

BOROUGH OF SOMERDALE
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021

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BOROUGH OF SOMERDALE

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Somerdale
Somerdale, New Jersey 08083

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2021, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2021 and 2020, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022 on our consideration of the Borough of Somerdale's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Somerdale's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Somerdale's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 22, 2022

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Somerdale
Somerdale, New Jersey 08083

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 22, 2022. That report indicated that the Borough of Somerdale's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 22, 2022

BOROUGH OF SOMERDALE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

ASSETS:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Regular Fund:			
Cash	SA-1	\$ 1,507,134.80	\$ 1,603,082.55
Change Fund	SA-3	<u>215.00</u>	<u>215.00</u>
		<u>1,507,349.80</u>	<u>1,603,297.55</u>
Receivables and Other Assets with Full Reserves:			
Maintenance Liens Receivable	SA-5	11,197.16	10,927.27
Delinquent Property Taxes Receivable	SA-6	231,520.18	262,740.84
Tax Title Liens Receivable	SA-7	131,824.67	99,009.55
Revenue Accounts Receivable	SA-8	25,814.03	21,190.95
Property Acquired for Taxes -- Assessed Valuation	SA-9	170,015.00	170,015.00
Due from Trust Other Fund	SB-5	15,412.76	1,876.56
Due from General Capital Fund	SC-8	<u>585,783.80</u>	<u>596,529.79</u>
		<u>2,093,133.60</u>	<u>2,199,827.34</u>
Total Current Fund		<u>2,093,133.60</u>	<u>2,199,827.34</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-20	621,881.49	500,606.49
Due from Current Fund	SA-21	<u>361,176.50</u>	<u>347,626.33</u>
		<u>983,057.99</u>	<u>848,232.82</u>
Total Federal and State Grant Fund		<u>983,057.99</u>	<u>848,232.82</u>
Total Assets		<u>\$ 3,076,191.59</u>	<u>\$ 3,048,060.16</u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	\$ 245,962.88	\$ 281,097.23
Reserve for Encumbrances	A-3, SA-11	210,339.11	78,469.87
Accounts Payable	SA-12	23,517.39	15,179.39
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-13	2,363.50	5,713.50
Prepaid Taxes	SA-14	108,403.38	145,784.54
Tax Overpayments	SA-15	21,791.00	37,392.29
Due to County -- Added and Omitted Taxes	SA-17	1,774.29	245.62
Reserve for Payroll Deductions Payable	SA-19	4,431.58	1,950.01
Due to Federal and State Grant Fund	SA-21	361,176.50	347,626.33
Due to General Capital Fund	SC-8	17,300.00	
		<u>997,059.63</u>	<u>913,458.78</u>
Reserves for Receivables and Other Assets		585,783.80	596,529.79
Fund Balance	A-1	<u>510,290.17</u>	<u>689,838.77</u>
Total Current Fund		<u>2,093,133.60</u>	<u>2,199,827.34</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-22	312,300.16	12,541.09
Reserve for Federal and State Grants -- Appropriated	SA-23	430,522.48	134,764.09
Reserve for Encumbrances	SA-23	69,705.28	927.64
Contracts Payable	SA-24	<u>170,530.07</u>	<u>700,000.00</u>
Total Federal and State Grant Fund		<u>983,057.99</u>	<u>848,232.82</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,076,191.59</u>	<u>\$ 3,048,060.16</u>

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

BOROUGH OF SOMERDALE
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 465,000.00	\$ 634,559.46
Miscellaneous Revenues Anticipated	2,736,853.10	2,717,737.32
Receipts from Delinquent Taxes	244,557.59	296,800.79
Receipts from Current Taxes	14,598,665.48	14,159,811.30
Non-Budget Revenues	123,047.27	78,471.78
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	242,190.43	175,917.46
Cancellation of Tax Overpayments	0.10	5,929.21
Liquidation of Reserve for:		
Due from Sewer Utility Operating Fund		4,350.00
	<u>18,410,313.97</u>	<u>18,073,577.32</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,478,222.68	2,509,086.31
Other Expenses	1,767,566.23	1,794,737.90
Deferred Charges and Regulatory Expenditures Within "CAPS"	753,148.49	700,762.71
Operations Excluded from "CAPS":		
Salaries and Wages	501,175.43	463,535.61
Other Expenses	801,339.05	774,920.52
Capital Improvements Excluded from "CAPS"	65,000.00	10,000.00
Municipal Debt Service Excluded from "CAPS"	768,993.34	724,330.98
Deferred Charges Excluded from "CAPS"		55,450.00
County Taxes	3,327,143.05	3,175,591.19
County Added and Omitted Taxes	1,774.29	245.62
Regional High School Tax	2,619,735.50	2,501,833.50
Local District School Tax	5,017,531.00	4,923,589.00
Deductions Disallowed by Collector -- Prior Year Taxes	1,000.00	1,500.00
Refund of Prior Year Revenue -- Disbursements	8,697.31	
Adjustment -- Tax Overpayments		1,767.70
Creation of Reserves:		
Due from Trust Other Fund	13,536.20	1,876.56
Due from General Capital Fund		30,769.62
	<u>18,124,862.57</u>	<u>17,669,997.22</u>
Total Expenditures		

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Excess in Revenue	\$ 285,451.40	\$ 403,580.10
<u>Fund Balance</u>		
Balance Jan. 1	<u>689,838.77</u>	<u>920,818.13</u>
	975,290.17	1,324,398.23
Decreased by:		
Utilization as Anticipated Revenue	<u>465,000.00</u>	<u>634,559.46</u>
Balance December 31	<u>\$ 510,290.17</u>	<u>\$ 689,838.77</u>

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

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 465,000.00		\$ 465,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	18,760.20		18,617.00	\$ (143.20)
Other	13,371.33		13,280.00	(91.33)
Fees and Permits	69,967.12		14,413.01	(55,554.11)
Fines and Costs:				
Municipal Court	165,903.85		70,107.01	(95,796.84)
Interest and Costs on Taxes	67,218.52		54,795.67	(12,422.85)
Fire Inspection Revenue	71,794.33		77,135.00	5,340.67
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	521,473.00		521,473.00	
Dedicated Uniform Construction Code Fees Offset with Appropriations (N.J.S. 40A:4-36 and N.J.A.C. 5:23-4.17):				
Uniform Construction Code Fees	120,207.67		83,252.00	(36,955.67)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset with Appropriations:				
Sterling High School - COPS in Schools	131,417.16		126,151.02	(5,266.14)
Park School Shared Service	426,154.56		426,154.55	(0.01)
Laurel Springs/ Pine Hill Court Revenue	100,991.51		102,494.68	1,503.17
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Bullet Proof Vest Partnership	1,426.62		1,426.62	
Camden County Recreation Grant 2020	25,000.00		25,000.00	
Camden County Open Space - Perry Complex		\$ 25,000.00	25,000.00	
Clean Communities Grant Program		11,615.94	11,615.94	
Community Development Block Grant 2021	250,000.00		250,000.00	
FY2022 Somerdale Pedestrian Safety Grant		6,240.00	6,240.00	
New Jersey Department of Transportation: Parkview	285,000.00		285,000.00	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	12,590.00		12,590.00	
SFY 21 Body Worn Camera Grant Program		40,760.00	40,760.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Cable Television Franchise Fee	18,833.94		18,833.94	
Payment in Lieu of Taxes - National Realty	410,880.00		421,344.00	10,464.00
Payment in Lieu of Taxes - Other	14,864.58		14,864.56	(0.02)
Delaware River Port Authority Fees	15,000.00		15,000.00	
Debt Service Agreement - Our Lady of Grace	71,480.98		70,535.48	(945.50)
Contribution from Reserve for Outside Employment - Trust Other	25,000.00			(25,000.00)
Contribution from Reserve for Beautification Projects - Trust Other	40,000.00			(40,000.00)
Liquidation of Reserve for Due from General Capital Fund	30,769.62		30,769.62	
Total Miscellaneous Revenues	<u>2,908,104.99</u>	<u>83,615.94</u>	<u>2,736,853.10</u>	<u>(254,867.83)</u>
Receipts from Delinquent Taxes	<u>270,000.00</u>		<u>244,557.59</u>	<u>(25,442.41)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>3,814,994.62</u>		<u>3,861,436.14</u>	<u>46,441.52</u>
Budget Totals	<u>7,458,099.61</u>	<u>83,615.94</u>	<u>7,307,846.83</u>	<u>(233,868.72)</u>
Non-Budget Revenues			<u>123,047.27</u>	<u>123,047.27</u>
	<u>\$ 7,458,099.61</u>	<u>\$ 83,615.94</u>	<u>\$ 7,430,894.10</u>	<u>\$ (110,821.45)</u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections		\$ 14,598,665.48
Allocated to:		
Schools and County Taxes		<u>11,012,229.34</u>
Balance for Support of Municipal Budget Appropriations		3,586,436.14
Add: Appropriation "Reserve for Uncollected Taxes"		<u>275,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u><u>\$ 3,861,436.14</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections		<u><u>\$ 244,557.59</u></u>
----------------------------	--	-----------------------------

Revenue Accounts Receivable:

Licenses -- Other:

Clerk:		
Business	\$ 12,225.00	
Home Business	450.00	
Peddler's License	<u>500.00</u>	
		\$ 13,175.00
Board of Health:		
Marriage Licenses		<u>105.00</u>
		<u><u>\$ 13,280.00</u></u>

Fees and Permits:

Clerk:		
200 Foot Search	\$ 70.00	
Business License Late Fees	1,175.00	
Miscellaneous Copies	105.01	
Street Opening	8,940.00	
Tenant Landlord Applications	800.00	
Towing Applications	<u>200.00</u>	
		\$ 11,290.01
Board of Health:		
Vital Statistics		880.00
Police:		
Police Reports		<u>2,243.00</u>
		<u><u>\$ 14,413.01</u></u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

Analysis of Realized Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):

Uniform Construction Code Fees:

Fees and Permits:

Building Permits	\$ 32,541.00	
Certificate of Occupancy	1,309.00	
Certificate of Occupancy - Resale	10,405.00	
Electrical Permits	25,198.00	
Fire Safety Permits	1,825.00	
Mechanical	215.00	
Penalties	100.00	
Plumbing Permits	7,569.00	
Zoning Ordinance Permits	4,090.00	
	<u>4,090.00</u>	
		<u>\$ 83,252.00</u>

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:

Tax Collector:

Miscellaneous	\$ 5,555.75
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Miscellaneous Revenue Not Anticipated:

Treasurer:

Receipts:

Interest Earned on Deposits:

Current Fund	\$ 1,156.86	
Clerk	1.79	
Municipal Court	12.46	
Police Department	0.05	
Uniform Construction Code	3.69	
Uniform Fire Code	2.94	
	<u>2.94</u>	
		\$ 1,177.79
Conrail Fees		2,425.00
COVID-19 2020 Reimbursement		5,545.48
Dispensary License		250.00
Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee		730.00
Interest on Lawn Service Charges		199.50

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue Not Anticipated (Cont'd):

Treasurer (Cont'd):

Receipts (Cont'd):

Miscellaneous Refund	\$ 6,429.90	
Payment in Lieu of Taxes	30,852.45	
Planning and Zoning Applications	2,530.00	
Safety Award	1,500.00	
Tower Commissions	27,794.60	
Uniform Fire Safety Act	<u>11,472.83</u>	

\$ 90,907.55

Interest Earned in Other Funds:

Animal Control Fund	1.12
Trust Other Fund	952.72
General Capital Fund	<u>630.13</u>

1,583.97

Administration Fees Collected by Trust Other	<u>25,000.00</u>
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\$ 117,491.52

\$ 123,047.27

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

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered / Reserved	
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 157,665.00	\$ 157,665.00	\$ 157,354.31	\$ 310.69	
Other Expenses	46,250.00	47,248.49	45,552.74	1,485.75	210.00
Mayor and Council					
Salaries and Wages	47,342.00	47,709.00	47,709.00		
Other Expenses	3,000.00	2,540.38	1,540.53	23.45	976.40
Municipal Clerk					
Salaries and Wages	101,670.00	107,269.94	107,269.94		
Other Expenses	10,750.00	13,250.00	11,365.85	134.95	1,749.20
Financial Administration					
Salaries and Wages	83,400.00	88,010.27	88,010.27		
Other Expenses	5,850.00	4,192.64	2,338.31	1,854.33	
Audit Services	45,000.00	45,000.00	45,000.00		
Computerized Data Processing	22,000.00	25,000.00	22,654.99	1,373.88	971.13
Collection of Taxes					
Salaries and Wages	60,000.00	61,645.52	61,645.52		
Other Expenses	11,700.00	7,100.00	6,949.42	64.76	85.82
Assessment of Taxes					
Salaries and Wages	15,000.00	15,000.00	14,323.39		676.61
Other Expenses	3,000.00	3,000.00	2,630.00		370.00
Legal Services and Costs					
Other Expenses	38,000.00	38,000.00	34,498.57	2837.17	664.26
Engineering Services					
Other Expenses	120,000.00	56,714.26	15,333.93	7,687.50	33,692.83
Municipal Court					
Salaries and Wages	112,505.00	112,505.00	103,938.27		8,566.73
Other Expenses	7,350.00	8,350.00	7,748.83		601.17
Public Defender (P.L. 1997, C.256)					
Salaries and Wages	14,485.00	14,859.06	14,859.06		
Land Use Administration:					
Planning Board					
Salaries and Wages	4,205.00	4,205.00	4,180.21		24.79
Other Expenses	3,005.00	3,005.00	2,000.00		1,005.00

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
OPERATIONS -- WITHIN "CAPS" (CONTD)					
Code Enforcement and Administration:					
Construction Code Official					
Salaries and Wages	\$ 125,130.00	\$ 118,411.98	\$ 118,411.98	\$ 583.00	\$ 578.47
Other Expenses	2,250.00	2,250.00	1,088.53		
Insurance:					
Workers Compensation Insurance	114,920.00	114,920.00	114,920.00		
Employee Group Insurance	432,063.09	459,978.90	382,114.66	75,264.24	2,600.00
Liability Insurance	104,252.00	104,252.00	104,252.00		
Health Benefits Waiver	24,500.00	25,700.00	25,666.66		33.34
Public Safety Functions:					
Police Department					
Salaries and Wages	1,209,478.88	1,252,848.81	1,252,848.81	19,099.04	1,400.47
Other Expenses	86,421.00	82,545.68	62,046.17		
Office of Emergency Management					
Salaries and Wages	1,620.00	2,220.00	2,178.33		41.67
Other Expenses	4,700.00	4,700.00	2,527.12	1,562.00	610.88
Aid to Volunteer Fire Companies	88,235.60	89,109.27	51,158.35	37,950.92	
Aid to Volunteer Ambulance	8,000.00	8,000.00	8,000.00		
Fire Department					
Other Expenses	56,865.00	61,577.02	61,577.02		
Fire Prevention					
Salaries and Wages	78,465.00	90,274.52	90,274.52	39.78	11,204.05
Other Expenses	14,712.20	12,212.20	968.37		
Municipal Prosecutor's Office					
Salaries and Wages	17,500.00	17,500.08	17,500.08		
Public Work Functions:					
Streets and Road Maintenance					
Salaries and Wages	1,000.00	1,000.00	1,000.00		
Other Expenses	109,343.08	101,169.67	53,732.56	6,116.86	41,320.25
Workforce:					
Other Expenses	3,500.00	3,500.00	1,374.72	453.76	1,671.52

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Public Work Functions (Cont'd):					
Solid Waste Collection					
Salaries and Wages	\$ 342,375.00	\$ 346,398.50	\$ 346,398.50	\$ 5,289.77	\$ 5,210.23
Other Expenses	10,500.00	10,500.00			
Public Buildings and Grounds					
Other Expenses	33,900.00	18,900.00	14,219.65	3,873.48	806.87
Health and Human Services Functions:					
Environmental Health Services					
Other Expenses	2,000.00	2,000.00	2,000.00		
Animal Control Services					
Other Expenses	16,000.00	13,000.00	12,293.00		707.00
Human Relations Commission					
Other Expenses	500.00	500.00	30.00		470.00
Park and Recreation Functions:					
Board of Recreation Commissioners					
Other Expenses	29,600.00	15,100.00	7,500.00	3,341.40	4,258.60
Sterling Municipal Alliance Program					
Other Expenses	2,343.00	2,343.00			2,343.00
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	153,000.00	188,000.00	165,511.22	17,693.71	4,795.07
Utility Expenses and Bulk Purchases:					
Electricity	41,500.00	37,000.00	33,124.64	2,165.58	1,709.78
Street Lighting	77,500.00	77,500.00	68,889.02	6,698.29	1,912.69
Telephone	32,000.00	27,000.00	24,420.20	600.00	1,979.80
Water	2,800.00	2,800.00			2,800.00
Gas (Natural or Propane)	5,000.00	6,513.36	5,879.77	633.59	
Sewerage Processing and Disposal	1,200.00	1,200.00	1,144.00		56.00
Gasoline	65,000.00	67,594.36	64,988.10	2,461.50	144.76

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
OPERATIONS -- WITHIN "CAPS" (CONTD)					
UNCLASSIFIED:					
Accumulated Leave Compensation	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		
Salary Adjustments	15,000.00				
Total Operations - within "CAPS"	4,240,350.85	4,245,788.91	3,909,941.12	\$ 199,288.71	\$ 136,559.08
Detail:					
Salaries and Wages	2,426,340.88	2,478,222.68	2,468,568.85		9,653.83
Other Expenses	1,814,009.97	1,767,566.23	1,441,372.27	199,288.71	126,905.25
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Regulatory Expenditures:					
Contribution to:					
Public Employees Retirement System	163,177.67	163,177.67	163,177.67		
New Jersey Supplemental Disability Insurance (SDI)	1,700.00	1,719.89	1,719.89		
Police and Firemen's Retirement System of NJ	385,058.88	385,058.88	385,058.88		
Unemployment Insurance	6,000.00	542.05	542.05		
Defined Contribution Retirement Program	650.00	650.00	631.53		18.47
Social Security System (O.A.S.I.)	202,000.00	202,000.00	186,952.66		15,047.34
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	758,586.55	753,148.49	738,082.68		15,065.81
Total General Appropriations for Municipal Purposes -- Within "CAPS"	4,998,937.40	4,998,937.40	4,648,023.80	199,288.71	151,624.89

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- EXCLUDED FROM "CAPS"						
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages	\$ 76,877.16	\$ 76,877.16	\$ 76,877.16	\$ 2,925.90	\$ 13,431.48	
Other Expenses	54,540.00	54,540.00	38,182.62			
Park School Shared Services						
Salaries and Wages	324,398.07	324,398.07	280,956.11		43,441.96	
Other Expenses	101,756.49	101,756.49	56,167.44	8124.50	37,464.55	
Total Interlocal Municipal Service Agreements -- Within "CAPS"	557,571.72	557,571.72	452,183.33	11050.40	94,337.99	
Public and Private Programs:						
Bullet Proof Vest Partnership	1,426.62	1,426.62	1,426.62			
Camden County Recreation Grant 2020	25,000.00	25,000.00	25,000.00			
Camden County Open Space - Perry Complex {N.J.S.A. 40A:4-87, \$25,000.00+}		25,000.00	25,000.00			
Clean Communities Grant Program {N.J.S.A. 40A:4-87, \$11,615.94+}		11,615.94	11,615.94			
Community Development Block Grant 2021 FY2022 Somerdale Pedestrian Safety Grant {N.J.S.A. 40A:4-87, \$6,240.00+}	250,000.00	250,000.00	250,000.00			
New Jersey Department of Transportation: Parkview		6,240.00	6,240.00			
Safe and Secure Communities Program - P.L. 1994, Chapter 220 SFY 21 Body Worn Camera Grant Program {N.J.S.A. 40A:4-87, \$40,760.00+}	285,000.00	285,000.00	285,000.00			
	99,900.20	99,900.20	99,900.20			
		40,760.00	40,760.00			
Total Public and Private Programs -- Excluded from "CAPS"	661,326.82	744,942.76	744,942.76			
Total Operations -- Excluded from "CAPS"	1,218,898.54	1,302,514.48	1,197,126.09	11,050.40	94,337.99	
Detail:						
Salaries and Wages	501,175.43	501,175.43	457,733.47		43,441.96	
Other Expenses	717,723.11	801,339.05	739,392.62	11,050.40	50,896.03	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	65,000.00	65,000.00	65,000.00			
Total Capital Improvements Excluded from "CAPS"	65,000.00	65,000.00	65,000.00			

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2021

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
MUNICIPAL DEBT SERVICE --					
EXCLUDED FROM "CAPS"					
Payment on Bond Principal	\$ 595,000.00	\$ 595,000.00	\$ 595,000.00		\$ 80,279.63
NJIB Loan Principal	80,279.63	80,279.63			
Interest on Bonds	69,430.00	69,430.00	69,430.00		
Bond Anticipation Notes	45,569.62	45,569.62	45,569.62		
Interest on Notes	59,158.05	59,158.05	58,993.72		164.33
NJIB Loan Interest	50,826.37	50,826.37			50,826.37
Total Municipal Debt Service -- Excluded from "CAPS"	900,263.67	900,263.67	768,993.34		131,270.33
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,184,162.21	2,267,778.15	2,031,119.43	\$ 11,050.40	\$ 94,337.99
Subtotal General Appropriations	7,183,099.61	7,266,715.55	6,679,143.23	210,339.11	131,270.33
Reserve for Uncollected Taxes	275,000.00	275,000.00	275,000.00		
Total General Appropriations	\$ 7,458,099.61	\$ 7,541,715.55	\$ 6,954,143.23	\$ 210,339.11	\$ 131,270.33
Appropriation by 40A:4-87	\$	83,615.94			
Budget		7,458,099.61			
Budget	\$	7,541,715.55			
Refunds			\$ (111,368.54)		
Reserve for Federal and State Grants -- Appropriated			744,942.76		
Reserve for Uncollected Taxes			275,000.00		
Due Dog License Fund			11,750.00		
Due General Capital Fund			110,569.62		
Disbursements			5,923,249.39		
			\$ 6,954,143.23		

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

BOROUGH OF SOMERDALE
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2021 and 2020

ASSETS:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Cash	SB-1	<u>\$ 564.72</u>	<u>\$ 949.92</u>
Total Animal Control Fund		<u>564.72</u>	<u>949.92</u>
Other Funds:			
Cash	SB-1	<u>817,849.19</u>	<u>983,028.08</u>
Total Other Funds		<u>817,849.19</u>	<u>983,028.08</u>
Total Assets		<u><u>\$ 818,413.91</u></u>	<u><u>\$ 983,978.00</u></u>

(Continued)

BOROUGH OF SOMERDALE
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2021 and 2020

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 563.52	\$ 889.92
Due to State of New Jersey -- Registration Fees	SB-4	<u>1.20</u>	<u>60.00</u>
Total Animal Control Fund		<u>564.72</u>	<u>949.92</u>
Other Funds:			
Due to Current Fund	SB-5	15,412.76	1,876.56
Due to State of New Jersey -- Division of Youth and Family Services	SB-6	250.00	125.00
Due to State of New Jersey -- New Construction Surcharge	SB-7	1,192.00	1,704.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-8	2,299.37	7,299.37
Beautification Programs	SB-8	78,304.76	153,734.27
Developer's Escrow Fund	SB-8	299,274.25	295,914.25
Disposal of Forfeited Property	SB-8	20,642.86	13,206.18
Municipal Public Defender	SB-8	1,634.21	77.73
New Jersey Unemployment Compensation	SB-8	27,938.77	24,131.60
Outside Employment of Off-Duty Police Officers	SB-8	146,128.77	175,543.99
Parking Offense Adjudication Act	SB-8	1,976.05	1,956.05
Board of Recreation Commission	SB-8	16,022.27	16,165.78
Recycling Program	SB-8	15.05	15.05
Tax Title Lien Redemption	SB-8	191,707.83	280,228.01
Uniform Fire Safety Act Penalty Monies	SB-8	<u>15,050.24</u>	<u>11,050.24</u>
Total Other Funds		<u>817,849.19</u>	<u>983,028.08</u>
Total Liabilities and Reserves		<u>\$ 818,413.91</u>	<u>\$ 983,978.00</u>

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

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2021 and 2020

ASSETS:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	SC-1	\$ 244,766.08	\$ 320,591.71
Deferred Charges to Future Taxation:			
Funded	SC-3	2,450,000.00	3,045,000.00
Unfunded	SC-4	7,227,100.00	6,085,169.62
Community Development Block Grant Receivable	SC-5	8,647.00	8,647.00
New Jersey Transportation Trust Fund Authority Act Receivable	SC-6	308,099.34	308,099.34
Camden County Open Space Trust Fund Grant Receivable	SC-7	25,000.00	25,000.00
Due from Current Fund	SC-8	17,300.00	
		<u>17,300.00</u>	<u> </u>
Total Assets		<u>\$ 10,280,912.42</u>	<u>\$ 9,792,507.67</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
New Jersey Infrastructure Bank Short-Term Loan Payable	C	\$ 590,695.92	\$ 590,695.92
Reserve for Community Development Block Grant Receivable	C	300.00	300.00
Due to Current Fund	SC-8		30,769.62
Improvement Authorizations:			
Funded	SC-9	521,630.17	532,419.86
Unfunded	SC-9	491,555.80	28,732.16
Capital Improvement Fund	SC-10	19,679.00	17,179.00
Reserve for Encumbrances	SC-11	49,292.17	9,254.50
Contracts Payable	SC-12	984,209.36	1,492,106.61
Bond Anticipation Notes	SC-13	5,173,550.00	4,046,050.00
General Obligation Bonds	SC-14	2,450,000.00	3,045,000.00
		<u>2,450,000.00</u>	<u>3,045,000.00</u>
Total Liabilities and Reserves		<u>\$ 10,280,912.42</u>	<u>\$ 9,792,507.67</u>

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

BOROUGH OF SOMERDALE
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

ASSETS:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Cash	SD-1	\$ 389,853.37	\$ 324,814.22
Due from Sewer Utility Capital Fund	SD-8	<u>36,800.00</u>	<u>55,200.00</u>
		<u>426,653.37</u>	<u>380,014.22</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	59,047.24	56,666.08
Sewer Utility Liens	SD-5	<u>4,112.85</u>	<u>3,380.85</u>
		<u>63,160.09</u>	<u>60,046.93</u>
Total Operating Fund		<u>489,813.46</u>	<u>440,061.15</u>
Assessment Fund:			
Assessments Receivable	SD-6	<u>36,800.00</u>	<u>55,200.00</u>
		<u>36,800.00</u>	<u>55,200.00</u>
Capital Fund:			
Fixed Capital	SD-7	7,314,274.98	7,292,892.64
Due from Sewer Utility Trust Assessment Fund	SD-9	<u>36,800.00</u>	<u>55,200.00</u>
Total Capital Fund		<u>7,351,074.98</u>	<u>7,348,092.64</u>
Total Assets		<u>\$ 7,877,688.44</u>	<u>\$ 7,843,353.79</u>

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2021 and 2020

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Operating Fund:			
Appropriation Reserves	D-3, SD-10	\$ 130,560.29	\$ 79,373.73
Reserve for Encumbrances	D-3, SD-10	30,858.31	10,825.98
Accounts Payable	SD-11	3,209.99	3,000.00
Sewer Rent Overpayments	SD-12	3,504.10	3,495.20
Accrued Interest on Bonds and Notes	SD-13	1,757.43	1,792.71
		<u>169,890.12</u>	<u>98,487.62</u>
Reserve for Receivables		63,160.09	60,046.93
Fund Balance	D-1	256,763.25	281,526.60
		<u>489,813.46</u>	<u>440,061.15</u>
Assessment Fund:			
Due to Sewer Utility Capital Fund	SD-9	36,800.00	55,200.00
		<u>36,800.00</u>	<u>55,200.00</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-8	36,800.00	55,200.00
Reserve for Amortization	SD-14	4,204,160.20	4,120,334.00
United States Department of Agriculture (USDA) Loans Payable	SD-15	3,110,114.78	3,172,558.64
		<u>7,351,074.98</u>	<u>7,348,092.64</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,877,688.44</u>	<u>\$ 7,843,353.79</u>

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

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 159,391.33	\$ 262,029.30
Rents	510,592.59	507,596.34
Miscellaneous	52,657.36	22,168.35
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	76,772.75	47,372.95
Contracts Payable Cancelled		995.00
	<u>799,414.03</u>	<u>840,161.94</u>
<u>Expenditures</u>		
Operating	402,183.33	403,924.83
Debt Service	121,602.72	121,603.36
Capital Improvements	92,000.00	50,000.00
Deferred Charges		143,604.07
Regulatory Expenditures	49,000.00	48,650.00
Refund of Prior Year Revenue		1,839.41
	<u>664,786.05</u>	<u>769,621.67</u>
Total Expenditures		
Excess (Deficit) in Revenue	134,627.98	70,540.27
Balance January 1	<u>281,526.60</u>	<u>473,015.63</u>
	416,154.58	543,555.90
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	<u>159,391.33</u>	<u>262,029.30</u>
Balance December 31	<u>\$ 256,763.25</u>	<u>\$ 281,526.60</u>

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

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2021

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 159,391.33	\$ 159,391.33	
Rents	505,430.00	510,592.59	\$ 5,162.59
Miscellaneous		<u>52,657.36</u>	<u>52,657.36</u>
	<u>\$ 664,821.33</u>	<u>\$ 722,641.28</u>	<u>\$ 57,819.95</u>
 <u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable:			
Receipts -- Collector:			
Rents		\$ 507,097.39	
Overpayments Applied		<u>3,495.20</u>	
			<u>\$ 510,592.59</u>
 Miscellaneous:			
Collector - Receipts:			
Miscellaneous			
Special Sewer Charges		\$ 15,000.00	
Interest and Costs on Delinquent Rents		<u>3,760.13</u>	
			\$ 18,760.13
 Treasurer:			
Receipts -- Interest Earned on Deposits			
Interest Earned on Deposits		364.18	
Refund of Prior Year Expenditures		<u>33,533.05</u>	
			<u>33,897.23</u>
			<u>\$ 52,657.36</u>

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

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
 Statement of Expenditures -- Regulatory Basis
 For the Year Ended December 31, 2021

	Appropriations		Budget After Modification	Paid or Charged			Unexpended Balance Canceled
	Budget			Expended	Encumbered	Reserved	
Sewer Operating:							
Salaries and Wages	\$ 235,033.33	\$	235,033.33	\$ 216,965.38	\$ 18,067.95		
Other Expenses	167,150.00		167,150.00	96,493.06	54,298.63		
Total Operating	402,183.33		402,183.33	313,458.44	72,366.58		
Capital Improvements							
Capital Outlay	92,000.00		92,000.00	21,382.34	56,117.66		
Debt Service:							
Payment of Bond Principal	62,443.86		62,443.86	62,443.86			\$ 35.28
Interest on Bonds	59,194.14		59,194.14	59,158.86			
Total Debt Service	121,638.00		121,638.00	121,602.72			35.28
Regulatory Expenditures:							
Contribution to:							
Public Employees' Retirement System	31,000.00		31,000.00	31,000.00			
Social Security System (O.A.S.I.)	18,000.00		18,000.00	15,923.95	2,076.05		
Total Regulatory Expenditures	49,000.00		49,000.00	46,923.95	2,076.05		
Total Appropriations	\$ 664,821.33	\$	664,821.33	\$ 503,367.45	\$ 130,560.29		\$ 35.28
Accrued Interest on Bonds and Notes		\$		59,158.86			
Disbursements				444,208.59			
		\$		503,367.45			

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

BOROUGH OF SOMERDALE
GENERAL FIXED ASSETS GROUP OF ACCOUNTS
Statement of General Fixed Assets Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2021</u>
Fixed Assets:				
Land and Buildings	\$ 5,591,569.55	\$ 116,550.24		\$ 5,708,119.79
Construction in Progress		522,055.54		522,055.54
Public Works Equipment	965,864.05		\$ 68,142.00	897,722.05
Police Equipment	178,848.79			178,848.79
Office Equipment	44,835.32			44,835.32
Fire Equipment	91,303.00			91,303.00
Vehicles	3,800,206.87	29,439.00		3,829,645.87
	<hr/>			
Total Fixed Assets	<u>\$ 10,672,627.58</u>	<u>\$ 668,044.78</u>	<u>\$ 68,142.00</u>	<u>\$ 11,272,530.36</u>
	<hr/>			
Total Investment in Fixed Assets	<u>\$ 10,672,627.58</u>	<u>\$ 668,044.78</u>	<u>\$ 68,142.00</u>	<u>\$ 11,272,530.36</u>

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

BOROUGH OF SOMERDALE
Notes to Financial Statements
For the Year Ended December 31, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Somerdale (hereafter referred to as the "Borough") was incorporated as a borough by an act of the New Jersey legislature on April 23, 1929 as one of seven municipalities created from the now-defunct Clementon Borough. The Borough, located in Camden County, New Jersey, has a total area of approximately 1.387 square miles, and is located approximately sixteen miles from the City of Philadelphia. The Borough borders the Boroughs of Cherry Hill, Gloucester and Voorhees and the Boroughs of Hi-Nella, Lawnside, Lindenwold, Magnolia and Stratford. According to the 2020 census, the population is 5,566.

The Borough is governed under a Mayor-Council form of government known as the Mayor-Council Plan A under the Optional Municipal Charter Law of 1960 popularly known as the Faulkner Act. The governing body consists of a Mayor and a Borough Council comprising six council members, with all positions elected at-large on a partisan basis as part of the November general election. A Mayor is elected directly by the voters to a four-year term of office. The Borough Council consists of six members elected to serve three-year terms on a staggered basis, with two seats coming up for election each year in a three-year cycle. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk.

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

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

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

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

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

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

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

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

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of Somerdale School District and the Sterling Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2020 and decreased by the amount deferred at December 31, 2021.

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

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

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

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2021, the Borough's bank balances of \$3,049,639.43 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,289,164.08
Uninsured and Uncollateralized	<u>760,475.35</u>
Total	<u>\$ 3,049,639.43</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$ 4.389</u>	<u>\$ 4.280</u>	<u>\$ 4.202</u>	<u>\$ 4.305</u>	<u>\$ 4.259</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.129	\$ 1.113	\$ 1.107	\$ 1.103	\$ 1.099
County	.986	.942	.917	.953	.942
Local School	1.485	1.461	1.450	1.435	1.409
Regional High School	.789	.764	.728	.814	.809

Note 3: PROPERTY TAXES (CONT'D)

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

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2021	\$ 337,834,000.00
2020	337,054,000.00
2019	333,809,300.00
2018	330,140,900.00
2017	325,739,600.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2021	\$ 14,835,454.93	\$ 14,598,665.48	98.40%
2020	14,427,873.92	14,159,811.30	98.14%
2019	14,170,976.42	13,748,976.26	97.02%
2018	14,224,771.75	13,864,390.50	97.47%
2017	13,915,960.08	13,495,080.39	96.98%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 131,824.67	\$ 231,520.18	\$ 363,344.85	2.45%
2020	99,009.55	262,740.84	361,750.39	2.51%
2019	78,943.38	312,234.56	391,177.94	2.76%
2018	11,162.83	349,776.47	360,939.30	2.54%
2017	31,191.77	397,135.89	428,327.66	3.08%

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

<u>Year</u>	<u>Number</u>
2021	8
2020	8
2019	9
2018	5
2017	6

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2021	\$ 170,015.00
2020	170,015.00
2019	192,315.00
2018	192,315.00
2017	192,590.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2021	\$ 56,666.08	\$ 3,380.85	\$ 513,705.75	\$ 573,752.68	\$ 510,592.59
2020	51,666.42	2,648.85	513,407.00	567,722.27	507,596.34
2019	55,734.37	1,564.06	502,657.50	559,955.93	505,787.60
2018	61,832.11	1,001.06	497,960.57	560,793.74	503,495.31
2017	77,542.99	864.86	483,836.91	562,244.76	499,440.56

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 510,290.17	\$ 300,000.00	58.79%
2020	689,838.77	465,000.00	67.41%
2019	920,818.13	634,559.46	68.91%
2018	1,117,446.84	499,900.00	44.74%
2017	1,230,702.02	503,748.49	40.93%

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2021	\$ 256,763.25	\$ 132,645.43	51.66%
2020	281,526.60	159,391.33	56.62%
2019	473,015.63	262,029.30	55.40%
2018	462,038.43	115,825.85	25.07%
2017	546,458.57	166,878.55	30.54%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2021:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 15,412.76	\$ 378,476.50
Federal and State Grant	361,176.50	
Trust - Other		15,412.76
General Capital	17,300.00	
Sewer Utility - Operating	36,800.00	
Sewer Utility Trust Assessment		36,800.00
Sewer Utility - Capital	36,800.00	36,800.00
	<u>\$ 467,489.26</u>	<u>\$ 467,489.26</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2022, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed below.

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, some Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration.

Note 8: PENSION PLANS (CONT'D)

The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

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

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

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

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

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

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

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

The following represents the membership tiers for PERS:

Tier Definition

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

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

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

The following represents the membership tiers for PFRS:

Tier Definition

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

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

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

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 14.50% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$210,559.00, and was payable by April 1, 2020. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$173,773.00, which was paid on April 1, 2020.

Employee contributions to the Plan during the year ended December 31, 2020 were \$110,877.16.

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

Special Funding Situation Component - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)****Police and Firemen's Retirement System (Cont'd)**

Special Funding Situation Component (Cont'd) - Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2020 was 32.89% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 is \$393,863.00, and was payable by April 1, 2021. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2019, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2019 was \$366,288.00, which was paid on April 1, 2020.

Employee contributions to the Plan during the year ended December 31, 2020 were \$119,765.20.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2020 was 4.54% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 is \$54,402.00, and was payable by April 1, 2021. Based on the PFRS measurement date of June 30, 2019, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2019 was \$47,214.00, which was paid on April 1, 2020.

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

For the year ended December 31, 2020, employee contributions totaled \$1,132.62, and the Borough's contributions were \$618.62. There were no forfeitures during the year.

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

Pension Liability - At December 31, 2020, the Borough's proportionate share of the PERS net pension liability was \$3,138,780.00. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was 0.0192475967%, which was an increase of 0.0013826816% from its proportion measured as of June 30, 2019.

Pension Expense - For the year ended December 31, 2020, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$292,878.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PERS was \$329,987.00, and was paid on April 1, 2020.

Police and Firemen's Retirement System

Pension Liability - At December 31, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 4,555,462.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>706,987.00</u>
	<u>\$ 5,262,449.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2020 measurement date, the Borough's proportion was 0.0352553952%, which was a decrease of (0.0010067727%) from its proportion measured as of June 30, 2019. Likewise, at June 30, 2020, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0352553952%, which was an decrease of (0.0010067727%) from its proportion, on-behalf of the Borough, measured as of June 30, 2019.

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

Pension Expense - For the year ended December 31, 2020, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2020 measurement date was \$311,947.00. This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2020, the Borough's contribution to PFRS was \$366,288.00, and was paid on April 1, 2020.

For the year ended December 31, 2020, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2020 measurement date, was \$81,418.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 57,152.00	\$ 45,927.00	\$ 103,079.00	\$ 11,100.00	\$ 16,349.00	\$ 27,449.00
Changes of Assumptions	101,826.00	11,464.00	113,290.00	1,314,237.00	1,221,292.00	2,535,529.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	107,286.00	267,108.00	374,394.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	449,491.00	112,201.00	561,692.00	58,963.00	249,991.00	308,954.00
Borough Contributions Subsequent to the Measurement Date	105,280.00	196,932.00	302,212.00	-	-	-
	<u>\$ 821,035.00</u>	<u>\$ 633,632.00</u>	<u>\$ 1,454,667.00</u>	<u>\$ 1,384,300.00</u>	<u>\$ 1,487,632.00</u>	<u>\$ 2,871,932.00</u>

\$105,280.00 and \$196,932.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2021. These amounts were based on an estimated April 1, 2022 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2020 to the Borough's year end of December 31, 2020.

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

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

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2016	5.00	-	5.00	-
June 30, 2017	5.00	-	5.00	-
June 30, 2018	5.00	-	5.00	-
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2021	\$ (262,921.00)	\$ (405,583.00)	\$ (668,504.00)
2022	(241,590.00)	(327,429.00)	(569,019.00)
2023	(130,168.00)	(172,867.00)	(303,035.00)
2024	(25,570.00)	(102,091.00)	(127,661.00)
2025	(8,296.00)	(42,962.00)	(51,258.00)
	<u>\$ (668,545.00)</u>	<u>\$ (1,050,932.00)</u>	<u>\$ (1,719,477.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

⁽¹⁾ based on years of service

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Police and Firemen's Retirement System

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Police and Firemen's Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2020 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 3,951,200.00</u>	<u>\$ 3,138,780.00</u>	<u>\$ 2,449,419.00</u>

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

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2020 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	PFRS		
	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 6,057,827.00	\$ 4,555,462.00	\$ 3,307,633.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>940,147.00</u>	<u>706,987.00</u>	<u>513,330.00</u>
	<u>\$ 6,997,974.00</u>	<u>\$ 5,262,449.00</u>	<u>\$ 3,820,963.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary Pension Information

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

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Eight Plan Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0192475967%	0.0178649151%	0.0181845981%	0.0170511830%
Borough's Proportionate Share of the Net Pension Liability	\$ 3,138,780.00	\$ 3,218,987.00	\$ 3,580,457.00	\$ 3,969,243.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,387,012.00	\$ 1,273,164.00	\$ 1,268,256.00	\$ 1,133,084.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	226.30%	252.83%	282.31%	350.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0157077041%	0.0164134907%	0.0116870070%	0.0129708891%
Borough's Proportionate Share of the Net Pension Liability	\$ 4,652,171.00	\$ 3,684,500.00	\$ 2,188,127.00	\$ 2,478,995.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,071,284.00	\$ 1,149,972.00	\$ 787,492.00	\$ 898,680.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	434.26%	320.40%	277.86%	275.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 210,559.00	\$ 173,773.00	\$ 180,878.00	\$ 157,961.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>\$ (210,559.00)</u>	<u>\$ (173,773.00)</u>	<u>(180,878.00)</u>	<u>(157,961.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,451,765.00	\$ 1,394,222.00	\$ 1,247,192.00	\$ 1,222,201.00
Borough's Contributions as a Percentage of Covered Payroll	14.50%	12.46%	14.50%	12.92%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 139,545.00	\$ 141,112.00	\$ 96,346.00	\$ 97,733.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(139,545.00)</u>	<u>(141,112.00)</u>	<u>(96,346.00)</u>	<u>(97,733.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,159,325.00	\$ 1,049,920.00	\$ 1,111,193.00	\$ 856,953.00
Borough's Contributions as a Percentage of Covered Payroll	12.04%	13.44%	8.67%	11.40%

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

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0352553952%	0.0362621679%	0.0373776911%	0.0370470239%
Borough's Proportionate Share of the Net Pension Liability	\$ 4,555,462.00	\$ 4,437,698.00	\$ 5,057,818.00	\$ 5,719,344.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>706,987.00</u>	<u>700,721.00</u>	<u>687,021.00</u>	<u>640,615.00</u>
Total	<u>\$ 5,262,449.00</u>	<u>\$ 5,138,419.00</u>	<u>\$ 5,744,839.00</u>	<u>\$ 6,359,959.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,187,820.00	\$ 1,229,040.00	\$ 1,240,024.00	\$ 1,199,204.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	383.51%	361.07%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0362084266%	0.0327063694%	0.0331527477%	0.0324190261%
Borough's Proportionate Share of the Net Pension Liability	\$ 6,916,736.00	\$ 5,447,741.00	\$ 4,170,308.00	\$ 4,309,817.00
State's Proportionate Share of the Net Pension Liability associated with the Borough	<u>80,834.00</u>	<u>477,749.00</u>	<u>449,072.00</u>	<u>40,127.00</u>
Total	<u>\$ 6,997,570.00</u>	<u>\$ 5,925,490.00</u>	<u>\$ 4,619,380.00</u>	<u>\$ 4,349,944.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,157,312.00	\$ 1,093,148.00	\$ 1,047,124.00	\$ 1,050,540.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	597.66%	498.35%	398.26%	410.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

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

	<u>Year Ended December 31,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 393,863.00	\$ 366,288.00	\$ 365,422.00	\$ 327,873.00
Borough's Contribution in Relation to the Contractually Required Contribution	(393,863.00)	(366,288.00)	(365,422.00)	(327,873.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 1,197,652.00	\$ 1,199,210.00	\$ 1,196,964.00	\$ 1,220,142.00
Borough's Contributions as a Percentage of Covered Payroll	32.89%	30.54%	30.53%	26.87%
	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 295,222.00	\$ 265,854.00	\$ 254,636.00	\$ 236,522.00
Borough's Contribution in Relation to the Contractually Required Contribution	(295,222.00)	(265,854.00)	(254,636.00)	(236,522.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 1,203,499.00	\$ 1,160,483.00	\$ 1,083,954.00	\$ 1,058,110.00
Borough's Contributions as a Percentage of Covered Payroll	24.53%	22.91%	23.49%	22.35%

Other Notes to Supplementary Pension Information***Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

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

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

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

None

Changes in Assumptions

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

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

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

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

The mortality assumption was updated upon direction from the DPB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In June of 2022, the New Jersey Division of Local Government Services issued Local Finance Notice 2022-12 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2021 was not available, therefore the information dated June 30, 2020 is disclosed below.

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

Plan Description and Benefits Provided - The Borough does not provide postemployment benefits to its retirees; however, the State of New Jersey (the "State") provides these benefits to certain Borough retirees and their dependents under a special funding situation as described below.

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

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

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

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

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

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Borough is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Borough (\$190,275.00) for the year ended December 31, 2020, representing (15.89%) of the Borough covered payroll.

OPEB Liability

OPEB Liability - At December 31, 2020, the State's proportionate share of the net OPEB liability associated with the Borough was \$3,822,301.00. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

The State's proportion of the net OPEB liability, associated with the Borough was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2019 through June 30, 2020. For the June 30, 2020 measurement date, the State's proportion on-behalf of the Borough was .069976%, which was an increase of .009598% from its proportion measured as of the June 30, 2019 measurement date.

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

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2020 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PFRS:	
Rate for all Future Years	3.25% to 15.25%

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

PFRS mortality rates were based on Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of the PFRS experience study prepared for July 1, 2013 to June 30, 2018.

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

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

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term trend rate after seven years.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 4,518,767.00</u>	<u>\$ 3,822,301.00</u>	<u>\$ 3,270,985.00</u>

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>\$ 3,162,958.00</u>	<u>\$ 3,822,301.00</u>	<u>\$ 4,685,720.00</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Borough (Last Four Plan Years)**

	<u>Measurement Date Ended June 30,</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	3,822,301.00	3,336,318.00	3,280,102.00	4,685,871.00
Total	\$ 3,822,301.00	\$ 3,336,318.00	\$ 3,280,102.00	\$ 4,685,871.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,224,026.00	\$ 1,172,813.00	\$ 1,214,680.00	\$ 1,224,193.00
Borough's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	312.27%	284.47%	270.04%	382.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of June 30, 2020 included updates to the provisions of Chapter 48, along with newly adopted changes in different levels of subsidy for employers.

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

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

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

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

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

Changes in Assumptions (Cont'd) - The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023 the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.50% for all future years. For prescription drug benefits, the initial trend rate is 7.00% decreasing to a 4.50% long-term trend rate after seven years.

On October 21, 2020, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2020. The MP-2020 scale reflects more recent mortality data for the U.S. population.

Note 10: COMPENSATED ABSENCES

Under the existing policy of the Borough, full-time employees covered under Civil Service Law are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward for an unlimited amount of time; however must be surrendered without compensation upon termination. Vacation days not used during the year may be accumulated and carried forward to the subsequent year. Upon termination, unused vacation days and compensated hours may be surrendered for compensation based upon the employee's daily wage rate. Part-time Borough employees are not entitled to be compensated for absences. The Borough's contract with the Police Benevolent Association Local No. 30 entitles contracted employees to \$100 per day for up to 200 sick days.

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2021, the balance of the fund was \$2,299.37. It is estimated that, at December 31, 2021, accrued benefits for compensated absences are valued at \$292,972.17.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: LEASE OBLIGATIONS

At December 31, 2021, the Borough had lease agreements in effect for the following:

Capital:

- Two (2) 2020 For Police Interceptors
- Two (2) 2021 Ford Police Interceptors
- One (2) 2020 Tarco Hurricane 25 Yard Leaf Machine
- One (1) 2019 International Single Axle Dump Truck

Capital Leases - The following is an analysis of the Borough's capital leases:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2021</u>	<u>2020</u>
Police Vehicles	\$ 112,394.60	\$ 149,009.72
Public Works Vehicle and Equipment	108,885.19	142,039.67
	<u>\$ 221,279.79</u>	<u>\$ 291,049.39</u>

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 73,795.67	\$ 9,860.73	\$ 83,656.40
2023	77,509.57	6,146.82	83,656.39
2024	69,974.55	2,395.46	72,370.01
	<u>\$ 221,279.79</u>	<u>\$ 18,403.01</u>	<u>\$ 239,682.80</u>

Note 13: CAPITAL DEBT**General Obligation Bonds**

General Obligation Bonds, Series 2017 - On October 24, 2017, the Borough issued \$3,180,000.00 of general obligation bonds, with interest rates ranging from 2.0% to 2.75%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is May 1, 2028.

Note 13: CAPITAL DEBT (CONT'D)**General Obligation Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 350,000.00	\$ 52,500.00	\$ 402,500.00
2023	350,000.00	45,500.00	395,500.00
2024	350,000.00	38,062.50	388,062.50
2025	350,000.00	30,187.50	380,187.50
2026	350,000.00	22,312.50	372,312.50
2027-2028	700,000.00	18,812.50	718,812.50
	<u>\$ 2,450,000.00</u>	<u>\$ 207,375.00</u>	<u>\$ 2,657,375.00</u>

Sewer Utility Debt – United States Department of Agriculture (USDA) Loans

On December 20, 2016, the Borough entered into a loan agreement with the United States Department of Agriculture to provide funding in the amount of \$3,411,000.00 for three phases in the Borough's improvements to its sewer system. Each loan requires semi-annual principal and interest payments over forty-years at an interest rate of 1.875% which began on June 20, 2017. The loans for phase 1, 2 and 3 were for \$1,230,000.00, \$1,383,000.00 and \$798,000.00, respectively. In addition, the funding for the three phases have included grants in the amount of \$400,000.00, \$523,000.00 and \$266,300.00, respectively.

The following schedule represents the remaining debt service, through maturity, for the United States Department of Agriculture (USDA) Loans:

<u>Year</u>	<u>Sewer Utility</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 63,620.18	\$ 58,017.82	\$ 121,638.00
2023	64,818.64	56,819.36	121,638.00
2024	66,039.70	55,598.30	121,638.00
2025	67,283.74	54,354.26	121,638.00
2026	68,551.22	53,086.78	121,638.00
2027-2031	362,619.99	245,570.01	608,190.00
2032-2036	398,086.24	210,103.76	608,190.00
2037-2041	437,021.31	171,168.69	608,190.00
2042-2046	479,764.43	128,425.57	608,190.00
2047-2051	526,688.10	81,501.90	608,190.00
2052-2056	575,621.23	29,988.88	605,610.11
	<u>\$ 3,110,114.78</u>	<u>\$ 1,144,635.33</u>	<u>\$ 4,254,750.11</u>

Note 13: CAPITAL DEBT (CONT'D)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 8,214,245.92	\$ 7,681,745.92	\$ 5,525,000.00
Sewer Utility:			
Notes and Loans	3,110,114.78	3,172,558.64	3,233,847.95
Total Issued	<u>11,324,360.70</u>	<u>10,854,304.56</u>	<u>8,758,847.95</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,462,854.08	1,462,854.08	4,209,600.00
Sewer Utility:			
Notes and Loans			
Total Authorized but not Issued	<u>1,462,854.08</u>	<u>1,462,854.08</u>	<u>4,209,600.00</u>
Total Issued and Authorized but not Issued	<u>12,787,214.78</u>	<u>12,317,158.64</u>	<u>12,968,447.95</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Debt			46,300.00
Sewer Utility:			
Self-Liquidating	3,110,114.78	3,172,558.64	3,233,847.95
Total Deductions	<u>3,110,114.78</u>	<u>3,172,558.64</u>	<u>3,280,147.95</u>
Net Debt	<u>\$ 9,677,100.00</u>	<u>\$ 9,144,600.00</u>	<u>\$ 9,688,300.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 2.486%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 938,217.11	\$ 938,217.11	
Local School District	2,812,000.00	2,812,000.00	
Self-Liquidating	3,110,114.78	3,110,114.78	
General	9,677,100.00		\$ 9,677,100.00
	<u>\$ 16,537,431.89</u>	<u>\$ 6,860,331.89</u>	<u>\$ 9,677,100.00</u>

Net debt \$9,677,100.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$389,280,921.33, equals 2.486%.

Note 13: CAPITAL DEBT (CONT'D)

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	13,624,832.25
Less: Net Debt		<u>9,677,100.00</u>
Remaining Borrowing Power	\$	<u><u>3,947,732.25</u></u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$	722,641.28
Deductions:		
Operating and Maintenance Costs	\$	451,183.33
Debt Service		<u>121,602.72</u>
Total Deductions		<u>572,786.05</u>
Excess in Revenue	\$	<u><u>149,855.23</u></u>

Note 14: SCHOOL TAXES

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

	<u>Balance December 31,</u>	
	<u>2021</u>	<u>2020</u>
Balance of Tax	\$ 1,332,890.50	\$ 1,286,845.00
Deferred	<u>1,332,890.50</u>	<u>1,286,845.00</u>
Prepaid Taxes	<u>\$ -</u>	<u>\$ -</u>

Note 15: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021		\$ 4,608.45	\$ 27.92	\$ 829.20	\$ 27,938.77
2020	\$ 15,990.50	5,956.17	9.50	1,892.09 (a)	24,131.60
2019	15,543.85	7,753.00	18.42	20,471.36 (a)	4,067.52

(a) Includes amounts paid by the Current Fund Budget

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2021.

Joint Insurance Pool - The Borough of Somerdale is a member of the Camden County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

- Public Employees and Public Officials Bonds
- Automobile Liability and Automobile Physical Damage
- Workers' Compensation including Employer's Liability
- Longshore and Harbor Workers Compensation (USL & H)
- Property Including Flood and Boiler and Machinery
- General Liability including Public Officials and Employment Practices Liability
- Environmental Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

- Excess Workers' Compensation
- Excess General Liability
- Non-Owned Aircraft Liability
- Excess Public Employees and Public Officials Bonds
- Excess Automobile Liability
- Excess Workers' Compensation and Employers' Liability
- Excess Longshore and Harbor Workers Compensation (USL & H)
- Excess Harbor Marine/Jones Act
- Excess General Liability
- Excess Property including Boiler and Machinery

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - The Borough's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report for the year ended December 31, 2021, which can be obtained from:

Camden County Municipal Joint Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Municipal Excess Liability Insurance Fund
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054

Note 16: CONTINGENCIES

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

Note 17: CONCENTRATIONS

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

Note 18: COVID-19

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Borough's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Borough is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for calendar year 2022.

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2021

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2020	\$ 1,603,082.55	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 90,907.55	
2021 Budget Appropriation Refunds	111,368.54	
Collector	14,815,574.52	
Petty Cash Funds	50.00	
Revenue Accounts Receivable	1,993,655.25	
2020 Appropriation Reserves Refunds	1,908.10	
Accounts Payable	2,981.89	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	36,500.00	
Reserve for Payroll Deductions Payable	4,110,086.76	
Due Current Fund		\$ 73,760.03
Due Dog License Fund	1.12	
Due Trust - Other Fund	115,203.88	
Federal and State Grants Receivable		534,930.94
Reserve for Federal and State Grants -- Unappropriated		301,185.69
Reserve for Federal and State Grants -- Appropriated		10,253.66
	<u>21,278,237.61</u>	<u>\$ 920,130.32</u>
	22,881,320.16	920,130.32
Decreased by Disbursements:		
Refund of Prior Year Revenue	8,697.31	
Petty Cash Funds	50.00	
2021 Appropriations	5,923,249.39	
2020 Appropriation Reserves	109,875.21	
Accounts Payable	4,053.45	
Tax Overpayments	3,877.27	
County Taxes Payable	3,327,143.05	
Due County for Added and Omitted Taxes	245.62	
Local School District Taxes Payable	5,017,531.00	
Regional High School Tax	2,619,735.50	
Reserve for Payroll Deductions Payable	4,107,605.19	
Due Federal and State Grant Fund	73,760.03	
Due Dog License Fund	11,750.00	
Due Trust -- Other Fund	104,742.47	
Due General Capital Fund	61,869.87	
Reserve for Federal and State Grants -- Appropriated		140,660.39
Contracts Payable		779,469.93
	<u>21,374,185.36</u>	<u>920,130.32</u>
Balance December 31, 2021	<u>\$ 1,507,134.80</u>	<u>\$ -</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2021

Increased by:

Maintenance Liens		\$ 1,955.11
Taxes Receivable		14,631,650.60
Prepaid Taxes		108,403.38
Tax Overpayments		13,214.01
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 54,795.67	
Miscellaneous	<u>5,555.75</u>	
		<u>60,351.42</u>

14,815,574.52

Decreased by:

Payments to Treasurer		<u>\$ 14,815,574.52</u>
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BOROUGH OF SOMERDALE
 CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2021

<u>Office</u>	<u>Amount</u>
Treasurer	\$ 15.00
Municipal Court	100.00
Collector	100.00
	\$ 215.00

Exhibit SA-4

BOROUGH OF SOMERDALE
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2021

<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Treasurer	\$ 50.00	\$ 50.00

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 10,927.27
Increased by:	
2021 Charges	<u>2,225.00</u>
	13,152.27
Decreased by:	
Receipts:	
Paid to Trust Other Fund	<u>1,955.11</u>
Balance December 31, 2021	<u><u>\$ 11,197.16</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Taxes Receivable
 For the Year Ended December 31, 2021

Year	Balance Dec. 31, 2020	2021 Levy	Added Taxes	2020 Collections	2021 Collections	Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance Dec. 31, 2021
2015	\$ 2,610.46									\$ 2,610.46
2016	3,482.58									3,482.58
2017	3,581.82									3,581.82
2018	3,620.51									3,620.51
2019	3,533.88									3,533.88
2020	245,911.59		\$ 1,000.00		\$ 244,557.59					2,354.00
	262,740.84		1,000.00		244,557.59					19,183.25
2021		\$ 14,835,454.93		\$ 145,784.54	14,387,093.01	\$ 40,850.00	\$ 17,937.84	\$ 24,937.93	\$ 6,514.68	212,336.93
	\$ 262,740.84	\$ 14,835,454.93	\$ 1,000.00	\$ 145,784.54	\$ 14,631,650.60	\$ 40,850.00	\$ 17,937.84	\$ 24,937.93	\$ 6,514.68	\$ 231,520.18

Senior Citizens Disallowed by Collector \$ 1,000.00

Analysis of 2021 Property Taxes

Tax Yield:	
General Purpose Tax	\$ 14,827,535.41
Added Taxes (54:4-63.1 et seq.)	<u>7,919.52</u>
	<u>\$ 14,835,454.93</u>

Tax Levy:

Regional High School Tax	
Local District School Tax	\$ 2,665,781.00
County Taxes:	5,017,531.00
Net County Taxes	\$ 3,050,720.17
County Library Tax	197,620.25
County Open Space Taxes	78,802.63
Due County for Added and Omitted Taxes	<u>1,774.29</u>

Total County Taxes	3,328,917.34
Local Tax for Municipal Purposes	3,814,994.62
Add: Additional Tax Levied	<u>8,230.97</u>
	<u>3,823,225.59</u>

\$ 14,835,454.93

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 99,009.55
Increased by:		
Demolition Costs	\$ 14,000.00	
Year End Penalties	877.28	
Transfers from Taxes Receivable:		
2021 Taxes	<u>17,937.84</u>	
		<u>32,815.12</u>
Balance December 31, 2021		<u><u>\$ 131,824.67</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND

Statement of Revenue Accounts Receivable
 For the Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	Accrued in <u>2021</u>	Collector	Collections <u>Treasurer</u>	Balance <u>Dec. 31, 2021</u>
Clerk:					
Licenses:					
Alcohol Beverages	\$	18,617.00		\$ 18,617.00	
Other		13,175.00		13,175.00	
Fees and Permits		11,290.01		11,290.01	
Municipal Court:					
Fines and Costs	\$ 2,357.01	73,935.50		70,107.01	\$ 6,185.50
Tax Collector:					
Interest and Costs on Taxes		54,795.67	\$ 54,795.67		
Non Budgeted Revenue		5,555.75	5,555.75		
Board of Health:					
Licenses Other		105.00		105.00	
Fees and Permits		880.00		880.00	
Police:					
Fees and Permits		2,243.00		2,243.00	
Treasurer:					
Cable Television Franchise Tax	18,833.94	19,628.53		18,833.94	19,628.53
Energy Receipts Tax		521,473.00		521,473.00	
Interlocal Service Agreements		654,800.25		654,800.25	
Payment in Lieu of Taxes - National Realty		421,344.00		421,344.00	
Payment in Lieu of Taxes - Other		14,864.56		14,864.56	
Delaware River Port Authority Fees		15,000.00		15,000.00	
Debt Service Agreement - Our Lady of Grace		70,535.48		70,535.48	
Uniform Construction Code:					
Fees and Permits		83,252.00		83,252.00	
Uniform Fire Code:					
Local Fees & Permits		77,135.00		77,135.00	
	<u>\$ 21,190.95</u>	<u>\$ 2,058,629.75</u>	<u>\$ 60,351.42</u>	<u>\$ 1,993,655.25</u>	<u>\$ 25,814.03</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Schedule of Property Acquired for Taxes (At Assessed Valuation)
As of December 31, 2021

Balance December 31, 2021

\$ 170,015.00

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Regional High School Taxes
 For the Year Ended December 31, 2021

Balance December 31, 2020		
School Tax Deferred	\$	1,286,845.00
Increased by:		
Levy School Year July 1, 2021 to June 30, 2022		2,665,781.00
		3,952,626.00
Decreased by:		
Disbursements		2,619,735.50
Balance December 31, 2021		
School Tax Deferred	\$	1,332,890.50
2021 Regional High School Tax		
Amount Charged to 2021 Operations	\$	2,619,735.50

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	<u>Balance</u> <u>December 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Expended</u>	<u>Refunded</u>	<u>Balanced</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 1,470.00	\$ 9.90	\$ 480.44		\$ 9.90
Other Expenses		533.77			1,523.33
Mayor and Council					
Salaries and Wages	70.00	12.93			12.93
Other Expenses		996.53	420.00		646.53
Municipal Clerk					
Other Expenses	422.53	2,824.92	514.71	\$ 200.00	2,932.74
Financial Administration					
Other Expenses	1,120.45	1,255.42	1,050.00		1,325.87
Audit Services	1,200.00	1,400.00			1,400.00
Computerized Data Processing		940.19			2,140.19
Collection of Taxes					
Salaries and Wages		9,645.46			9,645.46
Other Expenses	362.58	7,202.13	2,776.34		4,788.37
Assessment of Taxes					
Salaries and Wages		447.85			447.85
Other Expenses	210.00	238.02	251.00		197.02
Legal Services and Costs					
Other Expenses		4,281.00			4,281.00
Engineering Services					
Other Expenses	7,151.58	302.94	7,151.58		302.94
Municipal Court					
Salaries and Wages		9,751.44			9,751.44
Other Expenses	72.84	5,904.62	122.84		5,854.62
Public Defender (P.L. 1997, C.256)					
Salaries and Wages		48.91			48.91

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	<u>Balance</u> <u>December 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Expended</u>	<u>Refunded</u>	<u>Balanced</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Land Use Administration:					
Planning Board					
Salaries and Wages	\$ 23.15	\$ 4.97	\$ 4.97		\$ 4.97
Other Expenses		1,320.93	1,344.08		1,344.08
Code Enforcement and Administration:					
Construction Code Official		9,988.20	9,988.20		9,988.20
Salaries and Wages	73.85	73.85	73.85		73.85
Other Expenses					
Insurance:					
Employee Group Insurance		13,367.06	13,367.06	\$ 448.00	12,919.06
Health Benefits Waiver		291.67	291.67		291.67
Public Safety Functions:					
Police Department					
Salaries and Wages		8,264.71	8,264.71		8,264.71
Other Expenses	5,877.62	30,834.21	36,711.83	9,389.95	27,321.88
Office of Emergency Management					
Salaries and Wages		60.61	60.61		60.61
Other Expenses		2,567.00	2,567.00	1,645.40	921.60
Aid to Volunteer Fire Companies		750.46	22,523.48	21,580.84	942.64
Fire Department					
Other Expenses		4,959.00	4,959.00	4,944.74	14.26
Fire Prevention					
Salaries and Wages		4,726.98	4,726.98		4,726.98
Other Expenses	85.56	9,064.97	9,150.53	85.56	9,064.97

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	<u>Balance</u> <u>December 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Expended</u>	<u>Refunded</u>	<u>Balanced</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Public Work Functions:					
Streets and Road Maintenance					
Salaries and Wages	\$ 3,726.99	\$ 5,989.35	\$ 14,581.91		\$ 1,288.84
Other Expenses		6,154.41			
Workforce:					
Other Expenses		173.81			173.81
Solid Waste Collection					
Other Expenses	19,605.25	4,449.31	21,617.26		2,437.30
Public Buildings and Grounds					
Other Expenses	905.00	9,693.74	10,406.33		192.41
Health and Human Services Functions:					
Animal Control Services					
Other Expenses		2,628.12			2,628.12
Human Relations Commission					
Other Expenses		896.49			896.49
Park and Recreation Functions:					
Board of Recreation Commissioners					
Other Expenses	1,791.95	11,525.36	1,044.00		12,273.31
Sterling Municipal Alliance Program		100.00			100.00
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	4,200.00	47.22	3,354.00		893.22

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	<u>Balance</u> <u>December 31, 2020</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Expended</u>	<u>Refunded</u>	<u>Balanced</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Utility Expenses and Bulk Purchases:					
Electricity	\$ 2,943.25	\$ 5,110.58	\$ 5,263.00		\$ 2,790.83
Street Lighting	4,884.25	2,260.00	5,180.75		1,963.50
Telephone	500.00	5,676.58	3,500.00		2,676.58
Water		372.46	265.08		107.38
Gas (Natural or Propane)		3,629.73			3,629.73
Sewerage Processing and Disposal		144.00			144.00
Gasoline		12,832.13	1,431.18	\$ 1,708.10	13,109.05
Total Operations - within "CAPS"	78,469.87	203,680.09	117,504.91	1,908.10	166,553.15
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Regulatory Expenditures:					
Contribution to:					
New Jersey Supplemental Disability Insurance (SDI)		6.17			6.17
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"		6.17			6.17
Total General Appropriations for Municipal Purposes -- Within "CAPS"	78,469.87	203,686.26	117,504.91	1,908.10	166,559.32

(Continued)

BOROUGH OF SOMERDALE

CURRENT FUND

Statement of 2020 Appropriation Reserves
For the Year Ended December 31, 2021

	Balance December 31, 2020	Balance After Modification	Expended	Refunded	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- EXCLUDED FROM "CAPS"					
Interlocal Municipal Service Agreements:					
Sterling High School -- COPS in Schools:					
Other Expenses	\$ 14,001.76	\$ 14,001.76			\$ 14,001.76
Park School Shared Services					
Salaries and Wages	36,794.17	36,794.17			36,794.17
Other Expenses	26,615.04	26,615.04	\$ 1,779.86		24,835.18
Total Interlocal Municipal Service Agreements -- Within "CAPS"	<u>77,410.97</u>	<u>77,410.97</u>	<u>1,779.86</u>		<u>75,631.11</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>78,469.87</u>	<u>\$ 281,097.23</u>	<u>1,779.86</u>	<u>\$ 1,908.10</u>	<u>\$ 242,190.43</u>
Disbursements			\$ 109,875.21		
Accounts Payable			9,409.56		
			<u>\$ 119,284.77</u>		

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 15,179.39
Increased by:		
2020 Appropriation Reserves	\$ 9,409.56	
Borough Businesses Giftcard Sales -- Receipts	<u>2,981.89</u>	
		<u>12,391.45</u>
		27,570.84
Decreased by:		
Disbursements		<u>4,053.45</u>
Balance December 31, 2021		<u><u>\$ 23,517.39</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Due to State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 5,713.50
Increased by:		
Receipts	\$ 36,500.00	
Prior Year Deductions Disallowed by Tax Collector	<u>1,000.00</u>	
		<u>37,500.00</u>
		43,213.50
Decreased by:		
Accrued in 2021:		
Deductions per Tax Billing	\$ 40,250.00	
Deductions Allowed by Tax Collector:		
2021 Taxes	<u>1,000.00</u>	
		41,250.00
Less:		
Deductions Disallowed by Tax Collector		<u>400.00</u>
		<u>40,850.00</u>
Balance December 31, 2021		<u><u>\$ 2,363.50</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2021

Balance December 31, 2020 (2021 Taxes)		\$ 145,784.54
Increased by:		
Receipts -- Collector		108,403.38
		254,187.92
Decreased by:		
Application to Taxes Receivable		145,784.54
Balance December 31, 2021 (2022 Taxes)		\$ 108,403.38

Exhibit SA-15

BOROUGH OF SOMERDALE
Statement of Tax Overpayments
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 37,392.29
Increased by:		
Receipts -- Collector		13,214.01
		50,606.30
Decreased by:		
Refunded -- Disbursements	\$ 3,877.27	
Canceled	0.10	
Application to Taxes Receivable: 2021	24,937.93	
		28,815.30
Balance December 31, 2021		\$ 21,791.00

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2021

2021 Levy:		
Net County Taxes	\$ 3,050,720.17	
County Library Tax	197,620.25	
County Open Space Tax	<u>78,802.63</u>	
		\$ 3,327,143.05
Decreased by:		
Disbursements		<u>\$ 3,327,143.05</u>

Exhibit SA-17

BOROUGH OF SOMERDALE
 Statement of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 245.62
Increased by:	
County Share of 2021 Levy:	
Added Assessments (R.S. 54:4-63.1 et seq.)	<u>1,774.29</u>
	2,019.91
Decreased by:	
Disbursements	<u>245.62</u>
Balance December 31, 2021	<u>\$ 1,774.29</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Local School District Taxes
For the Year Ended December 31, 2021

2021 Levy -- Calendar Year	\$ 5,017,531.00
Decreased by:	
Disbursements	<u>\$ 5,017,531.00</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 1,950.01
Increased by:	
Receipts	4,110,086.76
	4,112,036.77
Decreased by:	
Disbursements	4,107,605.19
Balance December 31, 2021	\$ 4,431.58
 <u>Analysis of Balance December 31, 2021</u>	
NJ Gross Income Tax	\$ (3,829.72)
NJ SUI/DBI	4,368.63
Police and Firemens' Retirement System	(7,347.03)
Public Employees' Retirement System	6,353.59
Garnishment	(610.90)
Insurance	(84.15)
PBA	1,095.20
Health Insurance	4,444.26
Defined Contribution Retirement Plan (DCRP)	41.70
	\$ 4,431.58

BOROUGH OF SOMERDALE
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Federal, State and Other Grants Receivable
 For the Year Ended December 31, 2021

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Anticipated</u> <u>Revenue</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Federal Grants:				
Bullet Proof Vest Partnership		\$ 1,426.62	\$ 1,426.62	
Community Development Block Grant 2021		<u>250,000.00</u>	<u>200,000.00</u>	<u>\$ 50,000.00</u>
Total Federal Grants		<u>251,426.62</u>	<u>201,426.62</u>	<u>50,000.00</u>
State Grants:				
Body Armor Replacement Fund	\$ 2,291.49			2,291.49
Clean Communities Program		11,615.94	11,615.94	
FY2022 Somerdale Pedestrian Safety Grant		6,240.00		6,240.00
New Jersey Department of Transportation				
Fiscal Year 18 Evergreen Phase 3	100,000.00			100,000.00
Crestwood Avenue	75,000.00		75,000.00	
Dartmouth	300,000.00		225,000.00	75,000.00
Parkview		285,000.00		285,000.00
Safe and Secure Communities Program	23,315.00	12,590.00	23,315.00	12,590.00
SFY 21 Body Worn Camera Grant Program		<u>40,760.00</u>		<u>40,760.00</u>
Total State Grants	<u>500,606.49</u>	<u>356,205.94</u>	<u>334,930.94</u>	<u>521,881.49</u>
Total Federal & State Grants	<u>500,606.49</u>	<u>607,632.56</u>	<u>536,357.56</u>	<u>571,881.49</u>
Other Grants:				
Camden County Recreation Grant 2020		25,000.00		25,000.00
Camden County Open Space - Perry Complex		<u>25,000.00</u>		<u>25,000.00</u>
		<u>50,000.00</u>		<u>50,000.00</u>
Total All Grants	<u>\$ 500,606.49</u>	<u>\$ 657,632.56</u>	<u>\$ 536,357.56</u>	<u>\$ 621,881.49</u>
Appropriation Current Fund Budget		\$ 574,016.62		
Appropriation by NJS 40A:4-87 (Chapter 159's)		83,615.94		
Transferred from Reserve for Federal and State Grants Unappropriated			\$ 1,426.62	
Cash Receipts			<u>534,930.94</u>	
		<u>\$ 657,632.56</u>	<u>\$ 536,357.56</u>	

BOROUGH OF SOMERDALE
CURRENT FUND
Federal, State and Other Grant Fund
Statement of Due from Current Fund
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 347,626.33
Increased by:	
Budgeted Match for Safe and Secure Communities Grant	<u>87,310.20</u>
	434,936.53
Decreased by:	
Receipts	<u>73,760.03</u>
Balance December 31, 2021	<u><u>\$ 361,176.50</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Reserves for Federal, State and Other Grants - Unappropriated
 For the Year Ended December 31, 2021

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Grants</u> <u>Receipts</u>	<u>Realized as</u> <u>Revenue in</u> <u>2021</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Federal Grants:				
Bullet Proof Vest Partnership	\$ 1,426.62		\$ 1,426.62	
COVID-19 State and Fiscal Recovery (ARP)		\$ 286,634.83		\$ 286,634.83
	<u>1,426.62</u>	<u>286,634.83</u>	<u>1,426.62</u>	<u>286,634.83</u>
Total Federal Grants				
	<u>1,426.62</u>	<u>286,634.83</u>	<u>1,426.62</u>	<u>286,634.83</u>
State Grants:				
Body Armor Replacement Fund		1,359.36		1,359.36
Clean Communities Program	10,914.47			10,914.47
Recycling Tonnage Grant	200.00	13,191.50		13,391.50
	<u>11,114.47</u>	<u>14,550.86</u>		<u>25,665.33</u>
Total State Grants				
	<u>11,114.47</u>	<u>14,550.86</u>		<u>25,665.33</u>
Total All Grants				
	<u>\$ 12,541.09</u>	<u>\$ 301,185.69</u>	<u>\$ 1,426.62</u>	<u>\$ 312,300.16</u>

BOROUGH OF SOMERDALE

CURRENT FUND

Federal, State and Other Grant Fund

Statement of Reserves for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2021

	Balance		Transferred - 2021 Budget	Expenditures	Encumbered	Refunds	Balance Dec. 31, 2021
	Dec. 31, 2020	Reserve for Encumbrances					
Federal Grants:							
Bullet Proof Vest Partnership	\$ 1,320.00		\$ 1,426.62				\$ 2,746.62
Community Development Block Grant			250,000.00	\$ 250,000.00			
Total Federal Grants	1,320.00		251,426.62	250,000.00			2,746.62
State Grants:							
Body Armor Replacement Fund	15,933.08						15,933.08
Clean Communities Program	44,833.20	\$ 560.09	11,615.94	17,338.49	\$ 4,973.32		34,697.42
Drunk Driving Enforcement Grant	32,579.20	179.00		10,710.78		\$ 8,580.00	30,627.42
FY2022 Somerdale Pedestrian Safety Grant			6,240.00	3,095.94			3,144.06
New Jersey Department of Transportation Authority Act: Parkview			285,000.00				285,000.00
Recycling Tonnage Grant	40,098.61	188.55		1,298.35	4,383.71	1,673.66	36,278.76
Safe and Secure Communities Program			99,900.20	99,900.20			
SFY 21 Body Worn Camera Grant Program			40,760.00		40,760.00		
Total State Grants	133,444.09	927.64	443,516.14	132,343.76	50,117.03	10,253.66	405,680.74
Other Grants:							
Camden County Recreation Grant 2020			25,000.00	5,411.75	19,588.25		22,095.12
Camden County Open Space - Perry Complex			25,000.00	2,904.88			
Total All Grants	\$ 134,764.09	\$ 927.64	\$ 744,942.76	\$ 390,660.39	\$ 69,705.28	\$ 10,253.66	\$ 430,522.48
Appropriation Current Fund Budget			\$ 661,326.82				
Appropriation by NJS 40A:4-87 (Chapter 159's)			83,615.94	\$ 140,660.39			
Disbursements				250,000.00			
Contracts Payable			\$ 744,942.76	\$ 390,660.39			

BOROUGH OF SOMERDALE
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Contracts Payable
 For the Year Ended December 31, 2021

<hr/>			
Balance December 31, 2020		\$	700,000.00
Increased by:			
Contracts Awarded -- Appropriated Reserves			250,000.00
			950,000.00
Decreased by:			
Disbursements			779,469.93
Balance December 31, 2021		\$	170,530.07
<u>Contractor</u>	<u>Grant</u>	<u>Contract</u>	<u>Amount</u>
Think Pavers Landsaping	NJ DOT Fiscal Year 18 Evergreen Phase 3	C1900002	\$ 130,033.62
Pioneer General Contracting	NJ DOT Improvements to Darthmouth	C2000005	25,707.84
Landberg Construction LLC	Community Development Block Grant 2021	C2100004	14,788.61
			\$ 170,530.07

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF SOMERDALE
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2021

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2020	\$ 949.92	\$ 983,028.08
Increased by Receipts:		
Due Current Fund	\$ 11,750.00	\$ 25,952.72
Reserve for Animal Control Fund Expenditures	1,566.60	
State Registration Fees	215.40	
Due State of New Jersey -- Division of Youth and Family Services		875.00
Due State of New Jersey -- New Construction Surcharge		4,037.00
Miscellaneous Trust Reserves:		
Beautification Program		26,010.00
Developer's Escrow Fund		20,056.26
Disposal of Forfeited Property		7,436.68
Municipal Public Defender		4,402.14
New Jersey Unemployment Compensation		4,636.37
Outside Employment of Off-Duty Police Officers		154,618.65
Parking Offense Adjudication Act		20.00
Board of Recreation Commission		1,900.00
Tax Title Liens:		
Premiums		179,000.00
Redemption		617,781.92
Uniform Fire Safety Act Penalty Monies		4,000.00
	<u>13,532.00</u>	<u>1,050,726.74</u>
	14,481.92	2,033,754.82
Decreased by Disbursements:		
Due Current Fund		115,203.88
Reserve for Animal Control Fund Expenditures	13,643.00	
State Registration Fees	274.20	
Due State of New Jersey -- Division of Youth and Family Services		750.00
Due State of New Jersey -- New Construction Surcharge		4,549.00
Miscellaneous Trust Reserves:		
Accumulated Absences		5,000.00
Beautification Program		63,394.62
Developer's Escrow Fund		16,696.26
Municipal Public Defender		2,845.66
New Jersey Unemployment Compensation		829.20
Outside Employment of Off-Duty Police Officers		119,291.40
Board of Recreation Commission		2,043.51
Tax Title Liens:		
Premiums		247,200.00
Redemption		638,102.10
	<u>13,917.20</u>	<u>1,215,905.63</u>
Balance December 31, 2021	<u>\$ 564.72</u>	<u>\$ 817,849.19</u>

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2021

Increased by:		
2021 Budget Appropriation		\$ 11,750.00
Decreased by:		
Receipts:		
Interest Earned on Deposits	\$ 1.12	
Interfunds Received	<u>11,748.88</u>	
		<u>\$ 11,750.00</u>

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund Expenditures
 For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 889.92
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 1,341.60	
Cat License Fees Collected	100.00	
Late Fees	125.00	
	\$ 1,566.60	
Due from Current Fund:		
2021 Budget Appropriation	11,750.00	
		13,316.60
		14,206.52
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Disbursements		13,643.00
Balance December 31, 2021		\$ 563.52
Fees Collected:		
<u>Year</u>		
2019		\$ 983.60
2020		2,000.00
		\$ 2,983.60

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 60.00
Increased by:	
Receipts	<u>215.40</u>
	275.40
Decreased by:	
Disbursements	<u>274.20</u>
Balance December 31, 2021	<u><u>\$ 1.20</u></u>

BOROUGH OF SOMERDALE
TRUST - OTHER FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2021

	<u>Total</u>	<u>Trust Account</u>	<u>Tax Title Lien Redemption</u>	<u>Escrow Direct</u>	<u>Recycling Commission</u>	<u>Off-Duty Police</u>	<u>Recreation Commission</u>	<u>SFD Penalty</u>
Balance December 31, 2020 (Due From)	\$ (1,876.56)		\$ 4.67			\$ (1,881.23)		
Increased by:								
Receipts:								
Interest Earned on Deposits	952.72	\$ 154.91	257.36	\$ 297.18	\$ 0.02	210.25	\$ 18.93	\$ 14.07
Revenues Collected on Behalf of the Current Fund -								
Miscellaneous Revenue Not Anticipated	25,000.00					25,000.00		
Payments made by Current Fund	104,742.47	40,000.00				64,742.47		
	<u>130,695.19</u>	<u>40,154.91</u>	<u>257.36</u>	<u>297.18</u>	<u>0.02</u>	<u>89,952.72</u>	<u>18.93</u>	<u>14.07</u>
	(132,571.75)	(40,154.91)	(252.69)	(297.18)	(0.02)	(91,833.95)	(18.93)	(14.07)
Decreased by:								
Disbursements:								
Interfunds Liquidated	115,203.88	38,199.80	257.36	297.18	0.02	76,416.52	18.93	14.07
Reserve for Maintenance Liens Receivable -								
Reserve for Beautification Program Donations	1,955.11	1,955.11						
	<u>117,158.99</u>	<u>40,154.91</u>	<u>257.36</u>	<u>297.18</u>	<u>0.02</u>	<u>76,416.52</u>	<u>18.93</u>	<u>14.07</u>
Balance December 31, 2021 (Due To)	\$ (15,412.76)	\$ -	\$ 4.67	\$ -	\$ -	\$ (15,417.43)	\$ -	\$ -

BOROUGH OF SOMERDALE

TRUST - OTHER FUND

Statement of Due to State of New Jersey -- Division of Youth and Family Services
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 125.00
Increased by:	
Receipts	<u>875.00</u>
	1,000.00
Decreased by:	
Disbursements	<u>750.00</u>
Balance December 31, 2021	<u><u>\$ 250.00</u></u>

Exhibit SB-7

BOROUGH OF SOMERDALE

TRUST - OTHER FUND

Statement of Due to State of New Jersey -- New Construction Surcharge
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 1,704.00
Increased by:	
Receipts	<u>4,037.00</u>
	5,741.00
Decreased by:	
Disbursements	<u>4,549.00</u>
Balance December 31, 2021	<u><u>\$ 1,192.00</u></u>

BOROUGH OF SOMERDALE

TRUST - OTHER FUND

Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2021

	Increased by		Decreased by		Balance
	Receipts	Due Current Fund	Disbursements	Due Current Fund	Dec. 31, 2021
Accumulated Absences			\$ 5,000.00		\$ 2,299.37
Beautification Program Donations	\$ 26,010.00	\$ 1,955.11	63,394.62	\$ 40,000.00	78,304.76
Developer's Escrow Fund	20,056.26		16,696.26		299,274.25
Disposal of Forfeited Property	7,436.68				20,642.86
Municipal Public Defender	4,402.14		2,845.66		1,634.21
New Jersey Unemployment Compensation	4,636.37		829.20		27,938.77
Outside Employment of Off-Duty Municipal Police Officers	154,618.65		119,291.40	64,742.47	146,128.77
Parking Offense Adjudication Act	20.00				1,976.05
Board of Recreation Commission	1,900.00		2,043.51		16,022.27
Recycling Program					15.05
Tax Title Liens:					
Premiums	179,000.00		247,200.00		180,100.00
Redemption	617,781.92		638,102.10		11,607.83
Uniform Fire Safety Act Penalty Monies	4,000.00				15,050.24
	<u>\$ 1,019,862.02</u>	<u>\$ 1,955.11</u>	<u>\$ 1,095,402.75</u>	<u>\$ 104,742.47</u>	<u>\$ 800,994.43</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 320,591.71
Increased by Receipts:		
Due Current Fund	\$ 62,500.00	
Improvement Authorizations	6,267.00	
Bond Anticipation Notes	<u>1,187,500.00</u>	
		<u>1,256,267.00</u>
		1,576,858.71
Decreased by Disbursements:		
Improvement Authorizations	251,037.64	
Contracts Payable	1,021,054.99	
Bond Anticipation Notes	<u>60,000.00</u>	
		<u>1,332,092.63</u>
Balance December 31, 2021		<u><u>\$ 244,766.08</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2021

	Receipts				Disbursements				Balance (Overdraft) Dec. 31, 2021
	Balance (Overdraft) Dec. 31, 2020	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	Transfers From To	
New Jersey Transportation Trust Fund Authority Act Receivable	\$ (308,099.34)								\$ (308,099.34)
Community Development Block Grant Receivable	(8,647.00)								(8,647.00)
Camden County Open Space Preservation Trust Fund Receivable	(25,000.00)								(25,000.00)
Due Current Fund	30,769.62	\$ 62,500.00							(17,300.00)
Reserve for Community Development Block Grant Receivable	300.00								300.00
Capital Improvement Fund	17,179.00								19,679.00
Reserve for Encumbrances	9,254.50								49,292.17
Contracts Payable	1,492,106.61								984,209.36
Cash Pledged to Payment of Bond Anticipation Notes	14,430.38			\$ 60,000.00					45,569.62
Improvement Authorizations:									
Ordinance Number									
03-06	274,140.75								274,140.75
12-02	62,880.12								62,880.12
13-06	125.82								125.82
13-07									
15-02; 15-10	5,700.99			\$ 2,894.69					5,700.99
16-06	178,126.55								175,231.86
17-01;	9,453.34		\$ 6,240.00						1,558.34
17-06									
18-02;	1,164.98								1,164.98
20-02;	263.02								
18-04					3,136.61				3,723.69
18-13;	827.31								850.10
19-04	(409,304.08)								(409,304.08)
19-02;									
20-04	28,469.14				37,554.14				9,085.00
19-05									
21-06	(1,053,550.00)		27.00	\$ 1,187,500.00	207,452.20				(1,053,550.00)
	\$ 320,591.71	\$ 62,500.00	\$ 6,267.00	\$ 1,187,500.00	\$ 251,037.64	\$ 1,021,054.99	\$ 748,328.22	\$ 748,328.22	\$ 244,766.08

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 3,045,000.00
Decreased by:	
2021 Budget Appropriation to Pay Bonds:	
General Obligation Bonds	<u>595,000.00</u>
Balance December 31, 2021	<u><u>\$ 2,450,000.00</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND

Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2021	Bond Anticipation Notes	Analysis of Balance December 31, 2021		
							Temporary Loan	Expenditures	Unexpended Improvement Authorizations
	General Improvements:								
17-09	Acquisition of Certain Real Property in the Borough	\$ 1,125,569.62		\$ 45,569.62	\$ 1,080,000.00	\$ 1,080,000.00			
18-02;	Acquisition of Various Equipment and the								
20-02	Completion of Various Capital Improvements	1,330,000.00			1,330,000.00	1,330,000.00			
18-13;	Storm Drainage Improvements and Related Repair and/or								
19-04	Reconstruction of Various Streets	1,000,000.00			1,000,000.00		\$ 590,695.92	\$ 409,304.08	
19-02;	Acquisition of Various Equipment and the								
20-04	Completion of Various Capital Improvements	1,576,050.00			1,576,050.00	1,576,050.00			
19-05	Storm Drainage Improvements and Related Repair and/or								
	Reconstruction of Various Streets	1,053,550.00	\$ 1,187,500.00		1,187,500.00	1,187,500.00		1,053,550.00	
21-06	Completion of Various Capital Improvements	\$ 6,085,169.62	1,187,500.00	\$ 45,569.62	\$ 7,227,100.00	\$ 5,173,550.00	\$ 590,695.92	\$ 1,462,854.08	\$ -
	Improvement Authorizations - Unfunded								\$ 491,555.80
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
	Ordinance - 18-02;20-02							\$ 850.10	
	Ordinance - 21-06							490,705.70	
									\$ 491,555.80

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Schedule of Community Development Block Grant Receivable
 As of December 31, 2021

Balance December 31, 2021	\$ 8,647.00
<u>Analysis of Balance December 31, 2021</u>	
Year XXX	\$ 2,415.00
Year XXXIII	5,932.00
Year XXXIV	<u>300.00</u>
	<u>\$ 8,647.00</u>

Exhibit SC-6

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Schedule of New Jersey Transportation Trust Fund Authority Act Receivable
 As of December 31, 2021

Balance December 31, 2021	\$ 308,099.34
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Exhibit SC-7

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Schedule of Camden County Open Space Grant Receivable
 As of December 31, 2021

Balance December 31, 2021	\$ 25,000.00
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BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Due to / from Current Fund
For the Year Ended December 31, 2021

Balance December 31, 2020 (Due to)		\$ 30,769.62
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 630.13	
Interfund Received	<u>61,869.87</u>	
		<u>62,500.00</u>
		93,269.62
Decreased by:		
2021 Budget Appropriations:		
Capital Improvement Fund	65,000.00	
Payment of Bond Anticipation Notes	<u>45,569.62</u>	
		<u>110,569.62</u>
Balance December 31, 2021 (Due from)		<u><u>\$ 17,300.00</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2021

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance December 31, 2020		2021 Authorizations to Future Taxation -		Transferred from Reserve for Encumbrances	Paid or Charged	Refunds	Balance December 31, 2021	
				Funded	Unfunded	Down Payment	Unfunded				Funded	Unfunded
General Improvements:												
03-06	Construction of a Bicycle and Pedestrian Way	4/9/03	\$ 291,445.00	\$ 274,140.75							\$ 274,140.75	
12-02	Various Capital Improvements	3/8/12	94,646.12	62,880.12							62,880.12	
13-06	Various Capital Improvements	6/13/13	539,639.18	125.82							125.82	
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/13/13	1,085,361.00	5,700.99							5,700.99	
15-02; 15-10	Completion of Various Capital Improvements	3/12/15	696,754.00	178,126.55				\$ 2,894.69			175,231.86	
16-06	Acquisition of Garbage Containers	7/14/16	104,000.00	9,453.34				14,135.00	\$ 6,240.00		1,558.34	
17-01; 17-06	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3/9/17; 6/8/17	1,200,000.00	1,164.98							1,164.98	
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3/8/18	1,400,000.00		\$ 263.02			\$ 3,554.19				\$ 850.10
18-04	Completion of Various Improvements to Borough Buildings and Grounds	4/12/18	25,851.38	827.31							827.31	
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3/13/19	1,659,000.00		28,469.14			9,085.00	37,554.14			
21-06	Completion of Various Capital Improvements	3/23/21	1,250,000.00			\$ 62,500.00	\$ 1,187,500.00		759,321.30	27.00		490,705.70
				\$ 592,419.86	\$ 28,732.16	\$ 62,500.00	\$ 1,187,500.00	\$ 3,554.19	\$ 817,041.74	\$ 6,267.00	\$ 521,630.17	\$ 491,555.80
												\$ 516,711.93
												49,292.17
												251,037.64
												\$ 817,041.74

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2021

Balance December 31, 2020	\$	17,179.00
Increased by:		
2021 Budget Appropriation -- Due Current Fund		65,000.00
		82,179.00
Decreased by:		
Appropriation to Fund Improvement Authorizations		62,500.00
Balance December 31, 2021	\$	19,679.00

Exhibit SC-11

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2021

Balance December 31, 2020	\$	9,254.50
Increased by:		
2021 Encumbrances Charged to Improvement Authorizations		49,292.17
		58,546.67
Decreased by:		
Transferred to Improvement Authorizations		9,254.50
Balance December 31, 2021	\$	49,292.17

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 1,492,106.61
Increased by:		
Contracts Payable Charged to Improvement Authorizations		513,157.74
		2,005,264.35
Decreased by:		
Disbursements		1,021,054.99
Balance December 31, 2021		\$ 984,209.36

Analysis of Balance December 31, 2021

Charles Marandino, LLC	Ordinance 2013:6; 2015:2	\$ 7.10
Gerald Barrett, LLC	Ordinance 2018:2	11,560.41
Lexa Concrete	Ordinance 2017:1/6	23,888.65
Modutec Engineers	Ordinance 2019:5	174,097.00
Richard T. Barrett Paving Inc.	Ordinance 2015:2	8,174.20
Think Pavers Hardscaping	Ordinance 2018:13; 2019:5	568,551.65
Pioneer General Contracting	Ordinance 2019:2	50,595.20
Ben Shaffer Recreation	Ordinance 2021:6	144,783.71
Whirl Construction	Ordinance 2021:6	2,551.44
		\$ 984,209.36

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
General Improvements:										
17-09	Acquisition of Certain Real Property in the Borough	* \$ 1,140,000.00	12/1/2017	11/16/2020 11/10/2021	11/15/2021 11/9/2022	0.79% 0.43%	\$ 1,140,000.00	\$ 1,080,000.00	\$ 1,140,000.00	\$ 1,080,000.00
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	750,000.00	11/27/2019	11/16/2020 11/10/2021 4/20/2020 4/15/2021	11/15/2021 4/7/2022 4/19/2021 4/7/2022	0.65% 0.39% 2.10% 0.35%	750,000.00	750,000.00	750,000.00	750,000.00
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements	1,576,050.00	4/20/2020	4/20/2020 4/15/2021	4/19/2021 4/7/2022	2.10% 0.35%	1,576,050.00	1,576,050.00	1,576,050.00	1,576,050.00
21-06	Completion of Various Capital Improvements	1,187,500.00	5/18/2021	5/18/2021	4/7/2022	0.34%		1,187,500.00		1,187,500.00
							<u>\$ 4,046,050.00</u>	<u>\$ 5,173,550.00</u>	<u>\$ 4,046,050.00</u>	<u>\$ 5,173,550.00</u>
								\$ 3,986,050.00	\$ 3,986,050.00	
								45,569.42	45,569.42	
								14,430.38	14,430.38	
								<u>1,187,500.00</u>		
							<u>\$ 5,173,550.00</u>	<u>\$ 4,046,049.80</u>		

Renewals
 Paid by Budget Appropriation
 Paid by Capital Cash
 Issued for Cash

* Taxable

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of General Obligation Bonds
 For the Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
				<u>Amount</u>	<u>Amount</u>				
General Obligation Bonds of 2017	10/24/2017	\$ 3,180,000.00	5/1/2022-23	\$ 350,000.00	2.00%				
			5/1/2024-26	350,000.00	2.25%				
			5/1/2027	350,000.00	2.50%				
			5/1/2028	350,000.00	2.75%	\$ 2,645,000.00	\$ 195,000.00	\$ 2,450,000.00	
General Obligation Refunding Bonds of 2018	9/27/2018	1,200,000.00				400,000.00			
						<u>\$ 3,045,000.00</u>	<u>\$ 595,000.00</u>	<u>\$ 2,450,000.00</u>	
Paid by Budget Appropriation							<u>\$ 595,000.00</u>		

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND

Statement of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Increased by 2021 Authorizations</u>	<u>Decreased by Notes Issued</u>	<u>Balance Dec. 31, 2021</u>
General Improvements:					
18-13; 19-04	Storm Drainage Improvements and Related Repair and/or Reconstruction of Various Streets	\$ 409,304.08			\$ 409,304.08
19-05	Storm Drainage Improvements and Related Repair and/or Reconstruction of Various Streets	1,053,550.00			1,053,550.00
21-06	Completion of Various Capital Improvements		\$ 1,187,500.00	\$ 1,187,500.00	
		<u>\$ 1,462,854.08</u>	<u>\$ 1,187,500.00</u>	<u>\$ 1,187,500.00</u>	<u>\$ 1,462,854.08</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF SOMERDALE
SEWER UTILITY FUND
Statement of Sewer Utility Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2021

		<u>Operating</u>
Balance December 31, 2020		\$ 324,814.22
Increased by Receipts:		
Treasurer - Interest Earned on Deposits	\$ 364.18	
Treasurer - Refund of Prior Year Expenditure	33,533.05	
Collector	529,490.64	
Due Sewer Utility Capital Fund	<u>18,400.00</u>	
		<u>581,787.87</u>
		906,602.09
Decreased by Disbursements:		
2021 Appropriations	444,208.59	
2020 Appropriation Reserves	13,216.97	
Overpayments	129.02	
Accrued Interest on Bonds and Notes	<u>59,194.14</u>	
		<u>516,748.72</u>
Balance December 31, 2021		<u><u>\$ 389,853.37</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
Per N.J.S.A. 40A:5-5 Collector
For the Year Ended December 31, 2021

Receipts:

Consumer Accounts Receivable	\$ 507,097.39	
Sewer Rent Overpayments	3,633.12	
Miscellaneous Revenue:		
Special Sewer Charges	15,000.00	
Interest and Costs on Delinquent Rents	<u>3,760.13</u>	
		\$ 529,490.64
Decreased by:		
Payments to Treasurer		<u>\$ 529,490.64</u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2021

	Balance (Overdraft) Dec. 31, 2020	T r a n s f e r s		Balance (Overdraft) Dec. 31, 2021
		From	To	
Due Sewer Utility Operating Fund	\$ 55,200.00	\$ 18,400.00		\$ 36,800.00
Due Sewer Utility Trust Assessment Fund	<u>(55,200.00)</u>		\$ 18,400.00	<u>(36,800.00)</u>
	\$ -	\$ 18,400.00	\$ 18,400.00	\$ -

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Consumer Accounts Receivable
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 56,666.08
Increased by:		
Sewer Rents Levied		513,705.75
		570,371.83
Decreased by:		
Transferred to Lien	\$ 732.00	
Receipts -- Collector	507,097.39	
Overpayments Applied	3,495.20	
		511,324.59
Balance December 31, 2021		\$ 59,047.24

Exhibit SD-5

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Liens
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 3,380.85
Increased by:		
Transferred from Sewer Rents Receivable		732.00
Balance December 31, 2021		\$ 4,112.85

BOROUGH OF SOMERDALE
SEWER UTILITY TRUST ASSESSEMENT FUND
Statement of Assessments Receivable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 55,200.00
Decreased by:	
Collections received by the Sewer Uiltlity Operating Fund	<u>18,400.00</u>
Balance December 31, 2021	<u><u>\$ 36,800.00</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2021

<u>Description</u>	Balance <u>Dec. 31, 2020</u>	Capital <u>Outlay</u>	Balance <u>Dec. 31, 2021</u>
Unallocated	\$ 115,137.92		\$ 115,137.92
Sewer Extension Main	234,594.09		234,594.09
Fencing	3,435.00		3,435.00
Pumping Equipment	3,046.27		3,046.27
General Equipment	6,180.12		6,180.12
Sewage Treatment Plan	195,294.24		195,294.24
Miscellaneous	156.16		156.16
Improvements	<u>6,735,048.84</u>	<u>\$ 21,382.34</u>	<u>6,756,431.18</u>
	<u>\$ 7,292,892.64</u>	<u>\$ 21,382.34</u>	<u>\$ 7,314,274.98</u>
Operating Fund:			
2021 Appropriations		<u>\$ 21,382.34</u>	

BOROUGH OF SOMERDALE
SEWER UTILITY TRUST CAPITAL FUND
Statement of Due to Sewer Utility Operating Fund
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 55,200.00
Decreased by:	
Assessments Receivable Collected by the Sewer Utility Operating Fund	18,400.00
Balance December 31, 2021	\$ 36,800.00

BOROUGH OF SOMERDALE
SEWER UTILITY TRUST ASSESSEMENT FUND
Statement of Due to Sewer Utility Capital Fund
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 55,200.00
Decreased by:	
Assessments Receivable Collected by the Sewer Utility Operating Fund	18,400.00
Balance December 31, 2021	\$ 36,800.00

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
 Statement of 2020 Appropriation Reserves
 For the Year Ended December 31, 2021

	Balance December 31, 2020	Balance After Modification	Paid or Charged	Lapsed
	Encumbered	Reserved		
Sewer Operating:				
Salaries and Wages	\$ 18,041.60	\$ 18,041.60	\$ 18,041.60	\$ 18,041.60
Other Expenses	51,186.52	62,012.50	13,426.96	48,585.54
Total Operating	<u>10,825.98</u>	<u>80,054.10</u>	<u>13,426.96</u>	<u>66,627.14</u>
Capital Improvements				
Capital Outlay	<u>6,800.00</u>	<u>6,800.00</u>		<u>6,800.00</u>
Total Debt Service	<u>6,800.00</u>	<u>6,800.00</u>		<u>6,800.00</u>
Regulatory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	<u>3,345.61</u>	<u>3,345.61</u>		<u>3,345.61</u>
Total Regulatory Expenditures	<u>3,345.61</u>	<u>3,345.61</u>		<u>3,345.61</u>
Total Appropriations	<u>\$ 10,825.98</u>	<u>\$ 90,199.71</u>	<u>\$ 13,426.96</u>	<u>\$ 76,772.75</u>
Accounts Payable			\$ 209.99	
Disbursements			<u>13,216.97</u>	
			<u>\$ 13,426.96</u>	

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Accounts Payable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 3,000.00
Increased by:	
2020 Appropriation Reserves	<u>209.99</u>
Balance December 31, 2021	<u><u>\$ 3,209.99</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 3,495.20
Increased by:		
Receipts -- Collector		<u>3,633.12</u>
		7,128.32
Decreased by:		
Overpayments Applied	\$ 3,495.20	
Refunded	<u>129.02</u>	
		<u>3,624.22</u>
Balance December 31, 2021		<u><u>\$ 3,504.10</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds and Notes
 For the Year Ended December 31, 2021

Balance December 31, 2020	\$ 1,792.71
Increased by:	
Charged to Budget Appropriation - Interest on Notes and Loans	59,158.86
	60,951.57
Decreased by:	
Interest Paid:	
Disbursed	59,194.14
Balance December 31, 2021	\$ 1,757.43

Analysis of Accrued Interest December 31, 2021

<u>Principal Outstanding December 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
United States Department of Agriculture Loans:					
\$ 3,110,114.78	1.875%	12-20-21	12-31-21	11 Days	\$ 1,757.43

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2021

Balance December 31, 2020		\$ 4,120,334.00
Increased by:		
Capital Outlay -- Operating Budget	\$ 21,382.34	
Loans Paid by:		
Budget Appropriation	<u>62,443.86</u>	
		<u>83,826.20</u>
Balance December 31, 2021		<u><u>\$ 4,204,160.20</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2021

Balance December 31, 2020	\$	3,172,558.64
Decreased by:		
Principal Paid by Operating Fund		62,443.86
Balance December 31, 2021	\$	3,110,114.78

Schedule of United States Department of Agriculture (USDA) Loans Payable December 31, 2021

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2021</u>
June 20, 2022	\$ 11,416.90	\$ 12,837.05	\$ 7,407.72	\$ 31,661.67
December 20, 2022	11,523.94	12,957.40	7,477.17	31,958.51
June 20, 2023	11,631.97	13,078.88	7,547.26	32,258.11
December 20, 2023	11,741.02	13,201.49	7,618.02	32,560.53
June 20, 2024	11,851.10	13,325.25	7,689.44	32,865.79
December 20, 2024	11,962.20	13,450.18	7,761.53	33,173.91
June 20, 2025	12,074.35	13,576.27	7,834.29	33,484.91
December 20, 2025	12,187.54	13,703.55	7,907.74	33,798.83
June 20, 2026	12,301.80	13,832.02	7,981.87	34,115.69
December 20, 2026	12,417.13	13,961.70	8,056.70	34,435.53
June 20, 2027	12,533.54	14,092.59	8,132.23	34,758.36
December 20, 2027	12,651.04	14,224.71	8,208.47	35,084.22
June 20, 2028	12,769.65	14,358.06	8,285.43	35,413.14
December 20, 2028	12,889.36	14,492.67	8,363.10	35,745.13
June 20, 2029	13,010.20	14,628.54	8,441.51	36,080.25
December 20, 2029	13,132.17	14,765.68	8,520.65	36,418.50
June 20, 2030	13,255.28	14,904.11	8,600.53	36,759.92
December 20, 2030	13,379.55	15,043.84	8,681.16	37,104.55
June 20, 2031	13,504.99	15,184.87	8,762.54	37,452.40
December 20, 2031	13,631.60	15,327.23	8,844.69	37,803.52
June 20, 2032	13,759.39	15,470.92	8,927.61	38,157.92
December 20, 2032	13,888.39	15,615.96	9,011.31	38,515.66
June 20, 2033	14,018.59	15,762.36	9,095.79	38,876.74
December 20, 2033	14,150.01	15,910.13	9,181.06	39,241.20
June 20, 2034	14,282.67	16,059.29	9,267.13	39,609.09
December 20, 2034	14,416.57	16,209.85	9,354.01	39,980.43
June 20, 2035	14,551.73	16,361.81	9,441.71	40,355.25
December 20, 2035	14,688.15	16,515.21	9,530.22	40,733.58

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2021

Schedule of United States Department of Agriculture Loans Payable December 31, 2021 (Cont'd)

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2021</u>
June 20, 2036	\$ 14,825.85	\$ 16,670.04	\$ 9,619.57	\$ 41,115.46
December 20, 2036	14,964.84	16,826.32	9,709.75	41,500.91
June 20, 2037	15,105.14	16,984.06	9,800.78	41,889.98
December 20, 2037	15,246.75	17,143.29	9,892.66	42,282.70
June 20, 2038	15,389.69	17,304.01	9,985.41	42,679.11
December 20, 2038	15,533.96	17,466.23	10,079.02	43,079.21
June 20, 2039	15,679.59	17,629.98	10,173.51	43,483.08
December 20, 2039	15,826.59	17,795.26	10,268.89	43,890.74
June 20, 2040	15,974.97	17,962.09	10,365.16	44,302.22
December 20, 2040	16,124.73	18,130.49	10,462.33	44,717.55
June 20, 2041	16,275.90	18,300.46	10,560.42	45,136.78
December 20, 2041	16,428.49	18,472.03	10,659.42	45,559.94
June 20, 2042	16,582.50	18,645.20	10,759.35	45,987.05
December 20, 2042	16,737.96	18,820.00	10,860.22	46,418.18
June 20, 2043	16,894.88	18,996.44	10,962.04	46,853.36
December 20, 2043	17,053.27	19,174.53	11,064.81	47,292.61
June 20, 2044	17,213.15	19,354.29	11,168.54	47,735.98
December 20, 2044	17,374.52	19,535.74	11,273.24	48,183.50
June 20, 2045	17,537.41	19,718.88	11,378.93	48,635.22
December 20, 2045	17,701.82	19,903.75	11,485.61	49,091.18
June 20, 2046	17,867.77	20,090.35	11,593.29	49,551.41
December 20, 2046	18,035.28	20,278.69	11,701.97	50,015.94
June 20, 2047	18,204.37	20,468.81	11,811.68	50,484.86
December 20, 2047	18,375.03	20,660.70	11,922.41	50,958.14
June 20, 2048	18,547.30	20,854.40	12,034.19	51,435.89
December 20, 2048	18,721.18	21,049.91	12,147.01	51,918.10
June 20, 2049	18,896.69	21,247.25	12,260.88	52,404.82
December 20, 2049	19,073.85	21,446.44	12,375.83	52,896.12
June 20, 2050	19,252.66	21,647.50	12,491.85	53,392.01
December 20, 2050	19,433.16	21,850.45	12,608.96	53,892.57
June 20, 2051	19,615.34	22,055.29	12,727.17	54,397.80
December 20, 2051	19,799.24	22,262.06	12,846.49	54,907.79
June 20, 2052	19,984.85	22,470.77	12,966.93	55,422.55
December 20, 2052	20,172.21	22,681.43	13,088.49	55,942.13
June 20, 2053	20,361.33	22,894.07	13,211.20	56,466.60
December 20, 2053	20,552.21	23,108.70	13,335.05	56,995.96
June 20, 2054	20,744.89	23,325.35	13,460.07	57,530.31
December 20, 2054	20,939.37	23,544.02	13,586.26	58,069.65
June 20, 2055	21,135.68	23,764.75	13,713.63	58,614.05
December 20, 2055	21,333.83	23,987.54	13,842.19	59,163.55

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2021

Schedule of United States Department of Agriculture Loans Payable December 31, 2021 (Cont'd)

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2021</u>
June 20, 2056	\$ 21,533.83	\$ 24,212.43	\$ 13,971.96	\$ 59,718.21
December 20, 2056	<u>20,830.70</u>	<u>23,422.11</u>	<u>13,445.38</u>	<u>57,698.18</u>
	<u>\$ 1,121,503.61</u>	<u>\$ 1,261,007.73</u>	<u>\$ 727,603.44</u>	<u>\$ 3,110,114.78</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2021

BOROUGH OF SOMERDALE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2021

Schedule of Financial Statement Findings

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

BOROUGH OF SOMERDALE
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Gary J. Passanante	Mayor	
David Alexander	President of Council	
George Badey	Councilman	
George Ehrmam	Councilman	
Edward Kain	Councilman	
James J. Perry	Councilman	
Larry Sefchick	Councilman	
Kevin Foley	Chief Financial Officer	(A)
Laura Zappone	Tax Collector, Collector of Utilities	(A)
Jacquelyn Vicari	Court Administrator, Violations Clerk	(A)
Michele D. Miller	Borough Clerk, Officer for Searches Municipal Improvement and Registrar	(A)
Salvatore Arena	Tax Assessor	
Charles Shimberg	Judge of the Municipal Court	(A)
John Kearney	Solicitor	
Charles J. Riebel, Jr.	Engineer	
M. Joey Garufi	Zoning Officer	(A)
Henry Skala	Construction Code Official	(A)
Peter Carbone	Construction Code Official	(A)

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APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

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

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

