

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



**BOROUGH OF SOMERDALE****TABLE OF CONTENTS**

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>PART 1</u></b>		
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	6
<b><u>CURRENT FUND</u></b>		
A	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	8
A-1	Statements of Operations and Changes in Fund Balance--Regulatory Basis	10
A-2	Statement of Revenues--Regulatory Basis	12
A-3	Statement of Expenditures--Regulatory Basis	16
<b><u>TRUST FUND</u></b>		
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	23
<b><u>GENERAL CAPITAL FUND</u></b>		
C	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	25
<b><u>SEWER UTILITY FUND</u></b>		
D	Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis	26
D-1	Sewer Utility Operating Fund -- Statements of Operations and Changes in Fund Balance-- Regulatory Basis	28
D-2	Sewer Utility Operating Fund -- Statement of Revenues--Regulatory Basis	29
D-3	Sewer Utility Operating Fund -- Statement of Expenditures--Regulatory Basis	30
<b><u>GENERAL FIXED ASSETS GROUP OF ACCOUNTS</u></b>		
G	Statement of General Fixed Assets Group of Accounts -- Regulatory Basis	31
	Notes to Financial Statements	32

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

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>SUPPLEMENTAL EXHIBITS</u></b>		
<b><u>CURRENT FUND</u></b>		
SA-1	Statement of Current Cash--Per N.J.S.40A:5-5--Treasurer	74
SA-2	Statement of Current Cash--Per N.J.S.40A:5-5--Collector	75
SA-3	Schedule of Change Funds	76
SA-4	Statement of Petty Cash Funds	76
SA-5	Statement of Maintenance Liens Receivable	77
SA-6	Statement of Taxes Receivable	78
SA-7	Statement of Tax Title Liens Receivable	79
SA-8	Statement of Revenue Accounts Receivable	80
SA-9	Schedule of Property Acquired for Taxes (At Assessed Valuation)	81
SA-10	Statement of Regional High School Taxes	82
SA-11	Statement of 2021 Appropriation Reserves	83
SA-12	Statement of Accounts Payable	85
SA-13	Statement of Due to State of New Jersey Veterans' and Senior Citizens' Deductions	86
SA-14	Statement of Prepaid Taxes	87
SA-15	Statement of Tax Overpayments	87
SA-16	Statement of County Taxes Payable	88
SA-17	Statement of Due County for Added and Omitted Taxes	88
SA-18	Statement of Local School District Taxes	89
SA-19	Statement of Reserve for Payroll Deductions Payable	90
SA-20	Federal, State and Other Grant Fund -- Statement of Federal, State and Other Grants Receivable	91
SA-21	Federal, State and Other Grant Fund -- Statement of Due from Current Fund	92
SA-22	Federal, State and Other Grant Fund -- Statement of Reserves for Federal, State and Other Grants -- Unappropriated	93
SA-23	Federal, State and Other Grant Fund -- Statement of Reserves for Federal, State and Other Grants -- Appropriated	94
SA-24	Federal, State and Other Grant Fund -- Statement of Contracts Payable	95
<b><u>TRUST FUND</u></b>		
SB-1	Statement of Trust Fund Cash Per N.J.S. 40A:5-5--Treasurer	97
SB-2	Animal Control Fund--Statement of Due from Current Fund	98
SB-3	Animal Control Fund--Statement of Reserve for Animal Control Fund Expenditures	99
SB-4	Animal Control Fund--Statement of Due to State of New Jersey-- Registration Fees	100
SB-5	Trust - Other Fund--Statement of Due Current Fund	101
SB-6	Trust - Other Fund-- Statement of Due to State of New Jersey-- Division of Youth and Family Services	102
SB-7	Trust - Other Fund--Statement of Due to State of New Jersey-- New Construction Surcharge	102
SB-8	Trust - Other Fund--Statement of Miscellaneous Trust Reserves	103

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

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
<b><u>GENERAL CAPITAL FUND</u></b>		
SC-1	Statement of General Capital Cash Per N.J.S.40A:5-5--Treasurer	105
SC-2	Analysis of General Capital Cash	106
SC-3	Statement of Deferred Charges to Future Taxation--Funded	107
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	108
SC-5	Statement of Community Development Block Grant Receivable	109
SC-6	Statement of New Jersey Transportation Trust Fund Authority Act Receivable	109
SC-7	Schedule of Camden County Open Space Grant Receivable	109
SC-8	Statement of Due from Current Fund	110
SC-9	Statement of Improvement Authorizations	111
SC-10	Schedule of Capital Improvement Fund	112
SC-11	Statement of Reserve for Encumbrances	112
SC-12	Statement of Contracts Payable	113
SC-13	Statement of Bond Anticipation Notes	114
SC-14	Statement of General Obligation Bonds	115
SC-15	Statement of New Jersey Infrastructure Bank Loan Payable	116
SC-16	Statement of Bonds and Notes Authorized but not Issued	117
<b><u>SEWER UTILITY FUND</u></b>		
SD-1	Statement of Sewer Utility Cash Per N.J.S.40A:5-5--Treasurer	119
SD-2	Sewer Utility Operating Fund -- Statement of Sewer Utility Cash Per N.J.S.A.40A:5-5--Collector	120
SD-3	Sewer Utility Capital Fund -- Analysis of Sewer Utility Capital Cash	121
SD-4	Sewer Utility Operating Fund -- Statement of Sewer Consumer Accounts Receivable	122
SD-5	Sewer Utility Operating Fund -- Statement of Sewer Utility Liens	122
SD-6	Sewer Utility Trust Assessment Fund -- Statement of Assessments Receivable	123
SD-7	Sewer Utility Capital Fund -- Statement of Fixed Capital	124
SD-8	Sewer Utility Trust Capital Fund -- Statement of Due to Sewer Utility Operating Fund	125
SD-9	Sewer Utility Trust Assessment Fund -- Statement of Due to Sewer Utility Capital Fund	125
SD-10	Sewer Utility Operating Fund -- Statement of 2021 Appropriation Reserves	126
SD-11	Sewer Utility Operating Fund -- Statement of Accounts Payable	127
SD-12	Sewer Utility Operating Fund -- Statement of Sewer Rent Overpayments	128
SD-13	Sewer Utility Operating Fund -- Statement of Accrued Interest on Bonds And Notes	129
SD-14	Sewer Utility Capital Fund -- Statement of Reserve for Amortization	130
SD-15	Sewer Utility Capital Fund -- Statement of United States Department of Agriculture (USDA) Loans Payable	131

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

<b><u>Exhibit No.</u></b>		<b><u>Page No.</u></b>
	<b><u>PART 2</u></b>	
	<b><u>SINGLE AUDIT</u></b>	
	Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required by the State of New Jersey Circular 15-08-OMB	135
Schedule B	Schedule of Expenditures of State Financial Assistance	138
	Notes to Schedule of Expenditures of State Financial Assistance	140
	<b><u>PART 3</u></b>	
	Schedule of Findings and Questioned Cost	142
	Summary Schedule of Prior Year Audit Findings and Recommendations as Prepared by Management	147
	OFFICIALS IN OFFICE AND SURETY BONDS	148
	APPRECIATION	149

**BOROUGH OF SOMERDALE**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of 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, 2022 and 2021, 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, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

#### ***Unmodified Opinions on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Somerdale, in the County of Camden, State of New Jersey, as of December 31, 2022 and 2021, or the results of its operations and changes in 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.

***Emphasis of Matter******Change in Accounting Principle***

As discussed in note 1 to the financial statements, during the year ended December 31, 2022, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this new accounting principle resulted in material note disclosure. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

***Consistency of Financial Statements***

Because of the implementation of GASB Statement No. 87, the Borough has determined that lease agreements in which they are the lessor have now been disclosed in accordance with the Statement (note 6). In addition, the Borough has determined that certain disclosures relating to capital leases in the prior year are now disclosed as financed purchases (note 13). Also, the Borough has determined that lease agreements in the prior year formerly disclosed as operating leases have now been disclosed in accordance with the Statement (note 14). Our opinions are not modified with respect to these matters.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2023 on our consideration of the Borough of 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  
August 29, 2023

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Council  
Borough of 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, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 29, 2023. That report indicated that the Borough of 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. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 29, 2023

**BOROUGH OF SOMERDALE**  
CURRENT FUND

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

ASSETS:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Cash	SA-1	\$ 1,304,408.11	\$ 1,507,134.80
Change Fund	SA-3	<u>215.00</u>	<u>215.00</u>
		<u>1,304,623.11</u>	<u>1,507,349.80</u>
Receivables and Other Assets with Full Reserves:			
Maintenance Liens Receivable	SA-5	12,163.75	11,197.16
Delinquent Property Taxes Receivable	SA-6	216,858.42	231,520.18
Tax Title Liens Receivable	SA-7	51,572.50	131,824.67
Revenue Accounts Receivable	SA-8	24,430.06	25,814.03
Property Acquired for Taxes -- Assessed Valuation	SA-9	170,015.00	170,015.00
Prepaid Regional High School Tax	SA-10	107,470.66	
Due from Trust Other Fund	SB-5		<u>15,412.76</u>
		<u>582,510.39</u>	<u>585,783.80</u>
Total Current Fund		<u>1,887,133.50</u>	<u>2,093,133.60</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-20	982,619.49	621,881.49
Due from Current Fund	SA-21	<u>76,486.12</u>	<u>361,176.50</u>
Total Federal and State Grant Fund		<u>1,059,105.61</u>	<u>983,057.99</u>
Total Assets		<u>\$ 2,946,239.11</u>	<u>\$ 3,076,191.59</u>

(Continued)

**BOROUGH OF SOMERDALE**  
CURRENT FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	\$ 210,159.17	\$ 245,962.88
Reserve for Encumbrances	A-3, SA-11	170,441.17	210,339.11
Accounts Payable	SA-12	56,728.25	23,517.39
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-13	862.67	2,363.50
Prepaid Taxes	SA-14	115,652.85	108,403.38
Tax Overpayments	SA-15	42,473.74	21,791.00
Due to County -- Added and Omitted Taxes	SA-17	4,102.90	1,774.29
Reserve for Payroll Deductions Payable	SA-19	4,165.50	4,431.58
Reserve for Municipal Relief Aid	SA-1	27,202.06	
Due to Federal and State Grant Fund	SA-21	76,486.12	361,176.50
Due to Trust Other Fund	SB-5	6,383.55	
Due to General Capital Fund	SC-8	30,060.96	17,300.00
		<u>744,718.94</u>	<u>997,059.63</u>
Reserves for Receivables and Other Assets		582,510.39	585,783.80
Fund Balance	A-1	<u>559,904.17</u>	<u>510,290.17</u>
Total Current Fund		<u>1,887,133.50</u>	<u>2,093,133.60</u>
Federal and State Grant Fund:			
Reserve for Federal and State Grants -- Unappropriated	SA-22	169,472.61	312,300.16
Reserve for Federal and State Grants -- Appropriated	SA-23	859,416.60	430,522.48
Reserve for Encumbrances	SA-23	15,427.79	69,705.28
Contracts Payable	SA-24	14,788.61	170,530.07
Total Federal and State Grant Fund		<u>1,059,105.61</u>	<u>983,057.99</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,946,239.11</u>	<u>\$ 3,076,191.59</u>

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

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 300,000.00	\$ 465,000.00
Miscellaneous Revenues Anticipated	3,024,640.41	2,736,853.10
Receipts from Delinquent Taxes	297,827.16	244,557.59
Receipts from Current Taxes	14,265,901.91	14,598,665.48
Non-Budget Revenues	169,213.73	123,047.27
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	270,307.71	242,190.43
Cancellation of Tax Overpayments	2,383.08	0.10
Liquidation of Reserve for:		
Due from Trust Other Fund	15,412.76	
	<u>18,345,686.76</u>	<u>18,410,313.97</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,667,324.76	2,478,222.68
Other Expenses	2,007,701.60	1,767,566.23
Deferred Charges and Regulatory Expenditures Within "CAPS"	796,820.16	753,148.49
Operations Excluded from "CAPS":		
Salaries and Wages	413,669.44	501,175.43
Other Expenses	666,925.17	801,339.05
Capital Improvements Excluded from "CAPS"		65,000.00
Municipal Debt Service Excluded from "CAPS"	561,143.47	768,993.34
Deferred Charges Excluded from "CAPS"		
County Taxes	3,188,361.10	3,327,143.05
County Added and Omitted Taxes	4,102.90	1,774.29
Regional High School Tax	2,622,538.16	2,619,735.50
Local District School Tax	5,065,986.00	5,017,531.00
Deductions Disallowed by Collector -- Prior Year Taxes	1,000.00	1,000.00
Refund of Prior Year Revenue -- Disbursements		8,697.31
Adjustment -- Tax Overpayments	500.00	
Creation of Reserves:		
Due from Trust Other Fund		13,536.20
	<u>17,996,072.76</u>	<u>18,124,862.57</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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Excess in Revenue	\$ 349,614.00	\$ 285,451.40
<u>Fund Balance</u>		
Balance Jan. 1	<u>510,290.17</u>	<u>689,838.77</u>
	859,904.17	975,290.17
Decreased by:		
Utilization as Anticipated Revenue	<u>300,000.00</u>	<u>465,000.00</u>
Balance December 31	<u>\$ 559,904.17</u>	<u>\$ 510,290.17</u>

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

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

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 300,000.00		\$ 300,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	18,617.00		18,831.80	\$ 214.80
Other	13,280.00		12,555.00	(725.00)
Fees and Permits	14,400.00		8,725.50	(5,674.50)
Fines and Costs:				
Municipal Court	71,240.00		76,274.19	5,034.19
Interest and Costs on Taxes	54,795.00		48,036.82	(6,758.18)
Fire Inspection Revenue	77,135.00		80,360.00	3,225.00
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	83,000.00		92,490.00	9,490.00
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	124,476.44		124,476.44	
Park School Shared Service	436,718.14		434,546.93	(2,171.21)
Laurel Springs/ Pine Hill Court Revenue	110,000.00		104,835.36	(5,164.64)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Camden County Recreation Grant 2022		\$ 25,000.00	25,000.00	
Camden County Historical Preservation Grant		50,000.00	50,000.00	
Clean Communities Grant Program	10,914.47		10,914.47	
Community Development Block Grant 2022		103,000.00	103,000.00	
Division of Criminal Justice -- Body Armor Replacement Fund	2,404.06		2,404.06	
New Jersey Department of Community Affairs ARP Firefigher Grant		34,000.00	34,000.00	
New Jersey Department of Transportation: Chestnut & Parkview	250,000.00		250,000.00	
Recycling Tonnage Grant	13,391.50		13,391.50	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	12,590.00		12,590.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Cable Television Franchise Fee	19,628.53		19,628.53	
Payment in Lieu of Taxes - National Realty	421,344.00		410,016.00	(11,328.00)
Payment in Lieu of Taxes - Other	15,400.00		15,289.15	(110.85)
Delaware River Port Authority Fees	15,000.00		15,000.00	
Rental Income - Our Lady of Grace	24,000.00		22,000.00	(2,000.00)
Debt Service Agreement - Our Lady of Grace	95,532.00		95,532.00	
Coronavirus State and Local Fiscal Recovery Funds (ARP)	423,269.66		423,269.66	
Total Miscellaneous Revenues	<u>2,828,608.80</u>	<u>212,000.00</u>	<u>3,024,640.41</u>	<u>(15,968.39)</u>
Receipts from Delinquent Taxes	<u>210,000.00</u>		<u>297,827.16</u>	<u>87,827.16</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>3,836,285.33</u>		<u>3,893,097.91</u>	<u>56,812.58</u>
Budget Totals	<u>7,174,894.13</u>	<u>212,000.00</u>	<u>7,515,565.48</u>	<u>128,671.35</u>
Non-Budget Revenues			<u>169,213.73</u>	<u>169,213.73</u>
	<u>\$ 7,174,894.13</u>	<u>\$ 212,000.00</u>	<u>\$ 7,684,779.21</u>	<u>\$ 297,885.08</u>

(Continued)

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

---

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections		\$ 14,265,901.91
Allocated to:		
Schools and County Taxes		10,622,804.00
Balance for Support of Municipal Budget Appropriations		3,643,097.91
Add: Appropriation "Reserve for Uncollected Taxes"		250,000.00
Amount for Support of Municipal Budget Appropriations		\$ 3,893,097.91

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 209,401.14
Tax Title Liens		88,426.02
		\$ 297,827.16

Revenue Accounts Receivable:

Licenses -- Other:

Clerk:		
Business	\$ 11,700.00	
Home Business	825.00	
		\$ 12,525.00
Board of Health:		
Marriage Licenses		30.00
		\$ 12,555.00

Fees and Permits:

Clerk:		
200 Foot Search	\$ 180.00	
Business License Late Fees	1,775.00	
Miscellaneous Fees	45.00	
Street Opening	2,200.00	
Tennant Landlord Applications	1,550.00	
		\$ 5,750.00
Board of Health:		
Vital Statistics		955.00
Police:		
Police Reports		2,020.50
		\$ 8,725.50

(Continued)

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

Analysis of Realized Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):

Uniform Construction Code Fees:

Fees and Permits:

Building Permits	\$ 35,716.00
Certificate of Occupancy	374.00
Certificate of Occupancy - Resale	11,355.00
Electrical Permits	25,340.00
Fire Safety Permits	3,870.00
Plumbing Permits	12,430.00
Zoning Ordinance Permits	<u>3,405.00</u>

\$ 92,490.00

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:

Tax Collector:

Miscellaneous	\$ 4,662.44
---------------	-------------

Miscellaneous Revenue Not Anticipated:

Treasurer:

Receipts:

Interest Earned on Deposits:

Current Fund	\$ 3,407.87
Clerk	3.22
Municipal Court	32.72
Police Department	0.22
Uniform Construction Code	8.55
Uniform Fire Code	<u>9.19</u>

\$ 3,461.77

Bad Check Fees	50.00
Basketball Net Permit	2.00
Cannibis License	1,250.00
Conrail Fees	2,425.00
Division of Motor Vehicles Inspections	750.00
Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee	735.00
Forfeited Premium on Liens	23,200.00

(Continued)

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

---

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue Not Anticipated (Cont'd):

Treasurer (Cont'd):

Receipts (Cont'd):

Miscellaneous Refund	\$ 5,982.33
Payment in Lieu of Taxes	42,748.43
Planning and Zoning Applications	3,575.00
Reserve at Grace Administration Fees	2,950.00
Restitution	1,853.54
Safety Award	1,500.00
Sale of Surplus Assets	13,221.88
Tower Commissions	26,461.12
Uniform Fire Safety Act	<u>15,363.08</u>

\$ 145,529.15

Interest Earned in Other Funds:

Animal Control Fund	4.40
Trust Other Fund	1,864.93
General Capital Fund	<u>752.57</u>

2,621.90

Administration Fees Collected by Trust Other

16,400.24

\$ 164,551.29

\$ 169,213.73

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, 2022

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages	\$ 137,552.49	\$ 137,552.49	\$ 136,565.03		\$ 987.46	
Salaries and Wages (ARP)	24,947.51	24,947.51	24,947.51			
Other Expenses	69,200.00	54,355.36	49,092.22	\$ 2,312.79	2,950.35	
Mayor and Council						
Salaries and Wages	41,391.20	41,391.20	40,907.06		484.14	
Salaries and Wages (ARP)	7,508.80	7,508.80	7,508.80			
Other Expenses	3,000.00	3,000.00	2,237.81	600.43	161.76	
Municipal Clerk						
Salaries and Wages	89,895.66	96,351.39	96,351.39			
Salaries and Wages (ARP)	16,304.34	16,304.34	16,304.34			
Other Expenses	11,700.00	11,700.00	8,496.69	198.70	3,004.61	
Financial Administration						
Salaries and Wages	119,106.32	85,206.32	85,190.42		15.90	
Salaries and Wages (ARP)	21,603.68	21,603.68	21,603.68			
Other Expenses	4,350.00	5,369.94	4,319.94	1,050.00		
Audit Services	45,000.00	48,000.00	48,000.00			
Computerized Data Processing	22,000.00	24,291.81	23,018.77		1,273.04	
Collection of Taxes						
Salaries and Wages	45,371.64	46,771.70	46,771.70			
Salaries and Wages (ARP)	8,228.36	8,228.36	8,228.36			
Other Expenses	9,500.00	9,500.00	7,987.02		1,512.98	
Assessment of Taxes						
Salaries and Wages	12,697.42	12,697.42	12,670.56		26.86	
Salaries and Wages (ARP)	2,302.58	2,302.58	2,302.58			
Other Expenses	3,000.00	3,000.00	195.00		2,805.00	
Legal Services and Costs						
Other Expenses	38,000.00	50,000.00	41,367.03	3,605.08	5,027.89	
Engineering Services						
Other Expenses	13,000.00	7,500.00	1,353.61	852.28	5,294.11	
Municipal Court						
Salaries and Wages	104,707.90	95,707.90	94,970.10		737.80	
Salaries and Wages (ARP)	18,992.10	18,992.10	18,992.10			
Other Expenses	8,450.00	9,450.00	7,879.79	1,529.02	41.19	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>						
General Government Functions (Cont'd):						
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	\$ 12,506.28	\$ 12,506.28	\$ 10,742.71		\$ 1,763.57	
Salaries and Wages (ARP)	2,268.72	2,268.72	2,268.72			
Land Use Administration:						
Planning Board						
Salaries and Wages	3,722.77	2,622.77	2,595.49		27.28	
Salaries and Wages (ARP)	677.23	677.23	677.23			
Other Expenses	3,005.00	3,005.00	2,464.00	\$ 61.00	480.00	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages	107,504.20	77,504.20	76,987.36		516.84	
Salaries and Wages (ARP)	19,495.80	19,495.80	19,495.80			
Other Expenses	2,000.00	2,000.00	1,725.76		274.24	
Insurance:						
Workers Compensation Insurance	96,666.00	96,666.00	96,666.00			
Employee Group Insurance	516,224.32	488,724.32	445,852.81	28,386.55	14,484.96	
Liability Insurance	129,349.00	129,349.00	129,349.00			
Health Benefits Waiver	21,000.00	25,375.00	25,375.00			
Public Safety Functions:						
Police Department						
Salaries and Wages	1,282,487.84	1,282,487.84	1,258,205.87		24,281.97	
Salaries and Wages (ARP)	232,535.96	232,535.96	232,535.96			
Other Expenses	91,809.75	101,809.75	82,279.51	13,701.09	5,829.15	
Office of Emergency Management						
Salaries and Wages	1,954.46	1,994.55	1,994.55			
Salaries and Wages (ARP)	355.54	355.54	355.54			
Other Expenses	4,700.00	4,700.00	1,770.07	2,540.35	389.58	
Aid to Volunteer Fire Companies	85,720.00	160,720.00	120,240.36	37,901.59	2,578.05	
Aid to Volunteer Ambulance	8,000.00	8,000.00	8,000.00			
Fire Department						
Other Expenses	56,865.00	67,345.00	61,157.58	5,566.25	621.17	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>						
Public Safety Functions (Cont'd):						
Fire Prevention						
Salaries and Wages	\$ 57,102.60	\$ 41,102.60	\$ 40,868.91		\$ 233.69	
Salaries and Wages (ARP)	10,357.40	10,357.40	10,357.40			
Other Expenses	15,009.30	11,009.30	6,805.50	\$ 502.00	3,701.80	
Municipal Prosecutor's Office						
Salaries and Wages	14,812.24	15,337.21	15,337.21			
Salaries and Wages (ARP)	2,687.76	2,687.76	2,687.76			
Public Work Functions:						
Streets and Road Maintenance						
Salaries and Wages	843.40	843.40			843.40	
Salaries and Wages (ARP)	156.60	156.60	140.65		15.95	
Other Expenses	68,000.00	117,000.00	85,371.09	25,298.29	6,330.62	
Capital Purchase/ Lease Payment	40,000.00	40,000.00	39,679.75		320.25	
Workforce:						
Other Expenses	2,500.00	2,500.00	1,055.81		1,444.19	
Solid Waste Collection						
Salaries and Wages	302,452.72	258,602.83	248,543.42		10,059.41	
Salaries and Wages (ARP)	54,847.28	54,847.28	54,847.28			
Other Expenses	35,075.00	10,000.00	3,215.00	3,950.00	2,835.00	
Public Buildings and Grounds						
Other Expenses	33,900.00	26,900.00	21,958.24	3,460.69	1,481.07	
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	18,500.00	17,559.29		940.71	
Human Relations Commission						
Other Expenses	5,500.00	500.00	200.39	75.00	224.61	
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	29,600.00	31,955.00	26,285.82	5,665.55	3.63	
Sterling Municipal Alliance Program						
	2,343.00	2,343.00	2,243.00		100.00	

(Continued)

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

	<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>
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>						
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	\$ 175,000.00	\$ 192,500.00	\$ 175,449.53	\$ 15,534.09	\$ 1,516.38	
Utility Expenses and Bulk Purchases:						
Electricity	41,500.00	43,500.00	41,017.71	2,091.13	391.16	
Street Lighting	77,500.00	81,538.14	72,456.06	6,883.58	2,198.50	
Telephone	32,000.00	31,970.00	27,936.18	436.65	3,597.17	
Water	2,800.00	2,830.00	2,726.91	102.54	0.55	
Gas (Natural or Propane)	6,000.00	10,000.00	7,872.62	1013.08	1,114.30	
Sewerage Processing and Disposal	1,200.00	1,235.00	1,232.39		2.61	
Gasoline	92,934.98	92,934.98	89,048.70	2361.72	1,524.56	
UNCLASSIFIED:						
Accumulated Leave Compensation	10,000.00	10,000.00			10,000.00	
<b>Total Operations - within "CAPS"</b>	<b>4,688,780.15</b>	<b>4,675,026.36</b>	<b>4,384,897.45</b>	<b>\$ 165,679.45</b>	<b>124,449.46</b>	
Detail:						
Salaries and Wages	2,788,378.80	2,667,324.76	2,617,330.49		49,994.27	
Other Expenses	1,900,401.35	2,007,701.60	1,767,566.96	165,679.45	74,455.19	
<b>DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>						
Regulatory Expenditures:						
Contribution to:						
Public Employees Retirement System	195,224.00	195,224.00	195,224.00			
New Jersey Supplemental Disability Insurance (SDI)	1,700.00	1,950.00	1,943.34		6.66	
Police and Firemen's Retirement System of NJ	390,692.37	390,692.37	390,692.37			
Unemployment Insurance	6,300.00	6,300.00	6,300.00			
Defined Contribution Retirement Program	650.00	653.79	653.79			
Social Security System (O.A.S.I.)	202,000.00	202,000.00	187,720.65		14,279.35	
<b>Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"</b>	<b>796,566.37</b>	<b>796,820.16</b>	<b>782,534.15</b>		<b>14,286.01</b>	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	\$ 5,485,346.52	\$ 5,471,846.52	\$ 5,167,431.60	\$ 165,679.45	\$ 138,735.47	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance (N.J.S.A. 40A:4-45.3(00)): Employee Group Health	4,600.00	4,600.00	4,600.00			
Interlocal Municipal Service Agreements: Sterling High School -- COPS in Schools:						
Salaries and Wages	78,414.38	78,414.38	78,414.38			
Other Expenses	46,062.06	46,062.06	39,473.78	775.42	5,812.86	
Park School Shared Services						
Salaries and Wages	309,165.06	322,665.06	321,037.61		1,627.45	
Other Expenses	127,553.08	127,553.08	59,583.39	3,986.30	63,983.39	
Total Interlocal Municipal Service Agreements -- Within "CAPS" Excluded from "CAPS"	565,794.58	579,294.58	503,109.16	4,761.72	71,423.70	
Public and Private Programs:						
Camden County Open Space Recreation Grant {N.J.S.A. 40A:4-87, \$25,000.00+}		25,000.00	25,000.00			
Camden County Historical Preservation Grant {N.J.S.A. 40A:4-87, \$50,000.00+}		50,000.00	50,000.00			
Clean Communities Grant Program	10,914.47	10,914.47	10,914.47			
Community Development Block Grant 2022 (N.J.S.A. 40A:4-87, \$103,000.00+)		103,000.00	103,000.00			
Division of Criminal Justice -- Body Armor Replacement Fund	2,404.06	2,404.06	2,404.06			
New Jersey Department of Community Affairs: ARP Firefighter Grant {N.J.S.A. 40A:4-87, \$34,000.00+}		34,000.00	34,000.00			
New Jersey Department of Transportation: Chestnut and Parkview	250,000.00	250,000.00	250,000.00			
Recycling Tonnage Grant	13,391.50	13,391.50	13,391.50			
Safe and Secure Communities Program - P.L. 1994, Chapter 220	12,590.00	12,590.00	12,590.00			
Total Public and Private Programs -- Excluded from "CAPS"	289,300.03	501,300.03	501,300.03			

(Continued)

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

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
Total Operations -- Excluded from "CAPS"	\$ 855,094.61	\$ 1,080,594.61	\$ 1,004,409.19	\$ 4,761.72	\$ 71,423.70	
Detail:						
Salaries and Wages	400,169.44	413,669.44	412,041.99		1,627.45	
Other Expenses	454,925.17	666,925.17	592,367.20	4,761.72	69,796.25	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment on Bond Principal	350,000.00	350,000.00	350,000.00			
NJIB Loan Principal	39,890.50	9,829.54				\$ 9,829.54
Interest on Bonds	52,500.00	52,500.00	52,500.00			
Bond Anticipation Notes	99,000.00	99,000.00	99,000.00			
Interest on Notes	17,400.00	17,400.00	16,852.43			547.57
NJIB Loan Interest	25,662.50	55,723.46	42,791.04			12,932.42
Total Municipal Debt Service -- Excluded from "CAPS"	584,453.00	584,453.00	561,143.47			23,309.53
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,439,547.61	1,665,047.61	1,565,552.66	4,761.72	71,423.70	23,309.53
Subtotal General Appropriations	6,924,894.13	7,136,894.13	6,732,984.26	170,441.17	210,159.17	23,309.53
Reserve for Uncollected Taxes	250,000.00	250,000.00	250,000.00			
Total General Appropriations (Carried Forward)	\$ 7,174,894.13	\$ 7,386,894.13	\$ 6,982,984.26	\$ 170,441.17	\$ 210,159.17	\$ 23,309.53

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Total General Appropriations (Brought Forward)	<u>\$ 7,174,894.13</u>	<u>\$ 7,386,894.13</u>	<u>\$ 6,982,984.26</u>	<u>170,441.17</u>	<u>210,159.17</u>	<u>\$ 23,309.53</u>
Appropriation by 40A:4-87		\$ 212,000.00				
Budget		<u>7,174,894.13</u>				
Budget		<u>\$ 7,386,894.13</u>				
Refunds			\$ (67,746.19)			
Reserve for Federal and State Grants -- Appropriated			501,300.03			
Reserve for Uncollected Taxes			250,000.00			
Due Dog License Fund			17,000.00			
Due Trust Other Fund			5,859.10			
Due General Capital Fund			99,000.00			
Disbursements			<u>6,177,571.32</u>			
			<u>\$ 6,982,984.26</u>			

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, 2022 and 2021

---

ASSETS:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Animal Control Fund:			
Cash	SB-1	\$ 376.32	\$ 564.72
Total Animal Control Fund		376.32	564.72
Other Funds:			
Cash	SB-1	852,548.78	817,849.19
Due from Current Fund	SB-5	6,383.55	
Total Other Funds		858,932.33	817,849.19
Total Assets		\$ 859,308.65	\$ 818,413.91

(Continued)

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

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 373.92	\$ 563.52
Due to State of New Jersey -- Registration Fees	SB-4	<u>2.40</u>	<u>1.20</u>
Total Animal Control Fund		<u>376.32</u>	<u>564.72</u>
Other Funds:			
Due to Current Fund	SB-5		15,412.76
Due to State of New Jersey -- Division of Youth and Family Services	SB-6		250.00
Due to State of New Jersey -- New Construction Surcharge	SB-7	878.00	1,192.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-8	2,299.37	2,299.37
Beautification Programs	SB-8	29,992.12	78,304.76
Developer's Escrow Fund	SB-8	297,498.79	299,274.25
Disposal of Forfeited Property	SB-8	22,228.41	20,642.86
Municipal Public Defender	SB-8	809.11	1,634.21
New Jersey Unemployment Compensation	SB-8	34,254.00	27,938.77
Outside Employment of Off-Duty Police Officers	SB-8	2,710.04	146,128.77
Parking Offense Adjudication Act	SB-8	2,038.05	1,976.05
Board of Recreation Commission	SB-8	17,168.75	16,022.27
Recycling Program	SB-8	15.05	15.05
Tax Title Lien Redemption	SB-8	427,990.40	191,707.83
Uniform Fire Safety Act Penalty Monies	SB-8	<u>21,050.24</u>	<u>15,050.24</u>
Total Other Funds		<u>858,932.33</u>	<u>817,849.19</u>
Total Liabilities and Reserves		<u>\$ 859,308.65</u>	<u>\$ 818,413.91</u>

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

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2022 and 2021

ASSETS:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	SC-1	\$ 668,184.77	\$ 244,766.08
Deferred Charges to Future Taxation:			
Funded	SC-3	4,153,550.00	2,450,000.00
Unfunded	SC-4	5,074,550.00	7,227,100.00
Community Development Block Grant Receivable	SC-5		8,647.00
New Jersey Transportation Trust Fund Authority Act Receivable	SC-6	33,099.34	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	30,060.96	17,300.00
		<u>30,060.96</u>	<u>17,300.00</u>
Total Assets		<u>\$ 9,984,445.07</u>	<u>\$ 10,280,912.42</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Reserve for Community Development Block Grant Receivable	SC-5		\$ 300.00
Improvement Authorizations:			
Funded	SC-9	\$ 238,126.97	521,630.17
Unfunded	SC-9	295,542.30	491,555.80
Capital Improvement Fund	SC-10	19,679.00	19,679.00
Reserve for Encumbrances	SC-11	43,722.50	49,292.17
Contracts Payable	SC-12	46,279.80	984,209.36
Reserve for the Payment of Debt	SC-12	112,994.50	
Bond Anticipation Notes	SC-13	5,074,550.00	5,173,550.00
General Obligation Bonds	SC-14	2,100,000.00	2,450,000.00
New Jersey Infrastructure Bank Short-Term Loan Payable	SC-1		590,695.92
New Jersey Infrastructure Bank Loan Payable	SC-15	2,053,550.00	
		<u>2,053,550.00</u>	<u>590,695.92</u>
Total Liabilities and Reserves		<u>\$ 9,984,445.07</u>	<u>\$ 10,280,912.42</u>

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

**BOROUGH OF SOMERDALE**  
SEWER UTILITY FUND

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

ASSETS:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Cash	SD-1	\$ 346,716.41	\$ 389,853.37
Due from Sewer Utility Capital Fund	SD-8	<u>18,400.00</u>	<u>36,800.00</u>
		<u>365,116.41</u>	<u>426,653.37</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	47,682.68	59,047.24
Sewer Utility Liens	SD-5	<u>1,033.79</u>	<u>4,112.85</u>
		<u>48,716.47</u>	<u>63,160.09</u>
Total Operating Fund		<u>413,832.88</u>	<u>489,813.46</u>
Assessment Fund:			
Assessments Receivable	SD-6	<u>18,400.00</u>	<u>36,800.00</u>
		<u>18,400.00</u>	<u>36,800.00</u>
Capital Fund:			
Fixed Capital	SD-7	7,377,812.06	7,314,274.98
Due from Sewer Utility Trust Assessment Fund	SD-9	<u>18,400.00</u>	<u>36,800.00</u>
Total Capital Fund		<u>7,396,212.06</u>	<u>7,351,074.98</u>
Total Assets		<u>\$ 7,828,444.94</u>	<u>\$ 7,877,688.44</u>

(Continued)

**BOROUGH OF SOMERDALE**  
SEWER UTILITY FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Operating Fund:			
Appropriation Reserves	D-3, SD-10	\$ 71,381.53	\$ 130,560.29
Reserve for Encumbrances	D-3, SD-10	22,552.71	30,858.31
Accounts Payable	SD-11	5,699.10	3,209.99
Sewer Rent Overpayments	SD-12	3,150.42	3,504.10
Accrued Interest on Bonds and Notes	SD-13	1,721.48	1,757.43
		<u>104,505.24</u>	<u>169,890.12</u>
Reserve for Receivables		48,716.47	63,160.09
Fund Balance	D-1	260,611.17	256,763.25
		<u>413,832.88</u>	<u>489,813.46</u>
Assessment Fund:			
Due to Sewer Utility Capital Fund	SD-9	18,400.00	36,800.00
		<u>18,400.00</u>	<u>36,800.00</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-8	18,400.00	36,800.00
Reserve for Amortization	SD-14	4,331,317.46	4,204,160.20
United States Department of Agriculture (USDA) Loans Payable	SD-15	3,046,494.60	3,110,114.78
		<u>7,396,212.06</u>	<u>7,351,074.98</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,828,444.94</u>	<u>\$ 7,877,688.44</u>

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

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

	<u>2022</u>	<u>2021</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 132,645.43	\$ 159,391.33
Rents	541,670.62	510,592.59
Miscellaneous	17,687.00	52,657.36
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>128,016.78</u>	<u>76,772.75</u>
Total Income	<u>820,019.83</u>	<u>799,414.03</u>
<u>Expenditures</u>		
Operating	429,100.00	402,183.33
Debt Service	121,602.05	121,602.72
Capital Improvements	82,500.00	92,000.00
Regulatory Expenditures	<u>50,324.43</u>	<u>49,000.00</u>
Total Expenditures	<u>683,526.48</u>	<u>664,786.05</u>
Excess (Deficit) in Revenue	136,493.35	134,627.98
Balance January 1	<u>256,763.25</u>	<u>281,526.60</u>
	393,256.60	416,154.58
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	<u>132,645.43</u>	<u>159,391.33</u>
Balance December 31	<u><u>\$ 260,611.17</u></u>	<u><u>\$ 256,763.25</u></u>

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

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

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 132,645.43	\$ 132,645.43	
Rents	550,917.00	541,670.62	\$ (9,246.38)
Miscellaneous		<u>17,687.00</u>	<u>17,687.00</u>
	<u>\$ 683,562.43</u>	<u>\$ 692,003.05</u>	<u>\$ 8,440.62</u>
 <u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable:			
Receipts -- Collector:			
Liens		\$ 3,715.06	
Rents		534,477.75	
Overpayments Applied		<u>3,477.81</u>	
			<u>\$ 541,670.62</u>
 Miscellaneous:			
Collector - Receipts:			
Special Sewer Charges		\$ 15,000.00	
Interest and Costs on Delinquent Rents		<u>2,007.32</u>	
			\$ 17,007.32
 Treasurer:			
Receipts:			
Interest Earned on Deposits		628.18	
Refund of Prior Year Expenditures		<u>51.50</u>	
			<u>679.68</u>
			<u>\$ 17,687.00</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, 2022

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Sewer Operating:						
Salaries and Wages	\$ 240,450.00	\$ 252,450.00	\$ 249,615.57		\$ 2,834.43	
Other Expenses	176,650.00	176,650.00	120,501.78	\$ 22,552.71	33,595.51	
Total Operating	<u>417,100.00</u>	<u>429,100.00</u>	<u>370,117.35</u>	<u>22,552.71</u>	<u>36,429.94</u>	
Capital Improvements						
Capital Outlay	<u>94,500.00</u>	<u>82,500.00</u>	<u>48,237.08</u>		<u>34,262.92</u>	
Debt Service:						
Payment of Bond Principal	63,620.18	63,620.18	63,620.18			
Interest on Bonds	<u>58,017.82</u>	<u>58,017.82</u>	<u>57,981.87</u>			\$ 35.95
Total Debt Service	<u>121,638.00</u>	<u>121,638.00</u>	<u>121,602.05</u>			<u>35.95</u>
Regulatory Expenditures:						
Contribution to:						
Public Employees' Retirement System	31,930.00	31,930.00	31,930.00			
Social Security System (O.A.S.I.)	<u>18,394.43</u>	<u>18,394.43</u>	<u>17,705.76</u>		<u>688.67</u>	
Total Regulatory Expenditures	<u>50,324.43</u>	<u>50,324.43</u>	<u>49,635.76</u>		<u>688.67</u>	
Total Appropriations	<u>\$ 683,562.43</u>	<u>\$ 683,562.43</u>	<u>\$ 589,592.24</u>	<u>\$ 22,552.71</u>	<u>\$ 71,381.53</u>	<u>\$ 35.95</u>
Accrued Interest on Bonds and Notes			\$ 57,981.87			
Disbursements			533,254.76			
Refunds			<u>(1,644.39)</u>			
			<u>\$ 589,592.24</u>			

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, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land and Buildings	\$ 5,708,119.79			\$ 5,708,119.79
Construction in Progress	522,055.54	\$ 222,413.02		744,468.56
Public Works Equipment	897,722.05			897,722.05
Police Equipment	178,848.79		\$ 29,472.50	149,376.29
Office Equipment	44,835.32			44,835.32
Fire Equipment	91,303.00		9,000.00	82,303.00
Vehicles	3,829,645.87	729,288.77	475,333.35	4,083,601.29
	<u>\$ 11,272,530.36</u>	<u>\$ 951,701.79</u>	<u>\$ 513,805.85</u>	<u>\$ 11,710,426.30</u>
Total General Fixed Assets	<u>\$ 11,272,530.36</u>	<u>\$ 951,701.79</u>	<u>\$ 513,805.85</u>	<u>\$ 11,710,426.30</u>
Total Investment in General Fixed Assets	<u>\$ 11,272,530.36</u>	<u>\$ 951,701.79</u>	<u>\$ 513,805.85</u>	<u>\$ 11,710,426.30</u>

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

**BOROUGH OF SOMERDALE**  
Notes to Financial Statements  
For the Year Ended December 31, 2022

---

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of 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, 2021 and decreased by the amount deferred at December 31, 2022.

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

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

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

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

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

**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.

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

The Borough implemented the following GASB Statement for the year ended December 31, 2022:

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

Because of the implementation of GASB Statement No. 87, the Borough has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 6). In addition, the Borough has determined that certain disclosures relating to capital leases in the prior year are now disclosed as financed purchase obligations (note 13). Also, the Borough has determined that lease agreements in the prior year formerly disclosed as operating leases are now disclosed in accordance with the Statement (note 14).

**Recently Issued Accounting Pronouncements**

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

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

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

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

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

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of December 31, 2022, the Borough's bank balances of \$2,871,583.07 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,118,036.50
Uninsured and Uncollateralized	<u>753,546.57</u>
Total	<u>\$ 2,871,583.07</u>

**Note 3: PROPERTY TAXES**

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

**Comparative Schedule of Tax Rates**

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 4.271	\$ 4.389	\$ 4.280	\$ 4.202	\$ 4.305
Apportionment of Tax Rate:					
Municipal	\$ 1.133	\$ 1.129	\$ 1.113	\$ 1.107	\$ 1.103
County	.942	.986	.942	.917	.953
Local School	1.497	1.485	1.461	1.450	1.435
Regional High School	.699	.789	.764	.728	.814

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2022	\$ 338,512,100.00
2021	337,834,000.00
2020	337,054,000.00
2019	333,809,300.00
2018	330,140,900.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 14,476,449.01	\$ 14,265,901.91	98.55%
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%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 51,572.50	\$ 216,858.42	\$ 268,430.92	1.85%
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%

**Note 3: PROPERTY TAXES (CONT'D)**

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

<u>Year</u>	<u>Number</u>
2022	7
2021	8
2020	8
2019	9
2018	5

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2022	\$ 170,015.00
2021	170,015.00
2020	170,015.00
2019	192,315.00
2018	192,315.00

**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>			
2022	\$ 59,047.24	\$ 4,112.85	\$ 527,227.00	\$ 590,387.09	\$ 541,670.62
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

**Note 6: LEASES RECEIVABLE**

The Borough, as lessor, has entered into the following leases which meet the requirements of GASB 87:

**Cell Towers Lease** - On November 14, 2000, the Borough entered into a five-year lease agreement with American Tower for the lease of cell towers with an incremental borrowing rate of 5.00%. The agreement included periodic renewals that extended the agreement through 2025. Based on this agreement, the Borough is receiving payments that increase by 3% every twelve months. The payments will range between \$2,232.36 and \$2,439.36 on a monthly basis through November 30, 2025.

**Church Building** - On May 12, 2021 with an effective date of January 1, 2021, the Borough entered into a four-year lease agreement with Reserve at Grace Urban Renewal LLC for the lease of the Former Our Lady of Grace Church building with an incremental borrowing rate of .35%. Based on this agreement, there was no rent due to the Borough for calendar year 2021, payments of \$2,000.00 per month for calendar year 2022, \$4,000.00 per month for calendar year 2023 and \$4,500.00 per month for calendar year 2024 with the lease agreement ending on December 31, 2024.

Under the provisions of GASB 87, as of December 31, 2022, the balance of the lease's receivable is \$179,196.28. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the leases as of December 31, 2022:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Tower	\$ 75,578.27	\$ 11,238.24	4,484.11
Church Building	103,618.01	41,751.36	363.91
	<u>\$ 179,196.28</u>	<u>\$ 52,989.60</u>	<u>\$ 4,848.02</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Borough would have recognized \$43,613.10 in a reduction of lease receivable and \$4,848.02 in interest revenue related to the leases. In addition, \$52,989.84 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$48,461.12 were reported as revenue in the current fund.

The following schedule represents the remaining principal and interest payments on these lease agreements:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 71,333.55	\$ 3,624.23	\$ 74,957.78
2024	79,788.17	2,217.67	82,005.84
2025	28,074.56	771.47	28,846.03
Total	<u>\$ 179,196.28</u>	<u>\$ 6,613.37</u>	<u>\$ 185,809.65</u>

**Note 7: FUND BALANCES APPROPRIATED**

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

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 559,904.17	\$ 407,470.66	72.78%
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%

**Sewer Utility Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 260,611.17	\$ 135,109.00	51.84%
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%

**Note 8: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 112,930.63
Federal and State Grant	\$ 76,486.12	
Trust - Other	6,383.55	
General Capital	30,060.96	
Sewer Utility - Operating	18,400.00	
Sewer Utility Trust Assessment		18,400.00
Sewer Utility - Capital	18,400.00	18,400.00
	<u>\$ 149,730.63</u>	<u>\$ 149,730.63</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

**Note 9: PENSION PLANS**

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

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

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

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

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

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

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

**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 P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. 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.

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - 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.

**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, 2021 was 15.93% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$234,781.00, and was payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$210,559.00, which was paid on April 1, 2021.

Employee contributions to the Plan during the year ended December 31, 2021 were \$114,607.65.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Borough's contractually required contribution rate for the year ended December 31, 2021 was 33.48% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$405,924.00, and was payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2020, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$393,863.00, which was paid on April 1, 2021.

Employee contributions to the Plan during the year ended December 31, 2021 were \$123,136.86.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2021 was 5.13% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2021 is \$62,197.00, and was payable by April 1, 2022. Based on the PFRS measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2020 was \$54,402.00, which was paid on April 1, 2021.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

**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.

For the year ended December 31, 2022, employee contributions totaled \$1,157.57, and the Borough's contributions were \$631.53. There were no forfeitures during the year.

**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions****Public Employees' Retirement System**

**Pension Liability** - At December 31, 2021, the Borough's proportionate share of the PERS net pension liability was \$2,374,942.00. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the Borough's proportion was 0.0200476259%, which was an increase of 0.00080000292% from its proportion measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$159,369.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough's contribution to PERS was \$210,559.00, and was paid on April 1, 2021.

**Police and Firemen's Retirement System**

**Pension Liability** - At December 31, 2021, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 2,545,732.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>715,987.00</u>
	<u>\$ 3,261,719.00</u>

**Note 9: 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)**

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2021 measurement date, the Borough's proportion was 0.0348293805%, which was a decrease of (0.0004260147%) from its proportion measured as of June 30, 2020. Likewise, at June 30, 2021, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0348292333%, which was an decrease of (0.0004261619%) from its proportion, on-behalf of the Borough, measured as of June 30, 2020.

**Pension (Benefit) Expense** - For the year ended December 31, 2021, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$303,037.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Borough's contribution to PFRS was \$393,863.00, and was paid on April 1, 2021.

For the year ended December 31, 2021, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2021 measurement date, was \$80,123.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 37,456.00	\$ 29,044.00	\$ 66,500.00	\$ 17,002.00	\$ 304,952.00	\$ 321,954.00
Changes of Assumptions	12,369.00	13,546.00	25,915.00	845,495.00	762,944.00	1,608,439.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	625,622.00	1,084,819.00	1,710,441.00
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	430,778.00	29,225.00	460,003.00	30,716.00	248,377.00	279,093.00
Borough Contributions Subsequent to the Measurement Date	117,391.00	202,962.00	320,353.00	-	-	-
	<u>\$ 597,994.00</u>	<u>\$ 274,777.00</u>	<u>\$ 872,771.00</u>	<u>\$ 1,518,835.00</u>	<u>\$ 2,401,092.00</u>	<u>\$ 3,919,927.00</u>

**Note 9: 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)** - \$117,391.00 and \$202,962.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2022. These amounts were based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2021 to the Borough's year end of December 31, 2021.

The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

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

**Note 9: 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:

<b>Year Ending Dec 31,</b>	<b><u>PERS</u></b>	<b><u>PFRS</u></b>	<b><u>Total</u></b>
2022	\$ (408,880.00)	\$ (727,136.00)	\$ (1,136,016.00)
2023	(291,062.00)	(574,635.00)	(865,697.00)
2024	(181,384.00)	(504,739.00)	(686,123.00)
2025	(161,406.00)	(445,685.00)	(607,091.00)
2026	4,500.00	(65,885.00)	(61,385.00)
Thereafter	-	(11,197.00)	(11,197.00)
	<u>\$ (1,038,232.00)</u>	<u>\$ (2,329,277.00)</u>	<u>\$ (3,367,509.00)</u>

**Actuarial Assumptions**

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

	<b><u>PERS</u></b>	<b><u>PFRS</u></b>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: <sup>(1)</sup>		
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

<sup>(1)</sup> based on years of service

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

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

**Police and Firemen's Retirement System**

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2021) 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, 2021 are summarized in the table that follows:

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

**Note 9: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)****Discount Rate -**

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

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

**Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,234,189.00	\$ 2,374,942.00	\$ 1,645,749.00

**Note 9: PENSION PLANS (CONT'D)****Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)**

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of the June 30, 2021 measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Borough's Proportionate Share of the Net Pension Liability	\$ 3,865,615.00	\$ 2,545,732.00	\$ 1,447,073.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>1,087,203.00</u>	<u>715,987.00</u>	<u>406,989.00</u>
	<u>\$ 4,952,818.00</u>	<u>\$ 3,261,719.00</u>	<u>\$ 1,854,062.00</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 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0200476259%	0.0192475967%	0.0178649151%	0.0181845981%	0.0170511830%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,374,942.00	\$ 3,138,780.00	\$ 3,218,987.00	\$ 3,580,457.00	\$ 3,969,243.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,476,636.00	\$ 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	160.83%	226.30%	252.83%	282.31%	350.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0157077041%	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 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Nine Years)***

	<u>Year Ended December 31,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 234,781.00	\$ 210,559.00	\$ 173,773.00	\$ 180,878.00	\$ 157,961.00
Borough's Contribution in Relation to the Contractually Required Contribution	(234,781.00)	(210,559.00)	(173,773.00)	(180,878.00)	(157,961.00)
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,474,135.00	\$ 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	15.93%	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	(139,545.00)	(141,112.00)	(96,346.00)	(97,733.00)	
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 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Nine Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net Pension Liability	0.0348293805%	0.0352553952%	0.0362621679%	0.0373776911%	0.0370470239%
Borough's Proportionate Share of the Net Pension Liability	\$ 2,545,732.00	\$ 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	715,987.00	706,987.00	700,721.00	687,021.00	640,615.00
Total	<u>\$ 3,261,719.00</u>	<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)	\$ 1,220,948.00	\$ 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	208.50%	383.51%	361.07%	407.88%	476.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.26%	63.52%	65.00%	62.48%	58.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Borough's Proportion of the Net Pension Liability	0.0362084266%	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	80,834.00	477,749.00	449,072.00	40,127.00	
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 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Nine Years)***

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Contractually Required Contribution	\$ 405,924.00	\$ 393,863.00	\$ 366,288.00	\$ 365,422.00	\$ 327,873.00
Borough's Contribution in Relation to the Contractually Required Contribution	<u>(405,924.00)</u>	<u>(393,863.00)</u>	<u>(366,288.00)</u>	<u>(365,422.00)</u>	<u>(327,873.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 1,212,581.00	\$ 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	33.48%	32.89%	30.54%	30.53%	26.87%

  

	Year Ended December 31,			
	<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	<u>(295,222.00)</u>	<u>(265,854.00)</u>	<u>(254,636.00)</u>	<u>(236,522.00)</u>
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

**Changes in Assumptions**

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

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

**Note 9: PENSION PLANS (CONT'D)****Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Public Employees' Retirement System (PERS) (Cont'd)***

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

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

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

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

None

**Changes in Assumptions**

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

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

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

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

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

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

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

**Plan Description and Benefits Provided** - The Borough 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 10: 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 is (\$518,825.00) for the year ended December 31, 2021, representing (42.78%) of the Borough's covered payroll.

**OPEB Liability**

At December 31, 2021, the State's proportionate share of the net OPEB liability associated with the Borough was \$3,802,202.00. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

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, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the State's proportion on-behalf of the Borough was 0.098468%, which was an increase of 0.028492% from its proportion measured as of the June 30, 2020 measurement date.

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions**

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

Inflation Rate	2.50%
Salary Increases *	
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-2021.

Actuarial assumptions used in the 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) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

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

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Actuarial Assumptions (Cont'd)**

The health care trend assumptions used is as follows:

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

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

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

	1% Decrease <u>(1.16%)</u>	Current Discount Rate <u>(2.16%)</u>	1% Increase <u>(3.16%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 4,474,462.00	\$ 3,802,202.00	\$ 3,269,421.00

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

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

	1% Decrease <u></u>	Healthcare Cost Trend Rate <u></u>	1% Increase <u></u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Borough	\$ 3,172,317.00	\$ 3,802,202.00	\$ 4,624,124.00

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****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.

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Borough's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Borough	<u>3,802,202.00</u>	<u>3,822,301.00</u>	<u>3,336,318.00</u>	<u>3,280,102.00</u>	<u>4,685,871.00</u>
Total	<u>\$ 3,802,202.00</u>	<u>\$ 3,822,301.00</u>	<u>\$ 3,336,318.00</u>	<u>\$ 3,280,102.00</u>	<u>\$ 4,685,871.00</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 1,165,597.00	\$ 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%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	326.20%	312.27%	284.47%	270.04%	382.77%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

**Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)****Other Notes to Supplementary OPEB Information**

**Changes in Benefit Terms** - The actuarial valuation as of June 30, 2020 included changes due to employers adopting and/or changing Chapter 48 provisions.

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

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

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

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

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

**Note 11: 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, 2022, the balance of the fund was \$2,299.37. It is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$295,891.46.

**Note 12: 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 13: FINANCED PURCHASES OBLIGATIONS**

The Borough has entered into the following agreements which meet the requirements of financed purchases under the provisions of GASB 87, *Leases*.

**Police Vehicles** - As of December 31, 2022, the Borough is financing two (2) 2020 Ford Interceptors with a total cost of \$79,387.00. The monthly payments are \$1,881.23. The agreement is for a term of forty-eight months (48) with an interest rate of 6.75%. The final maturity of the financed purchase is June 3, 2024. The Borough is also financing two (2) 2021 Ford Interceptors with a total cost of \$78,812.00. The monthly payments are \$1,783.49. The term is for forty-eight months (48) with an interest rate of 3.795%. The final maturity of the financed purchase is December 30, 2024. In addition, the Borough is financing a 2022 Chevrolet Tahoe with a total cost of \$49,288.77. The agreement is for a term of three (3) years with an interest rate of 6.88%. The final maturity of the financed purchase is April 15, 2024.

**Fire Department Vehicle** - As of December 31, 2022, the Borough is financing a 2021 Ferrara Pumper with a total cost of \$680,000.00. The annual payments are \$78,025.11. The agreement is for a term of ten years (10) with an interest rate of 2.582%. The final maturity of the financed purchase is April 20, 2031.

**Public Works Vehicle and Equipment** - As of December 31, 2022, the Borough is financing a 2019 International CV515 Single Axle Dump Truck and a 2020 Tarco Hurricane 4025DR 25 Yard Leaf Machine with a total cost of \$181,719.42. The annual payments are \$39,679.75. The agreement is for a term of five years (5) with an interest rate of 4.594%. The final maturity of the financed purchase is May 26, 2024.

The following is an analysis of the financed purchase obligation liability:

<u>Description</u>	<u>Balance at December 31,</u>	
	<u>2022</u>	<u>2021</u>
Police Vehicles	\$ 105,031.23	\$ 112,394.60
Fire Department Vehicles	619,531.78	
Public Works Vehicle and Equipment	74,207.60	108,885.19
	<u>\$ 798,770.61</u>	<u>\$ 221,279.79</u>

The following schedule represents the remaining future minimum payments under the financed purchase obligations, and the present value of the net minimum payments as of December 31, 2022:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 154,888.36	\$ 24,327.20	\$ 179,215.56
2024	150,010.91	17,918.27	167,929.18
2025	65,273.87	12,751.24	78,025.11
2026	66,959.17	11,065.94	78,025.11
2027	68,687.99	9,337.12	78,025.11
2028-2031	292,950.31	19,150.13	312,100.44
	<u>\$ 798,770.61</u>	<u>\$ 94,549.90</u>	<u>\$ 893,320.51</u>

**Note 13: FINANCED PURCHASES OBLIGATIONS (CONT'D)**

Under the provisions of GASB 87, for the year ended December 31, 2022, the Borough would have reported assets in the amount of \$1,069,207.19 and a financed purchase obligation in the amount of \$798,770.61. In addition, for the year ended December 31, 2022, the Borough would have recognized a reduction of the financed purchase obligation of \$151,797.95 and interest expense of \$27,417.62.

As a result of the regulatory basis of accounting previously described in note 1, the above noted cost of the assets, along with the financed purchase obligation liability, have not been recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the Current or Trust Other Funds, instead, the annual payment of the financed purchase obligation of \$78,025.11 and \$101,190.46 were budgeted and paid from the Current Fund and/or Trust Fund Reserve for Outside Employment of Off-Duty Police Officers, respectively. In addition, the assets have been recorded in the general fixed assets group of accounts at historical cost at the inception of each finance purchase agreement.

**Note 14: LEASE LIABILITY AND LEASE ASSETS**

The Borough, as lessee, has entered into the following leases which meet the requirements of GASB 87:

**Copiers**

The Borough is leasing three (3) Xerox copiers with a total lease liability of \$13,690.84. The leases began on August 11, 2022 for a term of forty-eight months. The implied interest rate is based on the Borough's estimated incremental borrowing rate of 1.25%. Based on this lease, the Borough is making payments through July 11, 2026. The Borough paid \$1,461.30 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

**Postage Machine**

The Borough is leasing a postage machine with a total lease liability of \$2,980.03. The leases began on May 16, 2019 for a term of five years. The implied interest rate is based on the Borough's estimated incremental borrowing rate of 2.07%. Based on this lease, the Borough is making semiannual payments through November 16, 2023. The Borough paid \$624.00 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

**Vehicles**

The Borough is leasing a 2021 Ford Inceptor with a total lease liability of \$37,267.44. The lease began on November 12, 2021 for a term of forty-eight months. The implied interest rate is based on the Borough's estimated incremental borrowing rate of .43%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Borough is making payments through October 12, 2025. The Borough paid \$9,395.52 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

The Borough is leasing a 2021 Ford Explorer with a total lease liability of \$23,609.63. The lease began on November 30, 2021 for a term of forty-eight months. The implied interest rate is based on the Borough's estimated incremental borrowing rate of .43%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Borough is making payments through October 30, 2025. The Borough paid \$5,952.24 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

The Borough is leasing a 2022 Ford Inceptor with a total lease liability of \$35,654.94. The lease began on June 8, 2022 for a term of forty-eight months. The implied interest rate is based on the Borough's estimated incremental borrowing rate of 1.25%. The lease is not expected to be renewed at the expiration of the lease agreement. Based on this lease, the Borough is making payments through May 8, 2026. The Borough paid \$5,327.91 of lease payments during the year ended December 31, 2022 which were budgeted and paid from the current fund.

**Note 14: LEASE LIABILITY AND LEASE ASSETS (CONT'D)**

Under the provisions of GASB 87, as of December 31, 2022, the balance of the lease liability is \$86,645.61, and balance of the related right to use leased assets have a balance of \$86,437.14. The leases are summarized as follows:

<u>Description</u>	<u>Balance at December 31,</u>			
	<u>2022</u>		<u>2021</u>	
	<u>Lease Liability</u>	<u>Lease Asset</u>	<u>Lease Liability</u>	<u>Lease Asset</u>
Copiers	\$ 12,283.62	\$ 12,264.69		
Postage Machine	614.44	596.03	\$ 1,216.36	\$ 1,192.03
Vehicles	73,747.55	73,576.42	58,340.46	58,340.51
	<u>\$ 86,645.61</u>	<u>\$ 86,437.14</u>	<u>\$ 59,556.82</u>	<u>\$ 59,532.54</u>

As a result of the regulatory basis of accounting previously described in note 1, the Borough has not reported a lease liability or right to use leased assets.

Under the provision of GASB 87, annual requirements to amortize lease obligations and related interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 27,981.36	\$ 631.08	\$ 28,612.44
2024	27,585.40	403.04	27,988.44
2025	25,247.74	182.73	25,430.47
2026	5,831.11	20.36	5,851.47
Total	<u>\$ 86,645.61</u>	<u>\$ 1,237.21</u>	<u>\$ 87,882.82</u>

**Note 15: 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.

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>
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	350,000.00	14,000.00	364,000.00
2028	350,000.00	4,812.50	354,812.50
	<u>\$ 2,100,000.00</u>	<u>\$ 154,875.00</u>	<u>\$ 2,254,875.00</u>

**Note 15: CAPITAL DEBT (CONT'D)****New Jersey Infrastructure Bank Loan**

State Fiscal Year 2022 Transportation Infrastructure Loan - On December 6, 2022, the Borough obtained permanent financing under the New Jersey Infrastructure Trust Act with a loan agreement for \$2,053,550.00 at an interest rate of 1.479%. The issue was for the purpose of funding various capital ordinances in the Borough. The final maturity of the loan is November 1, 2032.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Infrastructure Bank Loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 177,968.50	\$ 26,005.33	\$ 203,973.83
2024	197,380.51	26,828.32	224,208.83
2025	199,870.44	24,338.38	224,208.82
2026	202,434.94	21,773.90	224,208.84
2027	205,076.45	19,132.38	224,208.83
2028 - 2032	1,070,819.16	50,225.00	1,121,044.16
	<u>\$ 2,053,550.00</u>	<u>\$ 168,303.31</u>	<u>\$ 2,221,853.31</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>	
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	69,842.58	51,795.42	121,638.00
2028-2032	369,450.99	238,739.01	608,190.00
2033-2037	405,585.34	202,604.66	608,190.00
2038-2042	445,253.86	162,936.14	608,190.00
2043-2047	488,802.20	119,387.80	608,190.00
2048-2052	536,609.78	71,580.22	608,190.00
2053-2056	464,256.55	19,715.56	483,972.11
	<u>\$ 3,046,494.60</u>	<u>\$ 1,086,617.51</u>	<u>\$ 4,133,112.11</u>

**Note 15: CAPITAL DEBT (CONT'D)**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>Issued</u></b>			
General:			
Bonds, Loans and Notes	\$ 9,228,100.00	\$ 8,214,245.92	\$ 7,681,745.92
Sewer Utility:			
Notes and Loans	3,046,494.60	3,110,114.78	3,172,558.64
Total Issued	<u>12,274,594.60</u>	<u>11,324,360.70</u>	<u>10,854,304.56</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds, Loans and Notes		1,462,854.08	1,462,854.08
Sewer Utility:			
Notes and Loans			
Total Authorized but not Issued	<u>-</u>	<u>1,462,854.08</u>	<u>1,462,854.08</u>
Total Issued and Authorized but not Issued	<u>12,274,594.60</u>	<u>12,787,214.78</u>	<u>12,317,158.64</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Debt	112,994.50		
Sewer Utility:			
Self-Liquidating	3,046,494.60	3,110,114.78	3,172,558.64
Total Deductions	<u>3,159,489.10</u>	<u>3,110,114.78</u>	<u>3,172,558.64</u>
<b>Net Debt</b>	<u>\$ 9,115,105.50</u>	<u>\$ 9,677,100.00</u>	<u>\$ 9,144,600.00</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 2.175%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 882,303.05	\$ 882,303.05	
Local School District	2,682,000.00	2,682,000.00	
Self-Liquidating	3,046,494.60	3,046,494.60	
General	9,228,100.00	112,994.50	\$ 9,115,105.50
	<u>\$ 15,838,897.65</u>	<u>\$ 6,723,792.15</u>	<u>\$ 9,115,105.50</u>

Net debt \$9,115,105.50 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$418,996,790.00, equals 2.175%.

**Note 15: CAPITAL DEBT (CONT'D)**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	14,664,887.65
Less: Net Debt		<u>9,115,105.50</u>
Remaining Borrowing Power	<u>\$</u>	<u>5,549,782.15</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	\$	692,003.05
Deductions:		
Operating and Maintenance Costs	\$	479,424.43
Debt Service		<u>121,602.05</u>
Total Deductions		<u>601,026.48</u>
Excess in Revenue	<u>\$</u>	<u>90,976.57</u>

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

**Note 16: 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:

	<b><u>Balance December 31,</u></b>	
	<b><u>2022</u></b>	<b><u>2021</u></b>
Balance of Tax	\$ 1,074,706.34	\$ 1,332,890.50
Deferred	<u>1,182,177.00</u>	<u>1,332,890.50</u>
Prepaid Taxes	<u>\$ (107,470.66)</u>	<u>\$ -</u>

**Note 17: RISK MANAGEMENT**

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

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

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

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 5,859.10	\$ 6,378.88	\$ 78.47	\$ 6,001.22	\$ 34,254.00
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

(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, 2022.

**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 17: 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, 2022, 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 18: CONTINGENCIES**

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

**Note 19: CONCENTRATIONS**

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

**Note 20: SUBSEQUENT EVENTS**

**General Obligation Bonds, Series 2023** - On March 22, 2023, the Borough issued \$3,830,000.00 of general obligation bonds, with interest rates ranging from 3.0% to 4.0%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is January 15, 2034.

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

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

**SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

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

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2021	\$ 1,507,134.80	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 145,529.15	
2022 Budget Appropriation Refunds	67,746.19	
Collector	14,609,221.20	
Petty Cash Funds	50.00	
Revenue Accounts Receivable	2,475,303.56	
Accounts Payable	35,803.44	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	37,250.00	
Reserve for Payroll Deductions Payable	3,746,128.85	
Reserve for Municipal Relief Aid	27,202.06	
Due Current Fund		\$ 284,690.38
Due Trust - Other Fund	103,857.86	
Federal and State Grants Receivable		114,896.70
Reserve for Federal and State Grants -- Unappropriated		306,107.44
Reserve for Federal and State Grants -- Appropriated		15,483.42
	<u>21,248,092.31</u>	<u>\$ 721,177.94</u>
	22,755,227.11	721,177.94
Decreased by Disbursements:		
Petty Cash Funds	50.00	
2022 Appropriations	6,177,571.32	
2021 Appropriation Reserves	183,976.86	
Accounts Payable	4,610.00	
Tax Overpayments	500.00	
County Taxes Payable	3,188,361.10	
Due County for Added and Omitted Taxes	1,774.29	
Local School District Taxes Payable	5,065,986.00	
Regional High School Tax	2,622,538.16	
Reserve for Payroll Deductions Payable	3,740,016.05	
Due Federal and State Grant Fund	284,690.38	
Due Dog License Fund	16,995.60	
Due Trust -- Other Fund	78,262.77	
Due General Capital Fund	85,486.47	
Reserve for Federal and State Grants -- Unappropriated		423,269.66
Reserve for Federal and State Grants -- Appropriated		142,166.82
Contracts Payable		155,741.46
	<u>21,450,819.00</u>	<u>721,177.94</u>
Balance December 31, 2022	<u>\$ 1,304,408.11</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, 2022

---

Increased by:

Maintenance Liens		\$ 2,228.41
Taxes Receivable		14,318,419.88
Tax Title Liens		88,426.02
Prepaid Taxes		115,652.85
Tax Overpayments		31,794.78
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 48,036.82	
Miscellaneous	<u>4,662.44</u>	
		<u>52,699.26</u>

14,609,221.20

Decreased by:

Payments to Treasurer		<u>\$ 14,609,221.20</u>
-----------------------	--	-------------------------

**BOROUGH OF SOMERDALE**  
 CURRENT FUND  
 Schedule of Change Funds  
 As of December 31, 2022

---

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

Exhibit SA-4

**BOROUGH OF SOMERDALE**  
 Statement of Petty Cash Funds  
 For the Year Ended December 31, 2022

---

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

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

---

Balance December 31, 2021	\$ 11,197.16
Increased by:	
2022 Charges	<u>3,195.00</u>
	14,392.16
Decreased by:	
Receipts:	
Paid to Trust Other Fund	<u>2,228.41</u>
Balance December 31, 2022	<u><u>\$ 12,163.75</u></u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Statement of Taxes Receivable  
 For the Year Ended December 31, 2022

Year	Balance	2022 Levy	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance
	Dec. 31, 2021			2021	2022					Dec. 31, 2022
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	2,354.00									2,354.00
2021	212,336.93		\$ 1,000.00		\$ 209,401.14					3,935.79
	231,520.18		1,000.00		209,401.14					23,119.04
2022		\$ 14,476,449.01		\$ 108,403.38	14,109,018.74	\$ 39,750.83	\$ 14,259.85	\$ 8,728.96	\$ 2,547.87	193,739.38
	<u>\$ 231,520.18</u>	<u>\$ 14,476,449.01</u>	<u>\$ 1,000.00</u>	<u>\$ 108,403.38</u>	<u>\$ 14,318,419.88</u>	<u>\$ 39,750.83</u>	<u>\$ 14,259.85</u>	<u>\$ 8,728.96</u>	<u>\$ 2,547.87</u>	<u>\$ 216,858.42</u>

Senior Citizens Disallowed by Collector \$ 1,000.00

Analysis of 2022 Property Taxes

Tax Yield:

General Purpose Tax	\$ 14,457,852.39
Added Taxes (54:4-63.1 et seq.)	<u>18,596.62</u>
	<u>\$ 14,476,449.01</u>

Tax Levy:

Regional High School Tax	\$ 2,364,354.00
Local District School Tax	5,065,986.00
County Taxes:	
Net County Taxes	\$ 2,914,136.24
County Library Tax	193,184.55
County Open Space Taxes	81,040.31
Due County for Added and Omitted Taxes	<u>4,102.90</u>
Total County Taxes	3,192,464.00
Local Tax for Municipal Purposes	3,836,285.33
Add: Additional Tax Levied	<u>17,359.68</u>
	<u>3,853,645.01</u>
	<u>\$ 14,476,449.01</u>

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

---

Balance December 31, 2021		\$ 131,824.67
Increased by:		
Transfers from Taxes Receivable:		
2022 Taxes		<u>14,259.85</u>
		146,084.52
Decreased by:		
Cancelled	\$ 6,086.00	
Receipts -- Collector	<u>88,426.02</u>	
		<u>94,512.02</u>
Balance December 31, 2022		<u><u>\$ 51,572.50</u></u>

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

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Accrued in</u> <u>2022</u>	<u>Collections</u>		<u>Balance</u> <u>Dec. 31, 2022</u>
			<u>Collector</u>	<u>Treasurer</u>	
Clerk:					
Licenses:					
Alcohol Beverages		\$ 18,831.80		\$ 18,831.80	
Other		12,525.00		12,525.00	
Fees and Permits		5,750.00		5,750.00	
Municipal Court:					
Fines and Costs	\$ 6,185.50	74,920.66		76,274.19	\$ 4,831.97
Tax Collector:					
Interest and Costs on Taxes		48,036.82	\$ 48,036.82		
Non Budgeted Revenue		4,662.44	4,662.44		
Board of Health:					
Licenses Other		30.00		30.00	
Fees and Permits		955.00		955.00	
Police:					
Fees and Permits		2,020.50		2,020.50	
Treasurer:					
Cable Television Franchise Tax	19,628.53	19,598.09		19,628.53	19,598.09
Energy Receipts Tax		521,473.00		521,473.00	
Interlocal Service Agreements		663,858.73		663,858.73	
Payment in Lieu of Taxes - National Realty		410,016.00		410,016.00	
Payment in Lieu of Taxes - Other		15,289.15		15,289.15	
Delaware River Port Authority Fees		15,000.00		15,000.00	
Rental Income - Our Lady of Grace		22,000.00		22,000.00	
Debt Service Agreement - Our Lady of Grace		95,532.00		95,532.00	
Coronavirus State and Local Fiscal Recovery Funds (ARP)		423,269.66		423,269.66	
Uniform Construction Code:					
Fees and Permits		92,490.00		92,490.00	
Uniform Fire Code:					
Local Fees & Permits		80,360.00		80,360.00	
	<u>\$ 25,814.03</u>	<u>\$ 2,526,618.85</u>	<u>\$ 52,699.26</u>	<u>\$ 2,475,303.56</u>	<u>\$ 24,430.06</u>

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

---

Balance December 31, 2022

\$ 170,015.00

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

---

Balance December 31, 2021		
School Tax Deferred	\$	1,332,890.50
Increased by:		
Levy School Year July 1, 2022 to June 30, 2023		2,364,354.00
		3,697,244.50
Decreased by:		
Disbursements		2,622,538.16
Balance December 31, 2022		
School Tax Deferred	\$	1,182,177.00
Prepaid Tax		(107,470.66)
		\$ 1,074,706.34
2022 Regional High School Tax		
Amount Charged to 2022 Operations	\$	2,622,538.16

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

	Balance December 31, 2021		Balance After Modification	Expended	Balanced Lapsed
	Encumbered	Reserved			
<b>OPERATIONS -- WITHIN "CAPS"</b>					
<b>General Government Functions:</b>					
<b>General Administration</b>					
Salaries and Wages		\$ 310.69	\$ 188.47		\$ 188.47
Other Expenses	\$ 1,485.75	210.00	1,817.97	\$ 1,817.97	
<b>Mayor and Council</b>					
Other Expenses	23.45	976.40	999.85	23.45	976.40
<b>Municipal Clerk</b>					
Other Expenses	134.95	1,749.20	1,884.15	505.46	1,378.69
<b>Financial Administration</b>					
Other Expenses	1,854.33		1,854.33	1,839.08	15.25
Computerized Data Processing	1,373.88	971.13	2,345.01	1,625.07	719.94
<b>Collection of Taxes</b>					
Other Expenses	64.76	85.82	150.58	64.76	85.82
<b>Assessment of Taxes</b>					
Salaries and Wages		676.61	676.61		676.61
Other Expenses		370.00	370.00		370.00
<b>Legal Services and Costs</b>					
Other Expenses	2,837.17	664.26	3,501.43	2,837.17	664.26
<b>Engineering Services</b>					
Other Expenses	7,687.50	33,692.83	22,580.33	591.68	21,988.65
<b>Municipal Court</b>					
Salaries and Wages		8,566.73	8,566.73		8,566.73
Other Expenses		601.17	601.17		601.17
<b>Land Use Administration:</b>					
<b>Planning Board</b>					
Salaries and Wages		24.79	24.79		24.79
Other Expenses		1,005.00	1,005.00		1,005.00
<b>Code Enforcement and Administration:</b>					
<b>Construction Code Official</b>					
Other Expenses	583.00	578.47	1,161.47	588.50	572.97
<b>Insurance:</b>					
Employee Group Insurance	75,264.24	2,600.00	77,864.24	38,364.46	39,499.78
Health Benefits Waiver		33.34	33.34		33.34
<b>Public Safety Functions:</b>					
<b>Police Department</b>					
Other Expenses	19,099.04	1,400.47	33,499.51	30,190.73	3,308.78
<b>Office of Emergency Management</b>					
Salaries and Wages		41.67	41.67		41.67
Other Expenses	1,562.00	610.88	2,222.88	1,424.21	798.67
Aid to Volunteer Fire Companies	37,950.92		37,950.92	37,757.06	193.86
<b>Fire Prevention</b>					
Other Expenses	39.78	11,204.05	11,243.83	81.52	11,162.31
<b>Public Work Functions:</b>					
<b>Streets and Road Maintenance</b>					
Other Expenses	6,116.86	41,320.25	49,687.11	8,467.55	41,219.56
<b>Workforce:</b>					
Other Expenses	453.76	1,671.52	2,125.28	453.76	1,671.52
<b>Solid Waste Collection</b>					
Other Expenses	5,289.77	5,210.23	10,500.00	3,897.77	6,602.23
<b>Public Buildings and Grounds</b>					
Other Expenses	3,873.48	806.87	4,680.35	3,699.06	981.29

(Continued)

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

	Balance December 31, 2021		Balance After		Balanced
	<u>Encumbered</u>	<u>Reserved</u>	<u>Modification</u>	<u>Expended</u>	<u>Lapsed</u>
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>					
Health and Human Services Functions:					
Animal Control Services					
Other Expenses		\$ 707.00	\$ 707.00	\$ 199.03	\$ 507.97
Human Relations Commission					
Other Expenses		470.00	470.00		470.00
Park and Recreation Functions:					
Board of Recreation Commissioners					
Other Expenses	\$ 3,341.40	4,258.60	7,600.00	3,769.00	3,831.00
Sterling Municipal Alliance Program		2,343.00	2,343.00		2,343.00
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	17,693.71	4,795.07	22,488.78	22,488.78	
Utility Expenses and Bulk Purchases:					
Electricity	2,165.58	1,709.78	3,875.36	3,640.92	234.44
Street Lighting	6,698.29	1,912.69	8,610.98	6,698.29	1,912.69
Telephone	600.00	1,979.80	2,579.80	2,579.80	
Water		2,800.00	2,800.00		2,800.00
Gas (Natural or Propane)	633.59		633.59	633.59	
Sewerage Processing and Disposal		56.00	56.00		56.00
Gasoline	2,461.50	144.76	6,106.26	5,510.41	595.85
<b>Total Operations - within "CAPS"</b>	<u>199,288.71</u>	<u>136,559.08</u>	<u>335,847.79</u>	<u>179,749.08</u>	<u>156,098.71</u>
<b>DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>					
Regulatory Expenditures:					
Contribution to:					
Defined Contribution Retirement Program		18.47	18.47		18.47
Social Security System (O.A.S.I.)		15,047.34	15,047.34		15,047.34
<b>Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"</b>		<u>15,065.81</u>	<u>15,065.81</u>		<u>15,065.81</u>
<b>Total General Appropriations for Municipal Purposes -- Within "CAPS"</b>	<u>199,288.71</u>	<u>151,624.89</u>	<u>350,913.60</u>	<u>179,749.08</u>	<u>171,164.52</u>
Interlocal Municipal Service Agreements:					
Sterling High School -- COPS in Schools:					
Other Expenses	2,925.90	13,431.48	16,357.38	1,462.95	14,894.43
Park School Shared Services					
Salaries and Wages		43,441.96	43,441.96		43,441.96
Other Expenses	8,124.50	37,464.55	45,589.05	4,782.25	40,806.80
<b>Total Interlocal Municipal Service Agreements -- Within "CAPS"</b>	<u>11,050.40</u>	<u>94,337.99</u>	<u>105,388.39</u>	<u>6,245.20</u>	<u>99,143.19</u>
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<u>11,050.40</u>	<u>94,337.99</u>	<u>105,388.39</u>	<u>6,245.20</u>	<u>99,143.19</u>
	<u>\$ 210,339.11</u>	<u>\$ 245,962.88</u>	<u>\$ 456,301.99</u>	<u>\$ 185,994.28</u>	<u>\$ 270,307.71</u>
Disbursements				\$ 183,976.86	
Accounts Payable				2,017.42	
				<u>\$ 185,994.28</u>	

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Statement of Accounts Payable  
For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 23,517.39
Increased by:		
2021 Appropriation Reserves	\$ 2,017.42	
Receipts	<u>35,803.44</u>	
		<u>37,820.86</u>
		61,338.25
Decreased by:		
Disbursements		<u>4,610.00</u>
Balance December 31, 2022		<u><u>\$ 56,728.25</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, 2022

Balance December 31, 2021		\$ 2,363.50
Increased by:		
Receipts	\$ 37,250.00	
Prior Year Deductions Disallowed by Tax Collector	<u>1,000.00</u>	
		<u>38,250.00</u>
		40,613.50
Decreased by:		
Accrued in 2022:		
Deductions per Tax Billing	\$ 37,500.00	
Deductions Allowed by Tax Collector:		
2022 Taxes	<u>2,500.00</u>	
		40,000.00
Less:		
Deductions Disallowed by Tax Collector		<u>249.17</u>
		<u>39,750.83</u>
Balance December 31, 2022		<u><u>\$ 862.67</u></u>

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

---

Balance December 31, 2021 (2022 Taxes)		\$ 108,403.38
Increased by:		
Receipts -- Collector		115,652.85
		224,056.23
Decreased by:		
Application to Taxes Receivable		108,403.38
Balance December 31, 2022 (2023 Taxes)		\$ 115,652.85

Exhibit SA-15

**BOROUGH OF SOMERDALE**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 21,791.00
Increased by:		
Adjustment - Operations	\$ 500.00	
Receipts -- Collector	31,794.78	
		32,294.78
		54,085.78
Decreased by:		
Refunded -- Disbursements	500.00	
Canceled	2,383.08	
Application to Taxes Receivable: 2022	8,728.96	
		11,612.04
Balance December 31, 2022		\$ 42,473.74

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

---

2022 Levy:		
Net County Taxes	\$ 2,914,136.24	
County Library Tax	193,184.55	
County Open Space Tax	<u>81,040.31</u>	
		\$ 3,188,361.10
Decreased by:		
Disbursements		<u>\$ 3,188,361.10</u>

**Exhibit SA-17**

**BOROUGH OF SOMERDALE**  
 Statement of Due County for Added and Omitted Taxes  
 For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 1,774.29
Increased by:		
County Share of 2022 Levy (R.S. 54:4-63.1 and seq.):		
Omitted Assessment	\$ 2,101.60	
Added Assessments	1,930.23	
Omitted and Added Assessments	<u>71.07</u>	
		<u>4,102.90</u>
		5,877.19
Decreased by:		
Disbursements		<u>1,774.29</u>
Balance December 31, 2022		<u>\$ 4,102.90</u>

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

---

2022 Levy -- Calendar Year	\$ 5,065,986.00
Decreased by:	
Disbursements	<u>\$ 5,065,986.00</u>

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
Statement of Reserve for Payroll Deductions Payable  
For the Year Ended December 31, 2022

Balance December 31, 2021		\$	4,431.58
Increased by:			
Receipts			3,746,128.85
			3,750,560.43
Decreased by:			
Due Trust Other Fund -- Reserve for New Jersey Unemployment Compensation	\$		6,378.88
Disbursements			3,740,016.05
			3,746,394.93
Balance December 31, 2022		\$	4,165.50
<u>Analysis of Balance December 31, 2022</u>			
FICA		\$	(108.50)
NJ Gross Income Tax			(3,829.72)
NJ SUI/DBI			3,819.76
Police and Firemens' Retirement System			(7,347.03)
Public Employees' Retirement System			6,744.88
Garnishment			(610.90)
Insurance			(84.15)
PBA			1,095.20
Health Insurance			4,444.26
Defined Contribution Retirement Plan (DCRP)			41.70
		\$	4,165.50

**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, 2022

	<u>Balance Dec. 31, 2021</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Balance Dec. 31, 2022</u>
<b>Federal Grants:</b>				
Community Development Block Grant 2021	\$ 50,000.00		\$ 50,000.00	
Community Development Block Grant 2022		\$ 103,000.00		\$ 103,000.00
New Jersey Department of Community Affairs - ARP Firefighter Grant		34,000.00		34,000.00
<b>Total Federal Grants</b>	<u>50,000.00</u>	<u>137,000.00</u>	<u>50,000.00</u>	<u>137,000.00</u>
<b>State Grants:</b>				
Body Armor Replacement Fund	2,291.49	2,404.06	2,404.06	2,291.49
Clean Communities Program		10,914.47	10,914.47	
FY2022 Somerdale Pedestrian Safety Grant	6,240.00		5,520.00	720.00
New Jersey Department of Transportation - Fiscal Year 18 Evergreen Phase 3	100,000.00			100,000.00
Dartmouth	75,000.00			75,000.00
Parkview	285,000.00			285,000.00
Chestnut and Parkview		250,000.00		250,000.00
Recycling Tonnage Grant		13,391.50	13,391.50	
Safe and Secure Communities Program	12,590.00	12,590.00	25,180.00	
SFY 21 Body Worn Camera Grant Program	40,760.00		8,152.00	32,608.00
<b>Total State Grants</b>	<u>521,881.49</u>	<u>289,300.03</u>	<u>65,562.03</u>	<u>745,619.49</u>
<b>Total Federal &amp; State Grants</b>	<u>571,881.49</u>	<u>426,300.03</u>	<u>115,562.03</u>	<u>882,619.49</u>
<b>Other Grants:</b>				
Camden County Recreation Grant 2020	25,000.00			25,000.00
Camden County Open Space - Perry Complex	25,000.00		25,000.00	
Camden County Recreation Grant 2022		25,000.00		25,000.00
Camden County Historical Preservation		50,000.00		50,000.00
<b>Total All Grants</b>	<u>\$ 621,881.49</u>	<u>\$ 501,300.03</u>	<u>\$ 140,562.03</u>	<u>\$ 982,619.49</u>
Appropriation Current Fund Budget		\$ 289,300.03		
Appropriation by NJS 40A:4-87 (Chapter 159's)		212,000.00		
Transferred from Reserve for Federal and State Grants Unappropriated			\$ 25,665.33	
Cash Receipts			114,896.70	
		<u>\$ 501,300.03</u>	<u>\$ 140,562.03</u>	

**BOROUGH OF SOMERDALE**  
CURRENT FUND  
Federal, State and Other Grant Fund  
Statement of Due from Current Fund  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 361,176.50
Decreased by:	
Receipts	<u>284,690.38</u>
Balance December 31, 2022	<u><u>\$ 76,486.12</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, 2022

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Grants</u> <u>Receipts</u>	<u>Realized as</u> <u>Revenue in</u> <u>2022</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Federal Grants:				
COVID-19 State and Fiscal Recovery (ARP)	\$ 286,634.83	\$ 286,634.84	\$ 423,269.66	\$ 150,000.01
Total Federal Grants	<u>286,634.83</u>	<u>286,634.84</u>	<u>423,269.66</u>	<u>150,000.01</u>
State Grants:				
Body Armor Replacement Fund	1,359.36	1,359.48	1,359.36	1,359.48
Clean Communities Program	10,914.47	12,522.80	10,914.47	12,522.80
Recycling Tonnage Grant	<u>13,391.50</u>	<u>5,590.32</u>	<u>13,391.50</u>	<u>5,590.32</u>
Total State Grants	<u>25,665.33</u>	<u>19,472.60</u>	<u>25,665.33</u>	<u>19,472.60</u>
Total All Grants	<u>\$ 312,300.16</u>	<u>\$ 306,107.44</u>	<u>\$ 448,934.99</u>	<u>\$ 169,472.61</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, 2022

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Transferred -</u> <u>2022 Budget</u> <u>Appropriations</u>	<u>Expenditures</u>	<u>Encumbered</u>	<u>Refunds</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
	<u>Appropriated</u>						
Federal Grants:							
Bullet Proof Vest Partnership	\$ 2,746.62						\$ 2,746.62
Community Development Block Grant			\$ 103,000.00				103,000.00
New Jersey Department of Community Affairs - ARP Firefighter Grant			34,000.00				34,000.00
<b>Total Federal Grants</b>	<b>2,746.62</b>		<b>137,000.00</b>				<b>139,746.62</b>
State Grants:							
Body Armor Replacement Fund	15,933.08		2,404.06	\$ 3,029.94			15,307.20
Clean Communities Program	34,697.42	\$ 4,973.32	10,914.47	19,202.68	\$ 945.91		30,436.62
FY2022 Somerdale Pedestrian Safety Grant	3,144.06			1,549.71			1,594.35
New Jersey Department of Transportation Authority Act - Parkview	285,000.00						285,000.00
Chestnut and Parkview			250,000.00				250,000.00
Recycling Tonnage Grant	36,278.76	4,383.71	13,391.50	12,437.51	7,984.67	\$ 7,003.42	40,635.21
Safe and Secure Communities Program			12,590.00	12,590.00			
SFY 21 Body Worn Camera Grant Program		40,760.00		40,760.00			
<b>Total State Grants</b>	<b>375,053.32</b>	<b>50,117.03</b>	<b>289,300.03</b>	<b>89,569.84</b>	<b>8,930.58</b>	<b>7,003.42</b>	<b>622,973.38</b>
Other Grants:							
Camden County Recreation Grant 2020		19,588.25		13,091.04	6,497.21		
Camden County Recreation Grant 2022			25,000.00				25,000.00
Camden County Historical Preservation Grant			50,000.00				50,000.00
Camden County Open Space - Perry Complex	22,095.12			22,095.12			
Camden County DWI Task Force	30,627.42			17,410.82		8,480.00	21,696.60
<b>Total All Grants</b>	<b>\$ 430,522.48</b>	<b>\$ 69,705.28</b>	<b>\$ 501,300.03</b>	<b>\$ 142,166.82</b>	<b>\$ 15,427.79</b>	<b>\$ 15,483.42</b>	<b>\$ 859,416.60</b>
Appropriation Current Fund Budget			\$ 289,300.03				
Appropriation by NJS 40A:4-87 (Chapter 159's)			212,000.00				
Disbursements				\$ 142,166.82			
			<b>\$ 501,300.03</b>	<b>\$ 142,166.82</b>			

**BOROUGH OF SOMERDALE**  
**CURRENT FUND**  
 Federal, State and Other Grant Fund  
 Statement of Contracts Payable  
 For the Year Ended December 31, 2022

---

Balance December 31, 2021			\$ 170,530.07
Decreased by:			
Disbursements			155,741.46
Balance December 31, 2022			\$ 14,788.61
<u>Contractor</u>	<u>Grant</u>	<u>Contract</u>	<u>Amount</u>
Landberg Construction LLC	Community Development Block Grant 2021	C2100004	14,788.61
			\$ 14,788.61

**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, 2022

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2021	\$ 564.72	\$ 817,849.19
Increased by Receipts:		
Due Current Fund	\$ 17,000.00	\$ 26,201.86
Reserve for Animal Control Fund Expenditures	2,161.40	
State Registration Fees	222.60	
Due State of New Jersey -- Division of Youth and Family Services		250.00
Due State of New Jersey -- New Construction Surcharge		5,149.00
Miscellaneous Trust Reserves:		
Beautification Program		23,980.00
Developer's Escrow Fund		23,132.94
Disposal of Forfeited Property		1,585.55
Municipal Public Defender		4,792.56
New Jersey Unemployment Compensation		78.47
Outside Employment of Off-Duty Police Officers		117,737.90
Parking Offense Adjudication Act		62.00
Board of Recreation Commission		4,850.00
Tax Title Liens:		
Premiums		600,600.00
Redemption		538,314.53
Uniform Fire Safety Act Penalty Monies		6,000.00
	19,384.00	1,352,734.81
	19,948.72	2,170,584.00
Decreased by Disbursements:		
Due Current Fund		103,857.86
Reserve for Animal Control Fund Expenditures	19,351.00	
State Registration Fees	221.40	
Due State of New Jersey -- Division of Youth and Family Services		500.00
Due State of New Jersey -- New Construction Surcharge		5,463.00
Miscellaneous Trust Reserves:		
Beautification Program		74,521.05
Developer's Escrow Fund		24,908.40
Municipal Public Defender		5,617.66
New Jersey Unemployment Compensation		6,001.22
Outside Employment of Off-Duty Police Officers		190,830.55
Board of Recreation Commission		3,703.52
Tax Title Liens:		
Premiums		377,900.00
Redemption		524,731.96
	19,572.40	1,318,035.22
Balance December 31, 2022	\$ 376.32	\$ 852,548.78

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2022

---

Increased by:		
2022 Budget Appropriation		\$ 17,000.00
Decreased by:		
Receipts:		
Interest Earned on Deposits	\$ 4.40	
Interfunds Received	<u>16,995.60</u>	
		<u>\$ 17,000.00</u>

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

Balance December 31, 2021		\$ 563.52
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 1,916.40	
Cat License Fees Collected	120.00	
Late Fees	125.00	
	\$ 2,161.40	
Due from Current Fund:		
2022 Budget Appropriation	17,000.00	
		19,161.40
		19,724.92
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Disbursements		19,351.00
Balance December 31, 2022		\$ 373.92
Fees Collected:		
Year		
2020		\$ 983.60
2021		1,566.60
		\$ 2,550.20

**BOROUGH OF SOMERDALE**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey -- Registration Fees  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 1.20
Increased by:	
Receipts	<u>222.60</u>
	223.80
Decreased by:	
Disbursements	<u>221.40</u>
Balance December 31, 2022	<u><u>\$ 2.40</u></u>

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

	<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>Unemployment Trust Fund</u>	<u>Recreation Commission</u>	<u>SFD Penalty</u>
Balance December 31, 2021 (Due To)	\$ (15,412.76)		\$ 4.67			\$ (15,417.43)			
Increased by:									
Receipts:									
Interfunds Received	7,936.69	\$ 2,077.59					\$ 5,859.10		
Interest Earned on Deposits	1,864.93	150.82	933.53	\$ 454.51	\$ 0.02	228.73		\$ 49.57	\$ 47.75
Revenues Collected on Behalf of the Current Fund - Miscellaneous Revenue Not Anticipated	16,400.24					16,400.24			
Payments made by Current Fund	70,326.08					70,326.08			
	<u>96,527.94</u>	<u>2,228.41</u>	<u>933.53</u>	<u>454.51</u>	<u>0.02</u>	<u>86,955.05</u>	<u>5,859.10</u>	<u>49.57</u>	<u>47.75</u>
	(111,940.70)	(2,228.41)	(928.86)	(454.51)	(0.02)	(102,372.48)	(5,859.10)	(49.57)	(47.75)
Decreased by:									
Disbursements:									
Interfunds Liquidated	103,857.86		933.53	454.51	0.02	102,372.48		49.57	47.75
2022 Budget Appropriation	5,859.10						5,859.10		
Reserve for Payroll Deductions Payable	6,378.88						6,378.88		
Reserve for Maintenance Liens Receivable - Reserve for Beautification Program Donations	2,228.41	2,228.41							
	<u>118,324.25</u>	<u>2,228.41</u>	<u>933.53</u>	<u>454.51</u>	<u>0.02</u>	<u>102,372.48</u>	<u>12,237.98</u>	<u>49.57</u>	<u>47.75</u>
Balance December 31, 2022 (Due from)	<u>\$ 6,383.55</u>	<u>\$ -</u>	<u>\$ 4.67</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,378.88</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2022

---

Balance December 31, 2021	\$ 250.00
Increased by:	
Receipts	<u>250.00</u>
	500.00
Decreased by:	
Disbursements	<u>500.00</u>
Balance December 31, 2022	<u><u>\$ -</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, 2022

---

Balance December 31, 2021	\$ 1,192.00
Increased by:	
Receipts	<u>5,149.00</u>
	6,341.00
Decreased by:	
Disbursements	<u>5,463.00</u>
Balance December 31, 2022	<u><u>\$ 878.00</u></u>

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

	Balance Dec. 31, 2021	Increased by		Decreased by		Balance Dec. 31, 2022
		Receipts	Due Current Fund	Disbursements	Due Current Fund	
Accumulated Absences	\$ 2,299.37					\$ 2,299.37
Beautification Program Donations	78,304.76	\$ 23,980.00	\$ 2,228.41	\$ 74,521.05		29,992.12
Developer's Escrow Fund	299,274.25	23,132.94		24,908.40		297,498.79
Disposal of Forfeited Property	20,642.86	1,585.55				22,228.41
Municipal Public Defender	1,634.21	4,792.56		5,617.66		809.11
New Jersey Unemployment Compensation	27,938.77	78.47	12,237.98	6,001.22		34,254.00
Outside Employment of Off-Duty Municipal Police Officers	146,128.77	117,737.90		190,830.55	\$ 70,326.08	2,710.04
Parking Offense Adjudication Act	1,976.05	62.00				2,038.05
Board of Recreation Commission	16,022.27	4,850.00		3,703.52		17,168.75
Recycling Program	15.05					15.05
Tax Title Liens:						
Premiums	180,100.00	600,600.00		377,900.00		402,800.00
Redemption	11,607.83	538,314.53		524,731.96		25,190.40
Uniform Fire Safety Act Penalty Monies	15,050.24	6,000.00				21,050.24
	<u>\$ 800,994.43</u>	<u>\$ 1,321,133.95</u>	<u>\$ 14,466.39</u>	<u>\$ 1,208,214.36</u>	<u>\$ 70,326.08</u>	<u>\$ 858,054.33</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, 2022

Balance December 31, 2021		\$	244,766.08
Increased by Receipts:			
Due Current Fund	\$ 86,239.04		
Improvement Authorizations	28,109.75		
Bond Anticipation Notes	5,074,550.00		
New Jersey Infrastructure Bank Long-Term Loan Payable	2,053,550.00		
			7,242,448.79
			7,487,214.87
Decreased by Disbursements:			
Improvement Authorizations	100,874.93		
Contracts Payable	953,909.25		
New Jersey Infrastructure Bank Short-Term Loan Payable	590,695.92		
Bond Anticipation Notes	5,173,550.00		
			6,819,030.10
Balance December 31, 2022		\$	668,184.77

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

	Balance (Overdraft) Dec. 31, 2021	Receipts				Disbursements			Transfers		Balance (Overdraft) Dec. 31, 2022
		Miscellaneous	Improvement Authorizations	NJIB Long-Term Loan Payable	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To	
New Jersey Transportation Trust Fund Authority Act Receivable	\$ (308,099.34)								\$ 275,000.00	\$ (33,099.34)	
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	(17,300.00)	\$ 86,239.04				\$ 99,000.00				(30,060.96)	
Reserve for Community Development Block Grant Receivable	300.00							\$ 300.00			
Capital Improvement Fund	19,679.00									19,679.00	
Reserve for Encumbrances	49,292.17							49,292.17	\$ 43,722.50	43,722.50	
Contracts Payable	984,209.36							112,994.50	128,974.19	46,279.80	
Reserve for the Payment of Debt									112,994.50	112,994.50	
New Jersey Infrastructure Bank Short-Term Loan Payable				\$ 590,695.92							
Note Renewals					\$ 5,074,550.00				5,074,550.00		
Improvement Authorizations:											
Ordinance Number											
03-06	Construction of a Bicycle and Pedestrian Way	274,140.75						275,000.00	859.25		
12-02	Various Capital Improvements	62,880.12						8,347.00		54,533.12	
13-06	Various Capital Improvements	125.82						125.82			
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	5,700.99						2,332.85		3,368.14	
15-02; 15-10	Completion of Various Capital Improvements	175,231.86						1,803.43		173,428.43	
16-06	Acquisition of Garbage Containers	1,558.34	\$ 2,015.00					15,738.00	14,135.00	1,970.34	
17-01; 17-06	Acquisition of Various Equipment and the Completion of Various Capital Improvements	1,164.98						1164.98			
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	850.10								850.10	
18-04	Completion of Various Improvements to Borough Buildings and Grounds	827.31								827.31	
18-13; 19-04	Storm Drainage Improvements and Related Repair and/or Reconstruction of Various Streets	(409,304.08)		409,304.08							
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements		3,999.63							3,999.63	
19-05	Storm Drainage Improvements and Related Repair and/or Reconstruction of Various Streets	(1,053,550.00)		1,053,550.00							
21-06; 22-15	Completion of Various Capital Improvements	490,705.70	22,095.12			\$ 100,874.93			152,390.86	294,692.20	
		<u>\$ 244,766.08</u>	<u>\$ 86,239.04</u>	<u>\$ 28,109.75</u>	<u>\$ 2,053,550.00</u>	<u>\$ 5,074,550.00</u>	<u>\$ 100,874.93</u>	<u>\$ 5,173,550.00</u>	<u>\$ 1,544,605.17</u>	<u>\$ 619,489.61</u>	
									<u>\$ 619,489.61</u>	<u>\$ 668,184.77</u>	

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

---

Balance December 31, 2021	\$ 2,450,000.00
Increased by:	
Improvement Costs Funded by:	
New Jersey Infrastructure Bank Loan Payable Issued	<u>2,053,550.00</u>
	4,503,550.00
Decreased by:	
2022 Budget Appropriation to Pay Bonds:	
General Obligation Bonds	<u>350,000.00</u>
Balance December 31, 2022	<u><u>\$ 4,153,550.00</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	Decreased by		Balance Dec. 31, 2022	Analysis of Balance December 31, 2022		Unexpended Improvement Authorizations
			Notes Paid by Budget Appropriation	Transferred to Deferred Taxation -- Funded		Bond Anticipation Notes	Expenditures	
General Improvements:								
17-09	Acquisition of Certain Real Property in the Borough	\$ 1,080,000.00	\$ 60,000.00		\$ 1,020,000.00	\$ 1,020,000.00		
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	1,330,000.00	39,000.00		1,291,000.00	1,291,000.00		
18-13; 19-04	Storm Drainage Improvements and Related Repair and/or Reconstruction of Various Streets	1,000,000.00		\$ 1,000,000.00				
19-02; 20-04	Acquisition of Various Equipment and the 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		1,053,550.00				
21-06; 22-15	Completion of Various Capital Improvements	1,187,500.00			1,187,500.00	1,187,500.00		
		<u>\$ 7,227,100.00</u>	<u>\$ 99,000.00</u>	<u>2,053,550.00</u>	<u>\$ 5,074,550.00</u>	<u>\$ 5,074,550.00</u>	<u>\$ -</u>	<u>\$ -</u>
Improvement Authorizations - Unfunded								
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
	Ordinance - 18-02; 20-02						\$ 850.10	
	Ordinance - 21-06; 22-15						294,692.20	
							<u>295,542.30</u>	
								<u>\$ -</u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Community Development Block Grant Receivable  
For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 8,647.00
Decreased by:		
Cancellations:		
Improvement Authorizations	\$ 8,347.00	
Reserve for Community Development Block Grant	<u>300.00</u>	
		<u>\$ 8,647.00</u>

Exhibit SC-6

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of New Jersey Transportation Trust Fund Authority Act Receivable  
For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 308,099.34
Decreased by:		
Cancelled - Improvement Authroizations		<u>275,000.00</u>
Balance December 31, 2022		<u>\$ 33,099.34</u>

Exhibit SC-7

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Schedule of Camden County Open Space Grant Receivable  
As of December 31, 2022

---

Balance December 31, 2022		<u>\$ 25,000.00</u>
---------------------------	--	---------------------

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Due from Current Fund  
For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 17,300.00
Increased by:		
2022 Budget Appropriations:		
Payment of Bond Anticipation Notes		<u>99,000.00</u>
		116,300.00
Decreased by:		
Receipts:		
Interest Earned on Deposits	\$ 752.57	
Interfund Received	<u>85,486.47</u>	
		<u>86,239.04</u>
Balance December 31, 2022		<u><u>\$ 30,060.96</u></u>

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

Ordinance Number	Improvement Descriptions	Date	Balance		Transferred from Reserve for Encumbrances	Paid or Charged	Adjustments	Canceled Improvement Authorizations	Refunds	Balance	
			Ordinance Amount	December 31, 2021						December 31, 2022	Unfunded
General Improvements:											
03-06	Construction of a Bicycle and Pedestrian Way	4/9/03	\$ 291,445.00	\$ 274,140.75			\$ 859.25	\$ 275,000.00			
12-02	Various Capital Improvements	3/8/12	94,646.12	62,880.12				8,347.00		\$ 54,533.12	
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		1,473.60	(859.25)			3,368.14	
15-02; 15-10	Completion of Various Capital Improvements	3/12/15	696,754.00	175,231.86		1,803.43				173,428.43	
16-06	Acquisition of Garbage Containers	7/14/16	104,000.00	1,558.34	\$ 14,135.00	15,738.00			\$ 2,015.00	1,970.34	
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	\$ 850.10						\$ 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						3,999.63	3,999.63	
21-06	Completion of Various Capital Improvements	3/23/21	1,250,000.00	<u>490,705.70</u>	<u>35,157.17</u>	<u>253,265.79</u>			<u>22,095.12</u>	<u>294,692.20</u>	
			<u>\$ 521,630.17</u>	<u>\$ 491,555.80</u>	<u>\$ 49,292.17</u>	<u>\$ 273,571.62</u>	<u>\$ -</u>	<u>\$ 283,347.00</u>	<u>\$ 28,109.75</u>	<u>\$ 238,126.97</u>	<u>\$ 295,542.30</u>
	Community Development Block Grant Receivable							\$ 8,347.00			
	New Jersey Transportation Trust Fund Authority Act Receivable							275,000.00			
	Contracts Payable					\$ 128,974.19					
	Reserve for Encumbrances					43,722.50					
	Disbursements					<u>100,874.93</u>					
						<u>\$ 273,571.62</u>		<u>\$ 283,347.00</u>			

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
 Schedule of Capital Improvement Fund  
 As of December 31, 2022

---

Balance December 31, 2022	<u>\$ 19,679.00</u>
---------------------------	---------------------

Exhibit SC-11

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

---

Balance December 31, 2021	\$ 49,292.17
Increased by:	
2022 Encumbrances Charged to Improvement Authorizations	<u>43,722.50</u>
	93,014.67
Decreased by:	
Transferred to Improvement Authorizations	<u>49,292.17</u>
Balance December 31, 2022	<u>\$ 43,722.50</u>

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of Contracts Payable  
For the Year Ended December 31, 2022

Balance December 31, 2021		\$	984,209.36
Increased by:			
Contracts Payable Charged to Improvement Authorizations			128,974.19
			1,113,183.55
Decreased by:			
Cancelled -- Reserve for the Payment of Debt	\$	112,994.50	
Disbursements		953,909.25	
			1,066,903.75
Balance December 31, 2022		\$	46,279.80
<u>Analysis of Balance December 31, 2022</u>			
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
Richard T. Barrett Paving Inc.	Ordinance 2015:2		8,174.20
Think Pavers Hardscaping	Ordinance 2018:13; 2019:5		98.00
Whirl Construction	Ordinance 2021:6		2,551.44
		\$	46,279.80

**BOROUGH OF SOMERDALE**  
 GENERAL CAPITAL FUND  
 Statement of Bond Anticipation Notes  
 For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
General Improvements:										
17-09	Acquisition of Certain Real Property in the Borough	* \$ 1,140,000.00	12/1/2017	11/10/2021 11/7/2022	11/9/2022 11/6/2023	0.43% 4.60%	\$ 1,080,000.00		\$ 1,080,000.00	\$ 1,020,000.00
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	750,000.00	11/27/2019	11/10/2021 4/6/2022	4/7/2022 4/5/2023	0.39% 1.25%	750,000.00	711,000.00	750,000.00	711,000.00
		580,000.00	4/20/2020	4/15/2021 4/6/2022	4/7/2022 4/5/2023	0.35% 1.25%	580,000.00	580,000.00	580,000.00	580,000.00
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements	1,576,050.00	4/20/2020	4/15/2021 4/6/2022	4/7/2022 4/5/2023	0.35% 1.25%	1,576,050.00	1,576,050.00	1,576,050.00	1,576,050.00
21-06; 22-15	Completion of Various Capital Improvements	1,187,500.00	5/18/2021	5/18/2021 4/6/2022	4/7/2022 4/5/2023	0.34% 1.25%	1,187,500.00	1,187,500.00	1,187,500.00	1,187,500.00
							<u>\$ 5,173,550.00</u>	<u>\$ 5,074,550.00</u>	<u>\$ 5,173,550.00</u>	<u>\$ 5,074,550.00</u>
								\$ 5,074,550.00	\$ 5,074,550.00	
									99,000.00	
								<u>\$ 5,074,550.00</u>	<u>\$ 5,173,550.00</u>	

Renewals  
Paid by Budget Appropriation

\* Taxable

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of General Obligation Bonds  
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds of 2017	10/24/2017	\$ 3,180,000.00	5/1/2023	\$ 350,000.00	2.00%	<u>\$ 2,450,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 2,100,000.00</u>
			5/1/2024	350,000.00	2.25%			
			5/1/2025	350,000.00	2.25%			
			5/1/2026	350,000.00	2.25%			
			5/1/2027	350,000.00	2.50%			
			5/1/2028	350,000.00	2.75%			
						<u>\$ 2,450,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 2,100,000.00</u>
Paid by Budget Appropriation							<u>\$ 350,000.00</u>	

**BOROUGH OF SOMERDALE**  
**GENERAL CAPITAL FUND**  
Statement of New Jersey Infrastructure Bank Loan Payable  
For the Year Ended December 31, 2022

<u>Purpose</u>	<u>Loan Amount</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity of Loan</u>		<u>Balance Dec. 31, 2021</u>	<u>Issued</u>	<u>Balance Dec. 31, 2022</u>
				<u>Outstanding Dec. 31, 2022</u>	<u>Date</u>			
New Jersey Infrastructure Bank Loan - 2022	\$ 2,053,550.00	12/06/22	1.479%	05/01/23	\$ 16,197.10			
				11/01/23	161,771.40			
				05/01/24	13,460.84			
				11/01/24	183,919.67			
				05/01/25	12,205.81			
				11/01/25	187,664.63			
				05/01/26	10,988.05			
				11/01/26	191,446.89			
				05/01/27	9,652.56			
				11/01/27	195,423.89			
				05/01/28	8,216.11			
				11/01/28	199,612.45			
				05/01/29	6,782.16			
				11/01/29	204,116.00			
				05/01/30	5,236.32			
				11/01/30	208,820.16			
				05/01/31	3,591.11			
				11/01/31	213,737.44			
05/01/32	1,843.05							
11/01/32	218,864.36							
						<u>\$ 2,053,550.00</u>	<u>\$ 2,053,550.00</u>	
						<u>\$ -</u>	<u>\$ 2,053,550.00</u>	<u>\$ 2,053,550.00</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased by</u>	<u>Balance Dec. 31, 2022</u>
			NJIB Loan Issued	
General Improvements:				
18-13;	Storm Drainage Improvements and Related Repair and/or			
19-04	Reconstruction of Various Streets	\$ 409,304.08	\$ 409,304.08	
19-05	Storm Drainage Improvements and Related Repair and/or			
	Reconstruction of Various Streets	<u>1,053,550.00</u>	<u>1,053,550.00</u>	
		<u>\$ 1,462,854.08</u>	<u>\$ 1,462,854.08</u>	<u>\$ -</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, 2022

---

		<u>Operating</u>
Balance December 31, 2021		\$ 389,853.37
Increased by Receipts:		
Treasurer - Interest Earned on Deposits	\$ 628.18	
Treasurer - Refund of Prior Year Expenditure	51.50	
Collector	558,324.26	
Due Sewer Utility Capital Fund	<u>18,400.00</u>	
		<u>579,048.33</u>
		968,901.70
Decreased by Disbursements:		
2022 Appropriations	533,254.76	
2021 Appropriation Reserves	30,912.71	
Accrued Interest on Bonds and Notes	<u>58,017.82</u>	
		<u>622,185.29</u>
Balance December 31, 2022		<u><u>\$ 346,716.41</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, 2022

---

## Receipts:

Consumer Accounts Receivable	\$ 534,477.75	
Sewer Liens	3,715.06	
Sewer Rent Overpayments	3,124.13	
Miscellaneous Revenue:		
Special Sewer Charges	15,000.00	
Interest and Costs on Delinquent Rents	<u>2,007.32</u>	
		\$ 558,324.26
Decreased by:		
Payments to Treasurer		<u>\$ 558,324.26</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
 Analysis of Sewer Utility Capital Cash  
 For the Year Ended December 31, 2022

	Balance (Overdraft) <u>Dec. 31, 2021</u>	<u>T r a n s f e r s</u>		Balance (Overdraft) <u>Dec. 31, 2022</u>
		<u>From</u>	<u>To</u>	
Due Sewer Utility Operating Fund	\$ 36,800.00	\$ 18,400.00		\$ 18,400.00
Due Sewer Utility Trust Assessment Fund	<u>(36,800.00)</u>		<u>\$ 18,400.00</u>	<u>(18,400.00)</u>
	<u>\$ -</u>	<u>\$ 18,400.00</u>	<u>\$ 18,400.00</u>	<u>\$ -</u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Consumer Accounts Receivable  
 For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 59,047.24
Increased by:		
Sewer Rents Levied		527,227.00
		586,274.24
Decreased by:		
Transferred to Lien	\$ 636.00	
Receipts -- Collector	534,477.75	
Overpayments Applied	3,477.81	
		538,591.56
Balance December 31, 2022		\$ 47,682.68

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Utility Liens  
 For the Year Ended December 31, 2022

---

Balance December 31, 2021		\$ 4,112.85
Increased by:		
Transferred from Sewer Rents Receivable		636.00
		4,748.85
Decreased by:		
Receipts -- Collector		3,715.06
Balance December 31, 2022		\$ 1,033.79

**BOROUGH OF SOMERDALE**  
SEWER UTILITY TRUST ASSESSEMENT FUND  
Statement of Assessments Receivable  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 36,800.00
Decreased by:	
Collections received by the Sewer Uiltlity Operating Fund	<u>18,400.00</u>
Balance December 31, 2022	<u><u>\$ 18,400.00</u></u>

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY CAPITAL FUND**  
Statement of Fixed Capital  
For the Year Ended December 31, 2022

<u>Description</u>	Balance	<u>Additions</u>	
	<u>Dec. 31, 2021</u>	Capital <u>Outlay</u>	<u>Balance</u> <u>Dec. 31, 2022</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>6,756,431.18</u>	<u>\$ 63,537.08</u>	<u>6,819,968.26</u>
	<u>\$ 7,314,274.98</u>	<u>\$ 63,537.08</u>	<u>\$ 7,377,812.06</u>
Operating Fund:			
2022 Appropriations		\$ 48,237.08	
2021 Appropriation Reserves		<u>15,300.00</u>	
		<u>\$ 63,537.08</u>	

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY TRUST CAPITAL FUND**  
Statement of Due to Sewer Utility Operating Fund  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 36,800.00
Decreased by:	
Assessments Receivable Collected by the Sewer Utility Operating Fund	18,400.00
Balance December 31, 2022	\$ 18,400.00

**BOROUGH OF SOMERDALE**  
**SEWER UTILITY TRUST ASSESSEMENT FUND**  
Statement of Due to Sewer Utility Capital Fund  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 36,800.00
Decreased by:	
Assessments Receivable Collected by the Sewer Utility Operating Fund	18,400.00
Balance December 31, 2022	\$ 18,400.00

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

	Balance December 31, 2021		Balance After Modification	Paid or Charged	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Sewer Operating:					
Salaries and Wages		\$ 18,067.95	\$ 18,067.95		\$ 18,067.95
Other Expenses	\$ 16,358.31	54,298.63	70,656.94	\$ 18,101.82	52,555.12
Total Operating	<u>16,358.31</u>	<u>72,366.58</u>	<u>88,724.89</u>	<u>18,101.82</u>	<u>70,623.07</u>
Capital Improvements					
Capital Outlay	14,500.00	56,117.66	70,617.66	15,300.00	55,317.66
Total Debt Service	<u>14,500.00</u>	<u>56,117.66</u>	<u>70,617.66</u>	<u>15,300.00</u>	<u>55,317.66</u>
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		2,076.05	2,076.05		2,076.05
Total Regulatory Expenditures		<u>2,076.05</u>	<u>2,076.05</u>		<u>2,076.05</u>
Total Appropriations	<u>\$ 30,858.31</u>	<u>\$ 130,560.29</u>	<u>\$ 161,418.60</u>	<u>\$ 33,401.82</u>	<u>\$ 128,016.78</u>
Accounts Payable				\$ 2,489.11	
Disbursements				<u>30,912.71</u>	
				<u>\$ 33,401.82</u>	

**BOROUGH OF SOMERDALE**  
SEWER UTILITY OPERATING FUND  
Statement of Accounts Payable  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 3,209.99
Increased by:	
2021 Appropriation Reserves	<u>2,489.11</u>
Balance December 31, 2022	<u><u>\$ 5,699.10</u></u>

**BOROUGH OF SOMERDALE**  
SEWER UTILITY OPERATING FUND  
Statement of Sewer Rent Overpayments  
For the Year Ended December 31, 2022

---

Balance December 31, 2021	\$ 3,504.10
Increased by:	
Receipts -- Collector	<u>3,124.13</u>
	6,628.23
Decreased by:	
Overpayments Applied	<u>3,477.81</u>
Balance December 31, 2022	<u><u>\$ 3,150.42</u></u>

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

---

Balance December 31, 2021	\$ 1,757.43
Increased by:	
Charged to Budget Appropriation - Interest on Notes and Loans	57,981.87
	59,739.30
Decreased by:	
Interest Paid:	
Disbursed	58,017.82
Balance December 31, 2022	\$ 1,721.48

Analysis of Accrued Interest December 31, 2022

<u>Principal Outstanding December 31, 2022</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
United States Department of Agriculture Loans:					
\$ 3,046,494.60	1.875%	12-20-22	12-31-22	11 Days	\$ 1,721.48

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

---

Balance December 31, 2021		\$ 4,204,160.20
Increased by:		
Capital Outlay -- Operating Budget	\$ 48,237.08	
Capital Outlay -- Appropriation Reserves	15,300.00	
Loans Paid by:		
Budget Appropriation	<u>63,620.18</u>	
		<u>127,157.26</u>
Balance December 31, 2022		<u><u>\$ 4,331,317.46</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, 2022

Balance December 31, 2021	\$	3,110,114.78
Decreased by:		
Principal Paid by Operating Fund		63,620.18
Balance December 31, 2022	\$	3,046,494.60

Schedule of United States Department of Agriculture (USDA) Loans Payable December 31, 2022

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2022</u>
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, 2022

Schedule of United States Department of Agriculture Loans Payable December 31, 2022 (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, 2022</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, 2022

Schedule of United States Department of Agriculture Loans Payable December 31, 2022 (Cont'd)

Interest Rate: 1.875%

<u>Due</u> <u>Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance</u> <u>Dec. 31, 2022</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>\$ 1,098,562.77</u>	<u>\$ 1,235,213.28</u>	<u>\$ 712,718.55</u>	<u>\$ 3,046,494.60</u>

**PART II**  
**SINGLE AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Compliance for the Major State Program**

***Opinion on the Major State Program***

We have audited the Borough of Somerdale's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the Borough's major state program for the year ended December 31, 2022. The Borough's major state program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Somerdale, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended December 31, 2022.

***Basis for Opinion on the Major State Program***

We conducted our audit of compliance 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; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the audit requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major state program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Borough's state program.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. 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; *Government Auditing Standards*; the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and State of New Jersey Circular 15-08-OMB, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and State of New Jersey Circular 15-08-OMB, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

14100

**Report on Internal Control over Compliance (Cont'd)**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of State of New Jersey Circular 15-08-OMB. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
August 29, 2023

**BOROUGH OF SOMERDALE**  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2022

State Grantor / Program Title	State GMS Number	Other Identification Number	Program or Award Amount	Matching Contribution	Grant Period	
					From	To
<b>Federal and State Grant Fund</b>						
N.J. Department of the Attorney General, Law and Public Safety:						
Body Armor Replacement Program	718-066-1020-001		\$ 1,638.35	N/A	01/01/12	Completion
Body Armor Replacement Program	718-066-1020-001		1,984.15	N/A	01/01/13	Completion
Body Armor Replacement Program	718-066-1020-001		1,678.72	N/A	01/01/14	Completion
Body Armor Replacement Program	718-066-1020-001		1,680.92	N/A	01/01/15	Completion
Body Armor Replacement Program	718-066-1020-001		1,622.78	N/A	01/01/16	Completion
Body Armor Replacement Program	718-066-1020-001		1,705.18	N/A	01/01/17	Completion
Body Armor Replacement Program	718-066-1020-001		2,291.49	N/A	01/01/18	Completion
Body Armor Replacement Program	718-066-1020-001		1,773.98	N/A	01/01/19	Completion
Body Armor Replacement Program	718-066-1020-001		1,675.08	N/A	01/01/20	Completion
Body Armor Replacement Program	718-066-1020-001		1,359.36	N/A	01/01/21	Completion
Body Armor Replacement Program	718-066-1020-001		1,044.70	N/A	01/01/22	Completion
Body Armor Replacement Program	718-066-1020-001		1,359.48	N/A	01/01/23	Completion
Total Body Armor Replacement Program						
Body Worn Camera Grant Program:						
SFY 21 Body Worn Camera Grant	100-066-1020-495		40,760.00	N/A	12/08/21	12/31/25
Safe and Secure Communities Act:						
Safe and Secure Communities Program	495-066-1020-497		12,590.00	N/A	07/01/21	06/30/22
Safe and Secure Communities Program	495-066-1020-497		12,590.00	N/A	07/01/22	06/30/23
Total Safe and Secure Communities Program						
Pedestrian Safety Enforcement and Education Fund:						
FY 2022 Somerdale Pedestrian Safety Grant	100-066-1160-131		6,240.00	N/A	09/08/21	Completion
Total N.J. Department of the Attorney General, Law and Public Safety						
N.J. Department of Environmental Protection:						
Solid Waste Administration:						
Municipality Road Mileage:						
FY 2017 Clean Communities	765-042-4900-004		11,302.89	N/A	07/01/16	06/30/17
FY 2018 Clean Communities	765-042-4900-004		10,845.74	N/A	07/01/17	06/30/18
FY 2019 Clean Communities	765-042-4900-004		12,104.94	N/A	07/01/18	06/30/19
FY 2020 Clean Communities	765-042-4900-004		11,615.94	N/A	07/01/19	06/30/20
FY 2021 Clean Communities	765-042-4900-004		10,914.47	N/A	07/01/20	06/30/21
FY 2022 Clean Communities	765-042-4900-004		12,522.80	N/A	07/01/21	06/30/22
Total Municipality Road Mileage						
State Recycling:						
FY 2017 Recycling Tonnage Grant	100-042-4910-224		10,477.05	N/A	01/01/17	12/31/17
FY 2018 Recycling Tonnage Grant	100-042-4910-224		10,534.00	N/A	01/01/18	12/31/18
FY 2019 Recycling Tonnage Grant	100-042-4910-224		10,687.74	N/A	01/01/19	12/31/19
FY 2020 Recycling Tonnage Grant	100-042-4910-224		11,856.46	N/A	01/01/20	12/31/20
FY 2021 Recycling Tonnage Grant	100-042-4910-224		13,391.50	N/A	01/01/21	12/31/21
FY 2022 Recycling Tonnage Grant	100-042-4910-224		5,590.32	N/A	01/01/22	12/31/22
Total State Recycling						
Total N.J. Department of Environmental Protection						
N.J. Department of Transportation:						
Highway Planning and Construction:						
Fiscal Year 18 Evergreen Phase 3	480-078-6320-XXX		400,000.00	N/A	05/10/18	Completion
Dartmouth Avenue	480-078-6320-XXX		300,000.00	N/A	03/11/20	Completion
Parkview	480-078-6320-XXX		285,000.00	N/A	03/23/21	Completion
Chestnut and Parkview	480-078-6320-XXX		250,000.00	N/A	03/23/21	Completion
Total N.J. Department of Transportation						
Total Federal and State Grant Fund						
<b>General Capital Fund</b>						
New Jersey Infrastructure Bank:						
Transportation Bank Construction Financing Program:						
Somerdale Borough 2019 Construction Loan	Not Applicable	TB0431-001/002	2,053,550.00	N/A	06/20/19	Completion
Total New Jersey Infrastructure Bank						
Total General Capital Fund						
Total State Financial Assistance						

The accompanying notes to financial statements and notes to the schedule of expenditures of state financial assistance are an integral part of this schedule.

Balance January 1, 2022	Receipts or Revenues Recognized	Adjustments	Passed- Through to Subrecipients	Total State Disbursements / Expenditures	Encumbrances	Balance December 31, 2022	(Memo Only) Cash Receipts	Accumulated Expenditures
\$ 1,520.78				\$ 1,520.78				\$ 1,638.35
1,984.15				1,509.16		\$ 474.99		1,509.16
1,678.72						1,678.72		
1,680.92						1,680.92		
1,622.78						1,622.78		
1,705.18						1,705.18		
2,291.49						2,291.49		
1,773.98						1,773.98		
1,675.08						1,675.08		
1,359.36						1,359.36		
	\$ 1,044.70					1,044.70	\$ 1,044.70	
	1,359.48					1,359.48	1,359.48	
17,292.44	2,404.18			3,029.94		16,666.68	2,404.18	3,147.51
40,760.00				40,760.00			8,152.00	40,760.00
	12,590.00			12,590.00			12,590.00	12,590.00
	12,590.00			12,590.00			25,180.00	25,180.00
3,144.06				1,549.71		1,594.35	5,520.00	4,645.65
61,196.50	14,994.18			57,929.65		18,261.03	41,256.18	73,733.16
5,104.12				5,104.12				11,302.89
10,845.74				10,845.74				10,845.74
12,104.94				3,252.82	\$ 945.91	7,906.21		3,252.82
11,615.94						11,615.94		
10,914.47						10,914.47		
	12,522.80					12,522.80	12,522.80	
50,585.21	12,522.80			19,202.68	945.91	42,959.42	12,522.80	25,401.45
7,584.27	7,003.42			12,437.51	2,150.18			8,326.87
10,534.00					5,834.49	4,699.51		
10,687.74						10,687.74		
11,856.46						11,856.46		
13,391.50						13,391.50		
	5,590.32					5,590.32	5,590.32	
54,053.97	12,593.74			12,437.51	7,984.67	46,225.53	5,590.32	8,326.87
104,639.18	25,116.54			31,640.19	8,930.58	89,184.95	18,113.12	33,728.32
130,033.62				130,033.62				400,000.00
25,707.84				25,707.84				300,000.00
285,000.00	250,000.00					285,000.00		
	250,000.00					250,000.00		
440,741.46	250,000.00			155,741.46		535,000.00		700,000.00
606,577.14	290,110.72			245,311.30	8,930.58	642,445.98	59,369.30	807,461.48
	2,053,550.00			2,053,550.00			2,023,489.04	2,053,550.00
	2,053,550.00			2,053,550.00			2,023,489.04	2,053,550.00
	2,053,550.00			2,053,550.00			2,023,489.04	2,053,550.00
\$ 606,577.14	\$ 2,343,660.72	\$ -	\$ -	\$ 2,298,861.30	\$ 8,930.58	\$ 642,445.98	\$ 2,082,858.34	\$ 2,861,011.48

**BOROUGH OF SOMERDALE**  
Notes to Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2022

---

**Note 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of state financial assistance (the “schedule”) includes state award activity of the Borough of Somerdale (hereafter referred to as the “Borough”) under programs of the state government for the year ended December 31, 2022. The Borough is defined in note 1 to the financial statements. The information in the schedule is presented in accordance with the requirements of State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well state financial assistance passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported in accordance with the *Requirements of Audit* (the “*Requirements*”) as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and present expenditures on the modified accrual basis of accounting with minor exceptions as mandated by the *Requirements*. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**Note 4: MAJOR PROGRAMS**

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

**PART III**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**BOROUGH OF SOMERDALE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued	<u>Adverse and Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u> X </u> no
Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

**Federal Awards**

**Not applicable**

Internal control over major programs:	
Material weakness(es) identified?	_____ yes    _____ no
Significant deficiency(ies) identified?	_____ yes    _____ none reported
Type of auditor's report issued on compliance for major programs	_____
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)?	_____ yes    _____ no

Identification of major programs:

**Assistance Listings Number(s)**

**Name of Federal Program or Cluster**


Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes    \_\_\_\_\_ no



**BOROUGH OF SOMERDALE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

---

***Section 2 - 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**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

---

***Section 3 - Schedule of Federal Award Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not applicable.

**BOROUGH OF SOMERDALE**  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2022

---

***Section 4 - Schedule of State Financial Assistance Findings and Questioned Costs***

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

14100

**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 (thru June 30, 2022)	(A)
Valerie Ciminera	Acting Chief Financial Officer (effective July 1, 2022)	(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	
Karen Wharton	Zoning Officer	(A)
Peter Carbone	Construction Code Official	(A)

(A)These officials were covered by the Camden County Joint Insurance Fund for \$50,000.00. Amounts in excess of \$50,000.00 are covered under the Municipal Excess Liability Joint Insurance Fund to \$950,000.00 less the amount of individual bond coverage where applicable.

14100

**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. Baum". The signature is written in a cursive style with a large initial 'S' and a distinct 'P'.

Certified Public Accountant  
Registered Municipal Accountant

