fund Balance:			
Deferred Charges to the Budget of the Succeeding Year	E:E-4	<u></u>	<u>17,254.67</u>
Statutory Excess to Fund Balance		\$ 23,174.87	\$ 46,964.94
<u>Fund Balance</u>			
Balance, January 1	E-1	<u>344,473.42</u>	<u>350,308.48</u>
		\$ 367,648.29	\$ 397,273.42
Decreased by:			
Utilization as Anticipated Revenue	E-1	<u>79,900.00</u>	<u>52,800.00</u>
Balance, December 31	E	<u>\$ 287,748.29</u>	<u>\$ 344,473.42</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

AS OF DECEMBER 31, 2019

REF.

Balance, December 31, 2018
and December 31, 2019

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, 2019

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance Utilized	E-1	\$ 79,900.00	\$ 79,900.00	\$
Sewer Charges	E-1:E-7	281,100.00	274,242.57	(6,857.43)
Miscellaneous	E-1:E-3		9,575.31	9,575.31
	E-4	<u>\$ 361,000.00</u>	<u>\$ 363,717.88</u>	<u>\$ 2,717.88</u>

ANALYSIS OF REALIZED REVENUE

Miscellaneous:		
Interest on Delinquent Accounts		\$ 1,345.65
Miscellaneous		<u>8,229.66</u>
	E-3:E-5	<u>\$ 9,575.31</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, 2019

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>BALANCE</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		<u>CANCELLED</u>
Operating:					
Salaries and Wages	\$ 20,600.00	\$ 20,600.00	\$ 18,698.65	\$ 1,901.35	\$
Other Expenses	<u>202,124.51</u>	<u>202,124.51</u>	<u>156,687.37</u>	<u>45,437.14</u>	<u> </u>
<u>Total Operating</u>	<u>\$ 222,724.51</u>	<u>\$ 222,724.51</u>	<u>\$ 175,386.02</u>	<u>\$ 47,338.49</u>	<u>\$</u>
Capital Improvements:					
Capital Improvement Fund	\$ 32,000.00	\$ 32,000.00	\$ 32,000.00	\$ 5,000.00	\$
Capital Outlay	5,000.00	5,000.00	5,948.50	1,551.50	<u> </u>
Lambertville Sewerage Authority	<u>7,500.00</u>	<u>7,500.00</u>	<u>5,948.50</u>	<u>1,551.50</u>	<u> </u>
<u>Total Capital Improvements</u>	<u>\$ 44,500.00</u>	<u>\$ 44,500.00</u>	<u>\$ 37,948.50</u>	<u>\$ 6,551.50</u>	<u>\$</u>
Debt Service:					
Payment of Bond Principal	\$ 33,569.82	\$ 33,569.82	\$ 33,569.82	\$	\$ 909.46
Interest on Bonds	1,679.00	1,679.00	769.54	<u> </u>	<u> </u>
Interest on BANS	789.00	789.00	700.41	<u> </u>	<u>88.59</u>
New Jersey Environmental Infrastructure Loan:					
Payment of Bond Principal	35,000.00	35,000.00	31,565.75	<u> </u>	<u>3,434.25</u>
Interest on Loans	<u>3,938.00</u>	<u>3,938.00</u>	<u>1,616.48</u>	<u> </u>	<u>2,321.52</u>
<u>Total Debt Service</u>	<u>\$ 74,975.82</u>	<u>\$ 74,975.82</u>	<u>\$ 68,222.00</u>	<u>\$</u>	<u>\$ 6,753.82</u>
Deferred Charges and Statutory Expenditures:					
Overexpenditure of Appropriations	\$ 17,254.67	\$ 17,254.67	\$ 17,254.67	\$	\$
Contributions to:					
Social Security System (O.A.S.I.)	<u>1,545.00</u>	<u>1,545.00</u>	<u>1,431.29</u>	<u>113.71</u>	<u> </u>
<u>Total Statutory Expenditures</u>	<u>\$ 18,799.67</u>	<u>\$ 18,799.67</u>	<u>\$ 18,685.96</u>	<u>\$ 113.71</u>	<u>\$</u>
<u>Total</u>	<u>\$ 361,000.00</u>	<u>\$ 361,000.00</u>	<u>\$ 300,242.48</u>	<u>\$ 54,003.70</u>	<u>\$ 6,753.82</u>
	E-3		E-1	E-E-1	
Disbursements			\$ 260,014.88		
Accounts Payable			19,886.50		
Deferred Charges			17,254.67		
Accrued Interest			<u>3,086.43</u>		
			<u>\$ 300,242.48</u>		

REF:
E-5
E-9
E
E-6

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

THIS PAGE INTENTIONALLY LEFT BLANK

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF STOCKTON

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEETS - REGULATORY BASIS

	DECEMBER 31, 2019	DECEMBER 31, 2018
General Fixed Assets:		
Land	\$ 1,879,825.00	\$ 1,643,525.00
Buildings and Building Improvements	<u>233,700.00</u>	<u>233,700.00</u>
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 2,113,525.00</u>	<u>\$ 1,877,225.00</u>
Investment in General Fixed Assets	<u>\$ 2,113,525.00</u>	<u>\$ 1,877,225.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF STOCKTON

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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 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 - 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.

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.

Accounting and Financial Reporting for Pensions - The Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or non-employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or non-employer contributing entity's beginning net position and expense in the initial period of implementation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued) - This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the basic 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.

E. Restatement/Reclassifications of Prior Balances

Certain accounts have been restated in the prior year to conform to categories established in the current fiscal year. None of these restated accounts were material to the financial statements taken as a whole.

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, 2019:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items:</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$ 805,449.14	\$ 5,426.33	\$ 63,977.13	\$ 746,898.34
Animal Control Fund	2,443.41		46.81	2,396.60
Other Trust Fund	38,828.14		1,847.88	36,980.26
General Capital Fund	678,312.51	70,169.20		748,481.71
Water Utility Operating Fund	209,267.48	4,983.96	13,254.13	200,997.31
Water Utility Capital Fund	22,686.81	13.29	2,300.00	20,400.10
Sewer Utility Operating Fund	400,048.47	28.75	37,421.98	362,655.24
Sewer Utility Capital Fund	133,036.15	32,183.93		165,220.08
<u>TOTAL DECEMBER 31, 2019</u>	<u>\$ 2,290,072.11</u>	<u>\$ 112,805.46</u>	<u>\$ 118,847.93</u>	<u>\$ 2,284,029.64</u>

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, 2019, 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 \$2,040,072.11 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 Local Government Services of the Department of Community Affairs 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, 2019.

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: LONG-TERM 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: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT

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 .936%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Regional School District Debt	\$ 650,604.30	\$ 650,604.30	\$
Sewer Utility Debt	92,120.48	92,120.48	
Water Utility Debt	216,515.00	216,515.00	
General Debt	<u>985,723.09</u>	<u>138,784.99</u>	<u>846,938.10</u>
	<u>\$ 1,944,962.87</u>	<u>\$ 1,098,024.77</u>	<u>\$ 846,938.10</u>

The Municipality's Net Debt of \$846,938.10 divided by the equalized valuation basis per N.J.S.A 40A:2-2 of \$90,513,113.33 equals .936%

	<u>YEAR 2019</u>	<u>YEAR 2018</u>	<u>YEAR 2017</u>
Issued:			
General Capital			
Bonds, Notes and Loans	\$ 859,754.96	\$ 697,161.43	\$ 781,238.16
Water Utility:			
Bonds and Notes	196,515.00	200,368.00	214,218.00
Sewer Utility:			
Bonds and Notes	<u>70,000.00</u>	<u>138,569.82</u>	<u>205,337.92</u>
<u>Net Debt Issued</u>	<u>\$ 1,126,269.96</u>	<u>\$ 1,036,099.25</u>	<u>\$ 1,200,794.08</u>
Authorized But Not Issued:			
General Capital - Bonds and Notes	\$ 125,968.13	\$ 500,968.13	\$ 196,187.99
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>22,120.48</u>
<u>Total Authorized But Not Issued</u>	<u>\$ 168,088.61</u>	<u>\$ 543,088.61</u>	<u>\$ 238,308.47</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 1,294,358.57</u>	<u>\$ 1,579,187.86</u>	<u>\$ 1,439,102.55</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

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

Equalized Valuation Basis - December 31, 2019	<u>\$90,513,113.33</u>
3-1/2% of Equalized Valuation Basis	\$3,167,958.97
Net Debt	<u>846,938.10</u>
Remaining Borrowing Power at December 31, 2019	<u>\$2,321,020.87</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 Regional School District.

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	\$107,445.95
Deduction:	
Operating and Maintenance Cost	\$92,378.00
Debt Service Per Water Utility Account	<u>8,968.08</u>
	<u>101,346.08</u>
Excess in Revenue	<u><u>\$6,099.87</u></u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

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		363,717.88
Deduction:		
Operating and Maintenance Cost	\$241,524.18	
Debt Service Per Sewer Utility Account	68,222.00	
		309,746.18
Excess in Revenue		\$53,971.70

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%.

	\$ <u><u>64,469.21</u></u>
--	----------------------------

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%.

	\$ <u><u>145,000.00</u></u>
--	-----------------------------

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

	\$ <u><u>25,285.75</u></u>
--	----------------------------

Sewer Utility Capital

New Jersey Environmental Infrastructure Trust Loans:

\$495,000.00 of 2000 Trust Loan due in annual installments of \$35,000.00 to \$40,000.00 through August 2020 at interest rates of 5.00% to 5.25%.

	\$ <u><u>40,000.00</u></u>
--	----------------------------

NOTE 3: LONG-TERM DEBT (CONTINUED)

Bonds and Notes Authorized But Not Issued

At December 31, 2019, the Borough has authorized but not issued bonds and notes as follows:

Bonds and Notes Authorized But Not Issued:

General Capital Fund	\$ <u>125,968.13</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 GREEN TRUST LOANS ISSUED AND
OUTSTANDING DECEMBER 31, 2019

Calendar Year	Trust Loan		Total
	Principal	Interest	
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	<u>6,156.74</u>	<u>61.57</u>	<u>6,218.31</u>
Total	\$ <u>64,469.21</u>	\$ <u>3,932.30</u>	\$ <u>68,401.51</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND
OUTSTANDING DECEMBER 31, 2019

Calendar Year	Trust Loan		Fund Loan	Total
	Principal	Interest	Principal	
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	\$ 145,000.00	\$ 25,862.50	\$ 25,285.75	\$ 196,148.25

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOANS ISSUED AND
OUTSTANDING DECEMBER 31, 2019

SEWER UTILITY

Calendar Year	Trust Loan		Total
	Principal	Interest	
2020	\$ 40,000.00	\$ 2,100.00	\$ 42,100.00
Total	\$ 40,000.00	\$ 2,100.00	\$ 42,100.00

NOTE 4: SHORT-TERM DEBT

In accordance with NJSA 40A:2-8.1, a local unit may, in anticipation of the issuance of bonds, borrow money and issue notes if the bond ordinance or subsequent resolution so provides. Any such note shall be designated as a "bond anticipation note" and shall be subject to the following provisions:

- (1) every note shall contain a recital that it is issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year;
- (2) all such notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes; and
- (3) no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which those notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations.

Outstanding Bond Anticipation Notes are summarized as follows:

<u>General Capital</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>
2016-08	1.62%	9/15/2017	\$ 300,000.00
2018-06	1.62%	9/12/2019	<u>325,000.00</u>
			<u>\$ 625,000.00</u>
 <u>Water Capital</u>			
2012-04	1.62%	9/21/2012	\$ 153,920.00
2014-04	1.62%	9/19/2014	<u>42,595.00</u>
			<u>\$ 196,515.00</u>
 <u>Sewer Capital</u>			
2016-09	1.62%	9/15/2018	<u>\$ 30,000.00</u>

NOTE 4: SHORT-TERM DEBT (CONTINUED)

In accordance with N.J.S.A. 40A:4 sections 64 through 73, in any fiscal year, in anticipation of the collection of taxes for such year, whether levied in such year, or in anticipation of other revenue for such year, the Borough may, by resolution, borrow money and issue its negotiable notes, each of which shall be designated by the fiscal year to which it pertains. The proceeds may be used to pay outstanding previous notes of same purpose, or for purposes provided for in the budget or for which taxes are levied or to be levied for in such year. The amount outstanding shall not exceed an amount certified as the gross borrowing power, and no such notes shall be authorized in excess of an amount certified as the net borrowing power. Tax anticipation notes may be renewed from time to time, but any note shall mature within 120 days after the beginning of the succeeding fiscal year, and bear an interest rate that does not exceed 6%. The Borough did not have any Tax Anticipation Notes in 2019.

NOTE 5: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2019 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2020 were as follows:

Current Fund	\$165,000.00
Water Operating Fund	\$129,569.54
Sewer Operating Fund	\$ 35,000.00

NOTE 6: 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 <u>31, 2019</u>	BALANCE DECEMBER <u>31, 2018</u>
Prepaid Taxes	<u>\$8,955.33</u>	<u>\$470.00</u>

NOTE 7: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2019, PERS provides for employee contributions of 7.50% of employees' base salary.

Certain Borough employees are also covered by the Federal Insurance Contribution Act. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$14,990.00 for 2019, \$13,741.00 for 2018 and \$12,807.00 for 2017.

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) of the participating municipality as of December 31, 2019. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2019.

NOTE 7: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

At June 30, 2019, the State reported a net pension liability of \$296,725.00 for the Borough of Stockton's proportionate share of the total net pension liability. The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the Borough's proportion was 0.0011273711 percent, which was a decrease of 0.0003796489 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the State recognized an actuarially determined pension benefit of \$8,407.00 for the Borough of Stockton's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2019 billing was \$14,990.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 3,646.00	\$ 897.00
Changes of assumptions	20,284.00	70,508.00
Net difference between projected and actual earnings on pension plan investments		3,207.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>11,454.00</u>	<u>77,839.00</u>
	<u>\$ 35,384.00</u>	<u>\$ 152,451.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	(\$19,143.00)
2021	(32,305.00)
2022	(30,268.00)
2023	(21,255.00)
2024	<u>(14,096.00)</u>
	<u><u>(\$117,067.00)</u></u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which rolled forward to June 30, 2019. These actuarial valuations used the following assumptions:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Inflation	2.75 Percent	2.25 Percent
Salary Increases		
Through 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent Based on Years of Service	2.65-5.15 Percent Based on Age
Investment Rate of Return	7.00 Percent	7.00 Percent

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019 and June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Market Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.28% and 5.66% as of June 30, 2019 and June 30, 2018, respectively. These single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30 2019 and June 30, 2018 and a municipal bond rate of 3.50% and 3.87% for June 30, 2019 and June 30, 2018 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2019 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>5.28%</u>	At Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
Borough's proportionate share of the pension liability	\$258,378.00	\$203,135.00	\$159,189.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 8: COMPENSATED ABSENCES

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

NOTE 9: 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 10: 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 2019. 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.A. 40A:2-51.

NOTE 11: 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 2019 audit report. There were no findings and questioned costs for 2019. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2019, the Borough does not believe that any material liabilities will result from such audits.

NOTE 12: 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 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets at December 31, 2019:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>
Current	\$ 570.09	\$ 43,047.39
Grant	43,037.14	
Animal Control		570.09
Trust Other	10.25	
Water Utility Operating	23,307.15	
Water Utility Capital		<u>23,307.15</u>
TOTAL	<u>\$ 66,924.63</u>	<u>\$ 66,924.63</u>

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

NOTE 14: 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 \$400.00 for 2019.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

The Borough does not have an OPEB liability or a special funding situation for 2019.

NOTE 16: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through July 30, 2020 which is the date the financial statements were available to be issued. Subsequent to the date of these Financial Statements, the COVID-19 Corona Virus spread across the State of New Jersey and the Nation as a whole. The impact of this virus on the Borough’s operations in the year 2020 cannot be reasonably estimated at this time but may negatively affect revenues.

BOROUGH OF STOCKTON
SUPPLEMENTARY SCHEDULES - ALL FUNDS
YEAR ENDED DECEMBER 31, 2019

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF CASH-TREASURER

<u>REF.</u>	<u>CURRENT FUND</u>	<u>FEDERAL AND STATE GRANT FUND</u>
A	\$ 689,139.07	\$ -0-
A-5	\$ 1,900,482.70	
A-11	100.00	
A-8	4,500.00	
A-9	136,880.53	
A-2	22,346.80	
A-10	6,171.51	1,032.32
A-21		
A-22	1,400.00	4,861.08
A-15		
	\$ 2,071,881.54	\$ 5,893.40
	\$ 2,761,020.61	\$ 5,893.40
A-3	\$ 507,881.67	
A-12	17,412.03	
A-11	100.00	
A-17	1,819.08	
A-9	700.00	
A-10:A-6	9,200.00	5,893.40
A-13	340,552.49	
A-14	1,135,807.00	
A-22	575.00	
A-1	75.00	
	\$ 2,014,122.27	\$ 5,893.40
A	\$ 746,898.34	\$ -0-

Balance, December 31, 2018

Increased by Receipts:

- Collector
- Petty Cash Fund
- State of New Jersey-Chapter 20, P.L. 1971
- Revenue Accounts Receivable
- Miscellaneous Revenue Not Anticipated
- Interfunds Received
- Reserve for Grants Receivable
- Miscellaneous Reserves
- Reserve for Grants - Unappropriated

Decreased by Disbursements:

- Current Year Budget Appropriations
- Prior Year Appropriation Reserves
- Petty Cash Fund
- Tax Overpayments Refunded
- Revenue Accounts Receivable
- Interfunds Disbursed
- County Taxes
- Regional High School Tax
- Miscellaneous Reserves
- Refund of Prior Year Revenues

Balance, December 31, 2019

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF CASH-COLLECTOR

REF.

Increased by:

Received:

Interest on Delinquent Taxes	A-9	\$	4,326.13
Taxes Receivable	A-7		1,883,281.55
Subsequent Year's Taxes Prepaid	A-16		8,955.33
Tax Overpayments	A-17		<u>3,919.69</u>

\$ 1,900,482.70

Decreased by Disbursements:

Payments to Treasurer

A-4

\$ 1,900,482.70

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF DUE CURRENT FUND - GRANT FUND

	<u>REF.</u>	
Balance, December 31, 2018	A	\$ 37,143.74
Increased by:		
Disbursements	A-4	<u>5,893.40</u>
Balance, December 31, 2019	A	<u>\$ 43,037.14</u>

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	BALANCE DECEMBER 31, 2018	LEVY 2019	<u>COLLECTED IN</u>		OVERPAYMENTS APPLIED	<u>CANCELED</u>	BALANCE DECEMBER 31, 2019
			2018	2019			
2018	\$ 14,951.02	\$	\$	14,951.02	\$	\$	\$
2019		1,906,168.13	470.00	1,872,830.53	2,581.50	4,370.79	25,915.31
	\$ 14,951.02	\$ 1,906,168.13	\$ 470.00	\$ 1,887,781.55	\$ 2,581.50	\$ 4,370.79	\$ 25,915.31
<u>REF.</u>	A		A-2:A-16	A-2	A-2:A-17		A

REF.

Collector	A-5	\$ 1,883,281.55
State of New Jersey	A-8	4,500.00
		<u>\$ 1,887,781.55</u>

ANALYSIS OF CURRENT YEAR PROPERTY TAX LEVY

TAX YIELD			
General Purpose Tax		\$ 1,904,046.03	
Added Taxes (54:4-63.1 et. seq.)		<u>2,122.10</u>	
		\$	<u>1,906,168.13</u>
TAX LEVY			
Regional High School Tax (Abstract)	A-14	\$	1,135,807.00
County Taxes:			
County Tax	A-13	\$	284,785.13
County Library Tax	A-13		27,965.06
County Open Space Preservation Tax	A-13		27,198.32
County Added	A-13		<u>379.31</u>
			340,327.82
Local Tax for Municipal Purposes (Abstract)	A-2	\$	418,469.06
Municipal Open Space Tax (Including Added)	A-1:A-2:A-10		9,210.25
Add: Additional Tax Levied			<u>2,354.00</u>
Local Tax for Municipal Purposes Levied			<u>430,033.31</u>
		\$	<u>1,906,168.13</u>

BOROUGH OF STOCKTON

CURRENT FUND

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

REF.

Increased by:

Deductions Per Tax Duplicate:

Veterans

\$ 4,500.00

\$ 4,500.00

Decreased by:

Received From State of New Jersey

A-4

\$ 4,500.00

SUMMARY OF CURRENT YEAR EXEMPTIONS

Senior Citizens and Veterans Deductions

Per Tax Billings

\$ 4,500.00

A-7

\$ 4,500.00

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2018	ACCRUED IN 2019	COLLECTED BY		BALANCE DECEMBER 31, 2019
			COLLECTOR	TREASURER	
Clerk:					
A-2	\$	\$ 3,824.00		\$ 3,824.00	\$
A-2		688.00		688.00	
A-2		1,923.30		1,923.30	
Municipal Court:					
A-2	873.87	4,575.94		5,449.81	
A-2		4,326.13	4,326.13		
A-2		45,571.00		45,571.00	
A-2		6,150.00		6,150.00	
A-2		23,985.60		23,985.60	
A-2		48,588.82		48,588.82	
	\$	\$ 139,632.79	\$ 4,326.13	\$ 136,180.53	\$
<u>REF.</u>	A		A-5	Below	A
		Cash Receipts	<u>REF.</u>		
			A-4	136,880.53	
		Less:			
		Cash Disbursements	A-4	700.00	
				<u>136,180.53</u>	

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>
Balance, December 31, 2018:					
Due From	A	\$ 278.11	\$	278.11	\$
Due To	A	<u>37,143.74</u>	<u>37,143.74</u>		
Receipts	A-4	6,171.51	5,893.40	278.11	9,210.25
Open Space Tax Levy	A-7	<u>9,210.25</u>			
Disbursements	A-4	9,200.00			9,200.00
Excess Animal Control Reserve	A-2	<u>570.09</u>		<u>570.09</u>	
Balance, December 31, 2019:					
Due From	A	\$ 570.09	\$	570.09	\$
Due To	A	<u>43,047.39</u>	<u>43,037.14</u>		<u>10.25</u>

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF PETTY CASH FUNDS

	<u>REF.</u>		
Increased by:			
Disbursements	A-4	\$	100.00
Decreased by:			
Receipts	A-4	\$	<u>100.00</u>

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES</u>				
Governing Body	\$ 1,401.40	\$ 1,401.40	\$	\$ 1,401.40
Municipal Clerk	1,299.23	1,299.23		1,299.23
Financial Administration	0.04	0.04		0.04
Assessment of Taxes	0.86	0.86		0.86
Revenue Administration	99.71	99.71		99.71
Administration	10.16	10.16		10.16
Planning Board	102.56	102.56		102.56
Zoning Board	6.41	6.41		6.41
Police	2,241.53	2,241.53		2,241.53
Municipal Prosecutor	11.48	11.48		11.48
Municipal Court	78.32	78.32		78.32
Animal Control Services	1.47	1.47		1.47
Building Inspector	0.21	0.21		0.21
<u>OTHER EXPENSES</u>				
Governing Body	321.10	321.10		321.10
Municipal Clerk	106.68	383.28	276.60	106.68
Elections	88.00	88.00	40.00	48.00
Financial Administration:				
Other Expenses	601.49	601.49		601.49
Computer Support	5.81	5.81		5.81
Assessment of Taxes	290.66	290.66		290.66
Revenue Administration	76.16	216.23	140.07	76.16
Building and Grounds	1,860.62	1,659.62		1,659.62
Legal Services and Costs	1,336.69	1,336.69		1,336.69
Engineering Services	4,591.11	4,591.11	4,510.63	80.48
Planning Board:				
Other Expenses	78.57	193.06	114.49	78.57
Legal Fees	1,052.00	1,212.00	240.00	972.00
Planner Fees	220.70	220.70	32.25	188.45
Engineering Fees	600.00	600.00		600.00
Insurance:				
Workers Comp.	2,949.25	2,949.25	2,608.00	341.25
Other Insurance	778.00	778.00		778.00
Liability Insurance	1,100.00	1,100.00		1,100.00
Flood	3.00	3.00		3.00
Police	150.00	150.00		150.00
Streets and Road Maintenance	3,625.00	8,125.00		8,125.00
Snow Removal	2,325.00	2,325.00		2,325.00
Solid Waste Collection	20,942.03	20,942.03	5,132.53	15,809.50
Flood Insurance Program	3,500.00	3,500.00		3,500.00
Recycling	2,012.82	2,012.82	1,101.29	911.53
Recreation	6,155.98	7,749.98	1,594.00	6,155.98
Municipal Court	24.00	224.00	198.00	26.00
Public Defender	200.00	200.00		200.00
Electricity	14.15	15.15	14.89	0.26
Street Lighting	2,804.79	2,811.57	956.34	1,855.23
Telephone	2,366.81	2,599.73	232.92	2,366.81
Natural Gas	713.92	713.92	220.02	493.90
Social Security System	693.60	693.60		693.60
Unemployment Insurance	300.00	300.00		300.00
Length of Service Award Program	900.00	900.00		900.00
Building Inspector	300.00	300.00		300.00
Council on Affordable Housing	1,000.00	1,000.00		1,000.00
	<u>\$ 69,341.32</u>	<u>\$ 76,366.18</u>	<u>\$ 17,412.03</u>	<u>\$ 58,954.15</u>

REF. A A-4 A-1

Balance, December 31, 2018	A-12	\$ 69,341.32
Encumbrances Payable	A-20	<u>7,024.86</u>
		<u>\$ 76,366.18</u>

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	A		\$ 603.98
Current Year Tax Levy:			
County Taxes	A-1:A-7	\$ 284,785.13	
County Open Space	A-1:A-7	27,198.32	
County Library	A-1:A-7	27,965.06	
County Share of Added Taxes	A-1:A-7	<u>379.31</u>	
			<u>340,327.82</u>
			340,931.80
Decreased by:			
Disbursements	A-4		<u>340,552.49</u>
Balance, December 31, 2019	A		<u><u>\$ 379.31</u></u>

"A-14"

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL TAXES PAYABLE

REF.

Increased by:		
Levy	A-1:A-7	\$ <u>1,135,807.00</u>
Decreased by:		
Disbursements	A-4	\$ <u><u>1,135,807.00</u></u>

"A-15"

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS UNAPPROPRIATED

Balance, December 31, 2018	A	\$ 4,073.23
Increased by:		
Receipts	A-4	<u>4,861.08</u>
		8,934.31
Decreased by:		
Applied to Grants Receivable	A-21	<u>4,073.23</u>
Balance, December 31, 2019	A	\$ <u><u>4,861.08</u></u>

Detail of Balance at December 31, 2019

Clean Communities Program	\$ 4,000.00
Alcohol Ed Rehab Fund	80.37
Recycling Tonnage Grant	<u>780.71</u>
	\$ <u><u>4,861.08</u></u>

"A-16"

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2018 (2019 Taxes)	A	\$	470.00
Collection of 2020 Taxes	A-5		8,955.33
		\$	<u>9,425.33</u>
Decreased by:			
Application to Current Year Taxes Receivable	A-7		470.00
			<u>470.00</u>
Balance, December 31, 2019 (2020 Taxes)	A	\$	<u><u>8,955.33</u></u>

"A-17"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2018	A	\$	2,581.50
Increased by:			
Receipts	A-5		3,919.69
		\$	<u>6,501.19</u>
Decreased by:			
Disbursements	A-4	\$	1,819.08
Application to Current Year Taxes Receivable	A-7	\$	<u>2,581.50</u>
			<u>4,400.58</u>
Balance, December 31, 2019	A	\$	<u><u>2,100.61</u></u>

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, <u>2018</u>	CASH <u>RECEIPTS</u>	CASH <u>DISBURSEMENTS</u>	BALANCE DECEMBER 31, <u>2019</u>
Due to State and County	\$	\$	\$	\$
State Aid Unappropriated-Prior Years	<u>12,300.00</u>	<u>1,400.00</u>	<u>575.00</u>	<u>12,300.00</u>
	<u>\$ 12,300.00</u>	<u>\$ 1,400.00</u>	<u>\$ 575.00</u>	<u>\$ 13,125.00</u>
<u>REF.</u>	A	A-4	A-4	A

BOROUGH OF STOCKTON

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER <u>31, 2018</u>	2019 BUDGET <u>APPROPRIATIONS</u>	BALANCE DECEMBER <u>31, 2019</u>
Clean Communities Program	\$ 27,910.54	\$ 4,000.00	\$ 31,910.54
Alcohol Education and Rehabilitation Fund	178.59	73.23	251.82
Recycling Tonnage Grant	<u>4,981.38</u>	<u>1,032.32</u>	<u>6,013.70</u>
	<u>\$ 33,070.51</u>	<u>\$ 5,105.55</u>	<u>\$ 38,176.06</u>
<u>REF.</u>	A	A-3	A

BOROUGH OF STOCKTON

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	A	\$	7,024.86
Increased by:			
Charges to Appropriations	A-3		<u>15,179.99</u>
		\$	<u>22,204.85</u>
Decreased by:			
Transferred to Appropriation Reserves	A-12		<u>7,024.86</u>
Balance, December 31, 2019	A	\$	<u><u>15,179.99</u></u>

BOROUGH OF STOCKTON

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	ACCRUED 2019 BUDGET	CASH RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2019
Clean Communities Program	\$ 4,000.00	\$	4,000.00	
Alcohol Education and Rehabilitation Fund	73.23		73.23	
Recycling Tonnage Grant	<u>1,032.32</u>	<u>1,032.32</u>		
	\$ <u>5,105.55</u>	\$ <u>1,032.32</u>	<u>4,073.23</u>	\$
	A-2	A-4	A-15	A

REF.

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF CASH-TREASURER

	<u>ANIMAL CONTROL</u>	<u>TRUST OTHER</u>
<u>REF.</u>		
Balance, December 31, 2018	\$ 2,342.91	\$ 31,840.94
Increased by Receipts:		
Dog License Fees	935.80	\$
Due from State of New Jersey	70.20	
Various Reserves and Deposits	<u>1,006.00</u>	<u>185,748.45</u>
	\$ <u>3,348.91</u>	\$ <u>217,589.39</u>
Decreased by Disbursements:		
Expenditures under R.S.4:19-15.11	604.00	\$
Due from State of New Jersey	70.20	
Various Reserves and Deposits	<u>278.11</u>	<u>180,609.13</u>
Due Current Fund	<u>952.31</u>	<u>180,609.13</u>
Balance, December 31, 2019	\$ <u><u>2,396.60</u></u>	\$ <u><u>36,980.26</u></u>

"B-2"

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2018	B	\$	2,066.00
Increased by:			
Animal Control Fees Collected	B-1		<u>935.80</u>
		\$	<u>3,001.80</u>
Decreased by:			
Expenditures under R.S.4:19-15.11:			
Disbursements	B-1	\$	604.00
Statutory Excess Due Current Fund	B-5		<u>570.09</u>
			<u>1,174.09</u>
Balance, December 31, 2019	B	\$	<u><u>1,827.71</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2018	\$ 854.71
2017	<u>973.00</u>
	\$ <u><u>1,827.71</u></u>

"B-3"

SCHEDULE OF DUE STATE OF NEW JERSEY -
ANIMAL CONTROL FUND

Balance, December 31, 2018 (Due From)	B	\$	1.20
Increased by:			
Disbursements	B-1		<u>70.20</u>
		\$	<u>71.40</u>
Decreased by:			
Receipts	B-1		<u>70.20</u>
Balance, December 31, 2019 (Due From)	B	\$	<u><u>1.20</u></u>

BOROUGH OF STOCKTON

TRUST FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER 31, 2018	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2019
State Unemployment Insurance	\$ 16,119.10	\$ 655.51	\$ 3,245.47	\$ 13,529.14
Storm Trust	7,200.95	133.37		7,334.32
Payroll Agency	1,141.68	164,459.57	164,459.57	1,141.68
Planning Board Escrow	7,379.21	11,300.00	12,904.09	5,775.12
Municipal Open Space Trust		9,210.25		9,210.25
	<u>\$ 31,840.94</u>	<u>\$ 185,758.70</u>	<u>\$ 180,609.13</u>	<u>\$ 36,990.51</u>
<u>REF.</u>	B	Below	B-1	B
Cash Receipts	B-1	\$ 176,548.45		
Due Current Fund	B-5	<u>9,210.25</u>		
		<u>\$ 185,758.70</u>		

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, 2018:				
Due To	B	\$ <u>278.11</u>	\$ _____	\$ <u>278.11</u>
Increased by:				
Receipts	B-1	9,200.00	9,200.00	
Excess Reserve	B-2	<u>570.09</u>		<u>570.09</u>
		\$ <u>10,048.20</u>	\$ <u>9,200.00</u>	\$ <u>848.20</u>
Decreased by:				
Disbursements	B-1	278.11		278.11
Open Space Tax Levy	B-4	<u>9,210.25</u>	<u>9,210.25</u>	
Balance, December 31, 2019:				
Due From	B	10.25	10.25	
Due To	B	\$ <u><u>570.09</u></u>	\$ <u><u>10.25</u></u>	\$ <u><u>570.09</u></u>

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 535,652.89
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-8	\$ 20,000.00	
Deferred Charges- Unfunded	C-5	50,000.00	
Bond Anticipation Notes	C-13	<u>625,000.00</u>	
			<u>695,000.00</u>
			\$ <u>1,230,652.89</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$ 59,475.18	
Bond Anticipation Notes	C-13	<u>422,696.00</u>	
			<u>482,171.18</u>
Balance, December 31, 2019	C:C-3		\$ <u><u>748,481.71</u></u>

"C-3"

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

ANALYSIS OF CASH

BALANCE
DECEMBER
31, 2019

Capital Improvement Fund	\$	159,507.95
Fund Balance		3,600.63
Contracts Payable		24,136.79
Unexpended Proceeds of Bond Anticipation Notes on "C-5"		410,077.49
Cash on Hand to Pay Notes "C-5"		117,884.52
Improvement Authorizations:		
Funded Improvements Listed on "C-7"		135,217.16
Improvements Expended Set Forth on "C-5"		(125,968.13)
Various Reserves and Deposits		37,561.97
Reserve for Receivables		311,115.48
Grants Receivable		<u>(324,652.15)</u>
	\$	<u><u>748,481.71</u></u>

REF.

C:C-2

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2018	C		\$ 274,465.43
Decreased by:			
Current Year Budget Appropriation to Pay:			
Green Trust Loan Principal	C-11	\$ 10,982.24	
Environmental Infrastructure Loan Principal	C-15	<u>28,728.23</u>	
			<u>39,710.47</u>
Balance, December 31, 2019	C		\$ <u><u>234,754.96</u></u>

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	BALANCE DECEMBER 31, 2018	PAID BY BUDGET	BALANCE DECEMBER 31, 2019	ANLYSIS OF BALANCE DECEMBER 31, 2019	
				BOND ANTICIPATION NOTES	EXPENDITURES
General Improvements:					
05-06 Reconstruction of Mill Street	\$ 84,578.20	\$ 50,000.00	\$ 34,578.20	\$	\$ 34,578.20
12-08 Road and Drainage Improvements - Wilson Drive	91,389.93		91,389.93		91,389.93
16-08 Reconstruction of Glenwood Lane	182,115.48		182,115.48	182,115.48	
18-06 Improvements to Hilltop Drive and Moore Street	325,000.00		325,000.00	325,000.00	
	<u>\$ 683,083.61</u>	<u>\$ 50,000.00</u>	<u>\$ 633,083.61</u>	<u>\$ 507,115.48</u>	<u>\$ 125,968.13</u>
<u>REF.</u>	C	C-2	C		C-3
Bond Anticipation Notes				\$ 625,000.00	
Less: Cash on Hand to Pay Notes				<u>117,884.52</u>	
				<u>\$ 507,115.48</u>	

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 23,536.79
Increased by:		
Contracts Issued	C-7	<u>60,075.18</u>
		\$ <u>83,611.97</u>
Decreased by:		
Disbursements	C-2	<u>59,475.18</u>
Balance, December 31, 2019	C	\$ <u><u>24,136.79</u></u>

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORD. NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE	AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2019	
					FUNDED	UNFUNDED			FUNDED	UNFUNDED
15-05	Purchase and Installation of Drainex Equipment	08/10/15	\$	20,000.00	\$	327.06	\$	\$	327.06	\$
15-06	Authorize Section 20 Costs	08/10/15		6,000.00		1,139.75			1,139.75	
16-05	Stabilization of Worman Road	07/11/16		20,000.00		6,747.50			6,747.50	
16-07	Preparation of an Open Space/Recreation Plan	07/11/16		8,500.00		1,205.25			1,205.25	
16-08	Reconstruction of Glenwood Lane	10/10/16		300,000.00		131,536.81		4,541.00		126,995.81
18-06	Improvements to Hilltop Drive and Moore Street			325,000.00		324,432.14		41,350.46		283,081.68
18-08	Stockton Park Improvements	11/19/18		20,000.00		19,981.32		5,683.72		14,297.60
19-09	Purchase and Installation of Road Materials	11/11/19		100,000.00			100,000.00	8,500.00		91,500.00
19-07	Purchase and Installation of Fire Co Equipment	11/11/19		20,000.00			20,000.00			20,000.00
						\$ 29,400.88	\$ 455,968.95	\$ 60,075.18	\$ 135,217.16	\$ 410,077.49
			REF.			C	C	C-6	C-C-3	C-C-5
	Capital Improvement Fund		C-8							
							120,000.00			
							\$ 120,000.00			

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ 259,507.95
Increased by:		
Current Year Budget Appropriation	C-2	<u>20,000.00</u>
		\$ 279,507.95
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>120,000.00</u>
Balance, December 31, 2019	C	<u><u>\$ 159,507.95</u></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, 2019</u>
05-06	Reconstruction of Mill Street	\$ 34,578.20
12-08	Road and Drainage Improvements - Wilson Drive	<u>91,389.93</u>
		<u>\$ 125,968.13</u>

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2018 and 2019	C	\$ <u>324,652.15</u>

ANALYSIS OF BALANCE

2010-02 - Woolverton Road Improvements		\$ 13,536.67
2016-08 - Reconstruction of Glenwood Lane		104,115.48
2018-06 - Improvements to Hilltop Dr. and Moore St.		<u>207,000.00</u>
		\$ <u>324,652.15</u>

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES TRUST LOANS PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>DATE</u>	<u>OUTSTANDING DECEMBER 31, 2019</u>	<u>INTEREST RATE</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>REF.</u>
Open Space Acquisition	1/7/2005	\$ 200,000.00	2020	\$ 11,202.99	2.000%				
			2021	11,428.17	2.000%				
			2022	11,657.88	2.000%				
			2023	11,892.20	2.000%				
			2024	12,131.23	2.000%				
			2025	6,156.74	2.000%				
						\$ 10,982.24	\$ 64,469.21	\$ 75,451.45	
						\$ 10,982.24	\$ 64,469.21	\$ 75,451.45	

"C-12"

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR RECEIVABLES

	<u>REF.</u>	
Balance, December 31, 2018	C	\$ <u>311,115.48</u>
Balance, December 31, 2019	C	\$ <u><u>311,115.48</u></u>

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, 2018</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
10-02	Improvements to Woolverton Street	09/23/10	09/14/18	09/13/19	2.629%	\$ 15,906.00	\$	\$ 15,906.00	\$
11-01	Improvements to Old Prallsville Road	09/21/12	09/14/18	09/13/19	2.629%	106,790.00		106,790.00	
16-08	Reconstruction of Glenwood Lane	09/15/17	09/14/18	09/13/19	2.629%	300,000.00		300,000.00	
16-08	Reconstruction of Glenwood Lane	09/15/17	09/12/19	09/11/20	1.620%		300,000.00		300,000.00
18-06	Improvements to Hilltop Drive	09/12/19	09/12/19	09/11/20	1.620%		325,000.00		325,000.00
						<u>\$ 422,696.00</u>	<u>\$ 625,000.00</u>	<u>\$ 422,696.00</u>	<u>\$ 625,000.00</u>
					<u>REF.</u>	<u>C</u>	<u>C-2</u>		<u>C:C-5</u>
	Paid by Cash on Hand				<u>C-2</u>			<u>\$ 422,696.00</u>	
								<u>\$ 422,696.00</u>	

BOROUGH OF STOCKTON

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES AND DEPOSITS

	BALANCE DECEMBER <u>31, 2018</u>	BALANCE DECEMBER <u>31, 2019</u>
Improvement to Playground	\$ 5,000.00	\$ 5,000.00
Reserve for Recreation Equipment	2,215.00	2,215.00
Debt Service (BANS)	4,697.24	4,697.24
State Aid - Bridge Street	16,003.23	16,003.23
Purchase of Public Safety Equipment	6,635.50	6,635.50
Master Plan Revisions	2,811.00	2,811.00
Prallsville Road Improvements	<u>200.00</u>	<u>200.00</u>
	<u>\$ 37,561.97</u>	<u>\$ 37,561.97</u>
<u>REF.</u>	C	C

BOROUGH OF STOCKTON
GENERAL CAPITAL FUND

SCHEDULE OF NEW JERSEY ENVIRONMENTAL TRUST LOANS PAYABLE

<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>DATE</u>	<u>OUTSTANDING DECEMBER 31, 2019</u>	<u>INTEREST RATE</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
Mill Street	11/09/2006	\$ 300,000.00	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%		160,000.00	15,000.00	145,000.00
Mill Street	11/09/2006	282,975.00	2020	16,497.49			39,013.98	13,728.23	25,285.75
			2021	8,788.26					
							<u>\$ 199,013.98</u>	<u>\$ 28,728.23</u>	<u>\$ 170,285.75</u>
							C	C-4	C
							<u>REF.</u>		

BOROUGH OF STOCKTON

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2018	D	\$ 220,917.19	\$ 13,589.24
Increased by Receipts:			
Capital Improvement Fund	D-12	\$	\$ 3,000.00
Collections	D-6	83,214.83	
Interfunds	D-16	3.00	23,310.15
Bond Anticipation Notes	D-17		196,515.00
Miscellaneous Revenue Not Anticipated	D-2	3,923.97	
		<u>87,141.80</u>	<u>222,825.15</u>
		\$ 308,058.99	\$ 236,414.39
Decreased by Disbursements:			
2019 Appropriations	D-3	\$ 77,552.51	
2018 Appropriation Reserves	D-8	4,238.50	
Accrued Interest	D-7	5,267.67	
Contracts Payable	D-18		19,496.29
Bond Anticipation Notes	D-17		196,515.00
Interfunds	D-9;D-16	20,000.00	3.00
Miscellaneous Revenue Not Anticipated	D-2	3.00	
		<u>107,061.68</u>	<u>216,014.29</u>
Balance, December 31, 2019	D	\$ 200,997.31	\$ 20,400.10

BOROUGH OF STOCKTON
WATER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2018	D	\$ 4,291.33
Increased by:		
Transferred from Current Year Appropriations	D-3	<u>6,303.51</u>
		\$ <u>10,594.84</u>
Decreased by:		
Transferred to Appropriation Reserves	D-8	<u>4,291.33</u>
Balance, December 31, 2019	D	<u><u>\$ 6,303.51</u></u>

"D-6"

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

	<u>REF.</u>	
Balance, December 31, 2018	D	\$ 597.31
Increased by:		
Water Rents Levied - Net		<u>83,746.90</u>
		\$ <u>84,344.21</u>
Decreased by:		
Collection	D-2:D-4	<u>83,214.83</u>
Balance, December 31, 2019	D	\$ <u><u>1,129.38</u></u>

"D-7"

SCHEDULE OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS

Balance, December 31, 2018	D	\$ 1,081.12
Increased by:		
Charges to Budget Appropriations	D-3	<u>5,115.08</u>
		\$ <u>6,196.20</u>
Decreased by:		
Disbursements	D-4	<u>5,267.67</u>
Balance, December 31, 2019	D	\$ <u><u>928.53</u></u>

BOROUGH OF STOCKTON

WATER UTILITY OPERATING FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2018</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 1,530.64	\$ 1,530.64	\$	\$ 1,530.64
Other Expenses	8,984.93	13,276.26	4,238.50	9,037.76
Contributions to:				
Social Security System (O.A.S.I.)	<u>86.57</u>	<u>86.57</u>	<u> </u>	<u>86.57</u>
	<u>\$ 10,602.14</u>	<u>\$ 14,893.47</u>	<u>\$ 4,238.50</u>	<u>\$ 10,654.97</u>
<u>REF.</u>	D		D-4	D-1
Balance, December 31, 2018	D-8	\$ 10,602.14		
Encumbrances Payable	D-5	<u>4,291.33</u>		
		<u>\$ 14,893.47</u>		

"D-9"

BOROUGH OF STOCKTON
WATER UTILITY OPERATING FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER CAPITAL FUND</u>
Increased by:			
Receipts	D-4	\$ <u>3.00</u>	\$ <u>3.00</u>
Decreased by:			
Disbursements	D-4	20,000.00	20,000.00
Prior Year Adjustment	D-2	<u>3,310.15</u>	<u>3,310.15</u>
Balance, December 31, 2019:			
Due From	D	\$ <u><u>23,307.15</u></u>	\$ <u><u>23,307.15</u></u>

BOROUGH OF STOCKTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATION	PAID OR CHARGED	BALANCE DECEMBER 31, 2019	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
<u>General Improvements:</u>									
2007-11	Purchase and Installation of Equipment	10/29/2007	\$ 10,000.00	\$ 0.30	\$	\$	\$	0.30	\$
2008-11	Acquisition and Installation of Capital Equipment	11/10/2008	20,000.00	0.48				0.48	
2011-05	Acquisition and Installation of Capital Equipment	11/14/2011	15,000.00	94.00			(406.00)	500.00	
2012-04	Pump Station Repairs	03/12/2012	175,000.00		877.72		877.72		
2014-04	Improvements to Water Utility	08/11/2014	50,000.00		81.73				81.73
2015-07	Purchase and Installation of Equipment	09/14/2015	10,000.00	468.91			390.28	78.63	
2016-10	Purchase and Installation of Equipment	10/10/2016	15,000.00	600.00			600.00		
2018-03	Purchase and Installation of Equipment	04/10/2018	10,000.00	1,374.89			1,325.15	49.74	
2018-07	Purchase and Installation of Equipment	04/10/2018	10,000.00	6,352.54			6,352.54		
2019-10	Purchase and Installation of New/Replacement Equipment	11/11/2019	12,000.00		12,000.00		12,000.00		
			\$ 8,891.12	\$ 959.45	\$ 12,000.00	\$ 21,139.69	\$ 629.15	\$ 81.73	
		<u>REF.</u>	D	D	D	D-18	D	D	D
	Capital Improvement Fund	D-12	\$ 12,000.00						
			\$ 12,000.00						

BOROUGH OF STOCKTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>INCREASED BY</u>	<u>NOTES PAID BY BUDGET</u>	<u>TO RESERVE FOR AMORTIZATION FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2019</u>
				<u>FIXED CAPITAL AUTHORIZED</u>			
	General Improvements:						
2006-21	Purchase and Installation of Equipment	12/01/2006	\$ 10,000.00	\$		10,000.00	\$
2007-11	Purchase and Installation of Equipment	10/29/2007	10,000.00				10,000.00
2011-05	Purchase and Installation of Equipment	11/14/2011	15,000.00				15,000.00
2014-04	Improvements to Water Utility	08/11/2014	5,768.00		1,637.00		7,405.00
2012-04	Pump Station Repairs	03/12/2012	18,864.00		2,216.00	21,080.00	
2015-07	Purchase and Installation of Equipment	09/14/2015	10,000.00				10,000.00
2016-10	Purchase and Installation of Equipment	10/10/2016	15,000.00			15,000.00	
2018-03	Purchase and Installation of Equipment	04/10/2018	10,000.00				10,000.00
2018-07	Purchase and Installation of Equipment	11/19/2018	15,000.00			15,000.00	
2019-10	Purchase and Installation of New/Replacement Equipment	11/11/2019		12,000.00		12,000.00	
			<u>\$ 109,632.00</u>	<u>\$ 12,000.00</u>	<u>\$ 3,853.00</u>	<u>\$ 73,080.00</u>	<u>\$ 52,405.00</u>
	<u>REF.</u>		D	D-15	D-17	D-8	D

"D-12"

BOROUGH OF STOCKTON

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2018	D	\$ 10,983.07
Increased by:		
2019 Budget Appropriation	D-4	<u>3,000.00</u>
		\$ <u>13,983.07</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	D-10	<u>12,000.00</u>
Balance, December 31, 2019	D	\$ <u><u>1,983.07</u></u>

"D-13"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2018	D	\$ 402,376.93
Increased by:		
Transfer from Reserve for Deferred Amortization	D-11	<u>73,080.00</u>
Balance, December 31, 2019	D	\$ <u><u>475,456.93</u></u>

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2018</u>	<u>ADDITIONS</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</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
Pump Station Repairs (Ord. 2012-04)		175,000.00	175,000.00
Purchase and Installation of Water Meters/Equipment (Ord. 2016-10)		15,000.00	15,000.00
Purchase and Installation of Water Meters/Equipment (Ord. 2018-07)		15,000.00	15,000.00
Purchase and Installation of Water Meters/Equipment (Ord. 2019-10)		12,000.00	12,000.00
Purchase and Installation of Equipment (Ord 2006-21)		10,000.00	10,000.00
	<u>\$ 402,376.93</u>	<u>\$ 227,000.00</u>	<u>\$ 629,376.93</u>
<u>REF.</u>	D	D-15	D

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>AUTHORIZED</u>	<u>TRANSFER TO FIXED CAPITAL</u>	<u>BALANCE DECEMBER 31, 2019</u>
	General Improvements:						
2006-21	Purchase and Installation of Equipment	12/01/2006	\$ 10,000.00	\$ 10,000.00	\$	\$ 10,000.00	\$
2007-11	Purchase and Installation of Equipment	10/29/2007	10,000.00	10,000.00			10,000.00
2008-11	Acquisition and Installation of Capital Equipment	11/10/2008	20,000.00	20,000.00			20,000.00
2011-05	Acquisition and Installation of Capital Equipment	11/14/2011	15,000.00	15,000.00			15,000.00
2012-04	Pump Station Repairs	03/12/2012	175,000.00	175,000.00		175,000.00	
2014-04	Improvements to Water Utility	08/11/2014	50,000.00	50,000.00			50,000.00
2015-07	Purchase and Installation of Equipment	09/14/2015	10,000.00	10,000.00			10,000.00
2016-10	Purchase and Installation of Equipment	10/10/2016	15,000.00	15,000.00		15,000.00	
2018-03	Purchase and Installation of Equipment	04/10/2018	10,000.00	10,000.00			10,000.00
2018-07	Purchase and Installation of Equipment	04/10/2018	15,000.00	15,000.00		15,000.00	
2019-10	Purchase and Installation of New/Replacement Equipment	11/11/2019	12,000.00		12,000.00	12,000.00	
				<u>\$ 330,000.00</u>	<u>\$ 12,000.00</u>	<u>\$ 227,000.00</u>	<u>\$ 115,000.00</u>

REF.

D

D-11

D-14

D

"D-16"

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>WATER OPERATING FUND</u>
Decreased by:			
Receipts	D-4	\$ 20,000.00	\$ 20,000.00
Prior Year Adjustment	D-4	<u>3,310.15</u>	<u>3,310.15</u>
Increased by:			
Disbursements	D-4	\$ <u>3.00</u>	\$ <u>3.00</u>
Balance, December 31, 2019:			
Due To	D	\$ <u><u>23,307.15</u></u>	\$ <u><u>23,307.15</u></u>

BOROUGH OF STOCKTON
WATER CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
2012-04	Pump Station Repairs	09/21/2012	09/12/2019 09/14/2018	09/11/2020 09/13/2019	1.62% 2.63%	\$ 156,136.00	\$ 153,920.00	\$ 156,136.00	\$ 153,920.00
2014-04	Improvements to Water Utility	09/19/2014	09/12/2019 09/14/2018	09/11/2020 09/13/2019	1.62% 2.63%	44,232.00	42,595.00	44,232.00	42,595.00
						<u>\$ 200,368.00</u>	<u>\$ 196,515.00</u>	<u>\$ 200,368.00</u>	<u>\$ 196,515.00</u>
					<u>REF.</u>	D	D-4	D	D
					Paid by Budget			\$ 3,853.00	
					Disbursements			<u>196,515.00</u>	
								<u>\$ 200,368.00</u>	

"D-18"

BOROUGH OF STOCKTON
WATER UTILITY CAPITAL FUND
SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	D	\$	12,755.60
Increased by:			
Contracts Issued		\$	21,545.69
Less: Contracts Canceled			<u>406.00</u>
	D-10		21,139.69
		\$	<u>33,895.29</u>
Decreased by:			
Disbursements	D-4		<u>19,496.29</u>
Balance, December 31, 2019	D	\$	<u><u>14,399.00</u></u>

"D-19"

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
Acquisition and Installation of Capital Equipment	\$ <u>20,000.00</u>
	\$ <u><u>20,000.00</u></u>

BOROUGH OF STOCKTON

SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2018	E	\$ 388,575.31	\$ 218,862.18
Increased by Receipts:			
Consumer Accounts Receivable	E-7	\$ 274,242.57	\$
Miscellaneous	E-3	9,575.31	
Bond Anticipation Notes	E-21		30,000.00
Capital Improvement Fund	E-12		32,000.00
		<u>283,817.88</u>	<u>62,000.00</u>
		\$ 672,393.19	\$ 280,862.18
Decreased by Disbursements:			
2019 Appropriations	E-4	\$ 260,014.88	\$
2018 Appropriation Reserves	E-10	45,651.48	
Contracts Payable	E-8		85,642.10
Accrued Interest	E-6	4,071.59	
Bond Anticipation Notes	E-21		30,000.00
		<u>309,737.95</u>	<u>115,642.10</u>
Balance, December 31, 2019	E	\$ <u>362,655.24</u>	\$ <u>165,220.08</u>

BOROUGH OF STOCKTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

	<u>REF.</u>	
Balance, December 31, 2018	E	\$ 2,001.91
Increased by:		
Charges to 2019 Budget	E-4	<u>3,086.43</u>
		\$ 5,088.34
Decreased by:		
Disbursements	E-5	<u>4,071.59</u>
Balance, December 31, 2019	E	<u><u>\$ 1,016.75</u></u>

ANALYSIS OF BALANCE

Accrued Interest on Bonds		\$ 141.75
Accrued Interest on Loans		<u>875.00</u>
	E-6	<u><u>\$ 1,016.75</u></u>

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

	<u>REF.</u>	
Balance, December 31, 2018	E	\$ 8,159.53
Increased by:		
Sewer Use Charges Levied - Net		<u>274,640.38</u>
		\$ <u>282,799.91</u>
Decreased by:		
Collections	E-5	<u>274,242.57</u>
Balance, December 31, 2019	E	\$ <u><u>8,557.34</u></u>

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>	
Increased by:		
Contracts Issued	E-15	\$ <u>94,192.10</u>
Decreased by:		
Disbursements	E-5	<u>85,642.10</u>
Balance, December 31, 2019	E	\$ <u><u>8,550.00</u></u>

BOROUGH OF STOCKTON
SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2018	E	\$	48,593.97
Increased by:			
Transfer from 2019 Appropriations	E-4		<u>19,886.50</u>
		\$	<u>68,480.47</u>
Decreased by:			
Transfer to Appropriation Reserves	E-10		<u>48,593.97</u>
Balance, December 31, 2019	E	\$	<u><u>19,886.50</u></u>

BOROUGH OF STOCKTON

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2018 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2018	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
Operating:				
Salaries and Wages	\$ 2,530.64	\$ 2,530.64	\$	2,530.64
Other Expenses		48,593.97	45,651.48	2,942.49
Capital Outlay	5,000.00	5,000.00		5,000.00
Lambertville Sewerage Authority	3,143.47	3,143.47		3,143.47
Contributions to:				
Social Security	<u>86.57</u>	<u>86.57</u>		<u>86.57</u>
	<u>\$ 10,760.68</u>	<u>\$ 59,354.65</u>	<u>\$ 45,651.48</u>	<u>\$ 13,703.17</u>
<u>REF.</u>	E		E-5	E-1
Balance, December 31, 2018	\$	\$ 10,760.68		
Encumbrances Payable		<u>48,593.97</u>		
	\$	<u><u>59,354.65</u></u>		

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF NJ 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>DATE</u>	<u>OUTSTANDING DECEMBER 31, 2019 AMOUNT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
N.J. Environmental Infrastructure Trust Loan	10/15/2000	\$ 495,000.00	5.25%	08/01/20	\$ 40,000.00	\$ 75,000.00	\$ 35,000.00	\$ 40,000.00
				<u>REF.</u>		E	E-17	E
				Disbursements			\$ 31,565.75	
				Savings Credit-Balance Reduction			\$ 3,434.25	
							<u>\$ 35,000.00</u>	

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

	<u>REF.</u>	
Balance, December 31, 2018	E	\$ 192,110.00
Increased by:		
Receipts-Current Year Budget Appropriation	E-5	<u>32,000.00</u>
		\$ <u>224,110.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	E-15	<u>180,000.00</u>
Balance, December 31, 2019	E	<u><u>44,110.00</u></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 AMOUNT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2019</u>
2008-12	Acquisition and Installation of Capital Equipment	11/10/2008	\$ 20,000.00	\$ 20,000.00	\$	20,000.00
2015-01	Acquisition and Installation of Capital Equipment	02/09/2015	10,000.00	10,000.00		10,000.00
2015-08	Acquisition and Installation of Capital Equipment	09/14/2015	10,000.00	10,000.00		10,000.00
2016-09	Sewer / Pump Station Emergency Repair	10/10/2016	30,000.00	30,000.00		30,000.00
2019-01	Purchase & Install of New/Replace Equip/Materials	2/11/2019	80,000.00		80,000.00	80,000.00
2019-04	Purchase & Install of New/Replace Equip/Materials	5/13/2019	100,000.00		100,000.00	100,000.00
				<u>\$ 70,000.00</u>	<u>\$ 180,000.00</u>	<u>\$ 250,000.00</u>
		<u>REF.</u>		<u>E</u>	<u>E-18</u>	<u>E</u>

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2019</u>
2008-12	Repair and Improvement of the Wastewater Collection System Acquisition and Installation of Capital Equipment	\$ 2,120.48 <u>20,000.00</u>
		<u>\$ 22,120.48</u>

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2018		2019 AUTHORIZATIONS	PAID OR CHARGED	BALANCE DECEMBER 31, 2019	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
2008-12	Acquisition and Installation of Capital Equipment	11/10/2008	\$ 20,000.00	\$	\$ 14,650.00	\$	\$ 8,550.00	\$	\$ 6,100.00
2015-01	Acquisition and Installation of Capital Equipment	02/9/2015	10,000.00	450.75				450.75	
2015-08	Acquisition and Installation of Capital Equipment	09/14/2015	10,000.00	30.10				30.10	
2016-09	Sewer / Pump Station Emergency Repair	10/10/2016	30,000.00		29,500.00		9,210.60		20,289.40
2019-01	Purchase & Install of New/Replace Equip/Materials	2/11/2019	80,000.00			80,000.00	76,431.50	3,568.50	
2019-04	Purchase & Install of New/Replace Equip/Materials	5/13/2019	100,000.00			100,000.00		100,000.00	
			\$ 480.85	\$ 44,150.00	\$ 180,000.00	\$ 94,192.10	\$ 104,049.35	\$ 26,389.40	
			REF.	E	E	E-12	E-8	E	E

BOROUGH OF STOCKTON
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>	BALANCE DECEMBER 31, 2019	BALANCE DECEMBER 31, 2018
Miscellaneous Equipment	\$ 4,612.00	\$ 4,612.00
Improvement Authorizations:		
Construction of Sanitary Sewer System:		
1974	1,200,000.00	1,200,000.00
1975	165,000.00	165,000.00
1977	362,900.00	362,900.00
1979	157,100.00	157,100.00
Safety Equipment	4,387.00	4,387.00
Engineering Studies	19,600.00	19,600.00
Pump Station Stairways and Landings	18,929.00	18,929.00
Chemical Tank	4,400.00	4,400.00
Comminutor	13,094.00	13,094.00
Repair and Improvements to the Wastewater Collection System	<u>929,634.48</u>	<u>929,634.48</u>
	<u>\$ 2,879,656.48</u>	<u>\$ 2,879,656.48</u>
<u>REF.</u>	E	E

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

	<u>REF.</u>		
Balance, December 31, 2018	E		\$ 2,768,966.18
Increased by:			
Bonds Paid by Budget	E-20	\$ 33,569.82	
Loans Paid by Budget	E-11	<u>35,000.00</u>	
			<u>68,569.82</u>
Balance, December 31, 2019	E		<u>\$ 2,837,536.00</u>

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>INCREASED BY FIXED CAPITAL AUTHORIZED</u>	<u>BALANCE DECEMBER 31, 2019</u>
	General Improvements:				
2015-01	Acquisition and Installation of Capital Equipment	02/9/2015	\$ 10,000.00	\$	\$ 10,000.00
2015-08	Acquisition and Installation of Capital Equipment	09/14/2015	10,000.00		10,000.00
2019-01	Purchase & Install of New/Replace Equip/Materials	2/11/2019		80,000.00	80,000.00
2019-04	Purchase & Install of New/Replace Equip/Materials	5/13/2019		100,000.00	100,000.00
			<u>\$ 20,000.00</u>	<u>\$ 180,000.00</u>	<u>\$ 200,000.00</u>
	<u>REF.</u>		E	E-13	E

BOROUGH OF STOCKTON

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENTS

	<u>REF.</u>	
Balance, December 31, 2018 and December 31, 2019	E	\$ <u>3,000.00</u>

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, 2019</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>DECREASED</u>
Sewer Improvements	1979	\$ 591,000.00			\$ 33,569.82	\$ 33,569.82
				<u>REF.</u>	<u>E</u>	<u>E-17</u>

BOROUGH OF STOCKTON

SEWER CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2018</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2019</u>
2016-09	Pump Station Repairs	09/15/2018	09/14/2018 09/12/2019	09/13/2019 09/11/2020	2.63% 1.62%	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
						<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>
					<u>REF.</u>	E	E-5	E-5	E

THIS PAGE INTENTIONALLY LEFT BLANK

PART II

BOROUGH OF STOCKTON

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

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

	<u>YEAR 2019</u>		<u>YEAR 2018</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 165,000.00	7.23%	\$ 165,000.00	6.51%
Miscellaneous-from other than Local Property				
Tax Levies	227,483.25	9.96%	437,472.33	17.26%
Collection of Delinquent Taxes and Tax Title Liens	14,951.02	0.65%	29,696.86	1.17%
Collection of Current Tax Levy	<u>1,875,882.03</u>	<u>82.15%</u>	<u>1,902,691.75</u>	<u>75.06%</u>
<u>TOTAL INCOME</u>	<u>\$ 2,283,316.30</u>	<u>100.00%</u>	<u>\$ 2,534,860.94</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 594,169.11	28.57%	\$ 580,762.85	27.95%
County Taxes	340,327.82	16.36%	338,794.36	16.30%
School Taxes	1,135,807.00	54.61%	1,157,837.00	55.72%
Other	<u>9,577.23</u>	<u>0.46%</u>	<u>678.98</u>	<u>0.03%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 2,079,881.16</u>	<u>100.00%</u>	<u>\$ 2,078,073.19</u>	<u>100.00%</u>
Excess in Revenue	\$ 203,435.14		\$ 456,787.75	
Adjustments to Income before Fund Balance:				
Expenditures Included above which are by Statute				
Deferred Charges to Budget of Succeeding Year				
Statutory Excess of Fund Balance	\$ 203,435.14		\$ 456,787.75	
Fund Balance, January 1	<u>559,673.67</u>		<u>267,885.92</u>	
	\$ 763,108.81		\$ 724,673.67	
Less: Utilization as Anticipated Revenue	<u>165,000.00</u>		<u>165,000.00</u>	
Fund Balance, December 31	<u>\$ 598,108.81</u>		<u>\$ 559,673.67</u>	

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

	<u>YEAR 2019</u>		<u>YEAR 2018</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 17,000.00	14.39%	\$ 17,000.00	13.28%
Collection of Water Rents	83,214.83	70.46%	87,615.67	68.46%
Miscellaneous-from other than Water Rents	<u>17,886.09</u>	<u>15.14%</u>	<u>23,370.59</u>	<u>18.26%</u>
<u>TOTAL INCOME</u>	<u>\$ 118,100.92</u>	<u>100.00%</u>	<u>\$ 127,986.26</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 90,833.00	87.05%	\$ 78,000.00	77.71%
Deferred Charges and Statutory Expenditures	1,545.00	1.48%	1,500.00	1.49%
Debt Service	8,968.08	8.59%	17,877.00	17.81%
Capital Improvements	<u>3,000.00</u>	<u>2.89%</u>	<u>3,000.00</u>	<u>2.99%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 104,346.08</u>	<u>100.00%</u>	<u>\$ 100,377.00</u>	<u>100.00%</u>
Excess in Revenue to Fund Balance	\$ 13,754.84		\$ 27,609.26	
Fund Balance, January 1	<u>204,942.60</u>		<u>194,333.34</u>	
	\$ 218,697.44		\$ 221,942.60	
Utilization as Anticipated Revenue	<u>17,000.00</u>		<u>17,000.00</u>	
Fund Balance, December 31	<u>\$ 201,697.44</u>		<u>\$ 204,942.60</u>	

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

	<u>YEAR 2019</u>		<u>YEAR 2018</u>	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 79,900.00	21.17%	\$ 52,800.00	14.50%
Collection of Sewer Rents	274,242.57	72.66%	281,180.07	77.22%
Miscellaneous - from other than Sewer Rents	<u>23,278.48</u>	<u>6.17%</u>	<u>30,145.37</u>	<u>8.28%</u>
<u>TOTAL INCOME</u>	<u>\$ 377,421.05</u>	<u>100.00%</u>	<u>\$ 364,125.44</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 222,724.51	62.87%	\$ 190,254.67	56.89%
Deferred Charges and Statutory Expenditures	18,799.67	5.31%	1,500.00	0.45%
Debt Service	44,500.00	12.56%	72,000.00	21.53%
Capital Improvements	<u>68,222.00</u>	<u>19.25%</u>	<u>70,660.50</u>	<u>21.13%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 354,246.18</u>	<u>100.00%</u>	<u>\$ 334,415.17</u>	<u>100.00%</u>
Excess in Revenue	\$ 23,174.87		\$ 29,710.27	
Adjustments to Income before Fund Balance:				
Expenditures Included Above which are by Statute				
Deferred Charges to Budget of Succeeding Year			<u>17,254.67</u>	
	<u>\$ 23,174.87</u>		<u>\$ 46,964.94</u>	
Fund Balance, January 1	<u>344,473.42</u>		<u>350,308.48</u>	
	\$ 367,648.29		\$ 397,273.42	
Utilization as Anticipated Revenue	<u>79,900.00</u>		<u>52,800.00</u>	
Fund Balance, December 31	<u>\$ 287,748.29</u>		<u>\$ 344,473.42</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$2.070</u>	<u>\$2.078</u>	<u>\$2.095</u>
Appointment of Tax Rate:			
Municipal	\$0.455	\$0.452	\$0.434
Municipal Open Space	0.010		
County	0.309	0.308	0.315
County Open Space	0.030	0.030	0.031
County Library	0.031	0.031	0.032

Assessed Valuations:

2019	\$	<u>91,982,900.00</u>		
2018			\$	<u>92,127,200.00</u>
2017			\$	<u>93,930,579.00</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.

<u>Year</u>		<u>Tax Levy</u>	<u>Currently</u>		
			<u>Cash Collections</u>	<u>Percentage of Collection</u>	
2019	\$	1,906,168.13	\$	1,875,882.03	98.41%
2018		1,917,804.55		1,902,691.75	99.21%
2017		1,926,783.62		1,895,243.59	98.36%

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>
2019	\$	25,915.31	\$	25,915.31	1.36%
2018		14,951.02		14,951.02	0.78%
2017		29,708.84		29,708.84	1.54%

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>
2019	\$	83,746.90	\$	83,214.83
2018		87,087.11		87,615.67
2017		84,454.82		84,309.65

* Includes Collection of Prior Year Levies

COMPARISON OF SEWER UTILITY LEVIES

<u>YEAR</u>		<u>LEVY</u>		<u>CASH COLLECTIONS</u>
2019	\$	274,640.38	\$	274,242.57
2018		281,731.20		281,180.07
2017		275,885.92		274,408.99

* Includes Collection of Prior Year Levies

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE</u> <u>DECEMBER 31</u>	<u>UTILIZED</u> <u>IN BUDGET OF</u> <u>SUCCEEDING YEAR</u>
Current Fund	2019	\$ 598,108.81	\$ 165,000.00
	2018	559,673.67	165,000.00
	2017	267,885.92	165,000.00
	2016	432,382.12	165,000.00
	2015	357,169.93	163,000.00
Water Utility Operating Fund	2019	\$ 201,697.44	\$ 129,569.54
	2018	204,942.60	17,000.00
	2017	194,333.34	17,000.00
	2016	176,513.20	13,000.00
	2015	154,515.71	13,195.00
Sewer Utility Operating Fund	2019	\$ 287,748.29	\$ 35,000.00
	2018	344,473.42	79,900.00
	2017	350,308.48	52,800.00
	2016	311,649.60	22,800.00
	2015	249,932.05	22,800.00

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>
Timothy Nemeth	Mayor		
Nic Messina	Council President		
Donald Vandegrift	Councilperson		
Aaron Lipsen	Councilperson		
Paul Bergquist	Councilperson		
Adam Juncosa	Councilperson		
Michael Mann	Councilperson		
Christine Rosikiewicz	Deputy Clerk/Utility Collector	*	Selective Insurance Company
Michele Hovan	Borough Clerk/Administrator, Registrar of Vital Statistics		
Diane McDaniel	CMFO, Tax Collector	\$250,000.00	Selective Insurance Company
Michele Trivigno	Assessor		
Edward Martin	Magistrate	A	
Jennifer Budrewicz	Court Administrator	A	

A - The magistrate and court administrator were properly covered by the Employee Dishonesty Faithful Performance Coverage of \$35,035.00

All bonds were examined and were properly executed, except as noted below:

* The Utility Collector was not bonded as per the requirements of N.J.A.C 5:30-8.3

GENERAL COMMENTS AND RECOMMENDATIONS

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 July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 was increased to \$40,000.00 by resolution of the governing body.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000.00 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.

Emergency Repairs to the Sanitary Sewer Manholes

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 \$40,000.00 "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 2018 for the following professional services:

Borough Auditor
Borough Engineer
Borough Attorney
Planning Board Attorney
Bond Counsel

Our audit discovered The Borough does not always award professional service contracts with not to exceed amounts.

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 7, 2019 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 2019.

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 2019.

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>
2019	None
2018	None
2017	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.

Segregation of Duties

Consideration should be given to provide more adequate segregation of duties with respect to the recording and treasury functions.

Other Fund Vouchers

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.

RECOMMENDATIONS

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

That the Borough maintain a surety bond for the Utility Rent Collector as per the requirements of N.J.A.C. 5:30-8.3.

*Prior Year Recommendations

