

BOROUGH OF SOMERDALE
COUNTY OF CAMDEN
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023



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BOROUGH OF SOMERDALE

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, 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



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 26, 2024

**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 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, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 26, 2024. That report indicated that the Borough of Somerdale's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

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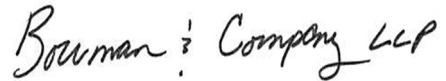
Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 26, 2024

BOROUGH OF SOMERDALE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash	SA-1	\$ 1,107,610.08	\$ 1,304,408.11
Change Fund	SA-3	<u>215.00</u>	<u>215.00</u>
		<u>1,107,825.08</u>	<u>1,304,623.11</u>
Receivables and Other Assets with Full Reserves:			
Maintenance Liens Receivable	SA-5	5,009.86	12,163.75
Delinquent Property Taxes Receivable	SA-6	281,719.66	216,858.42
Tax Title Liens Receivable	SA-7	57,449.52	51,572.50
Revenue Accounts Receivable	SA-8	21,454.41	24,430.06
Property Acquired for Taxes -- Assessed Valuation	SA-9	216,690.43	170,015.00
Prepaid Regional High School Tax	SA-10		107,470.66
Due from Federal and State Grant Fund	SA-22	128,863.70	
Due from Trust Other Fund	SB-5	<u>17,359.46</u>	
		<u>728,547.04</u>	<u>582,510.39</u>
Total Current Fund		<u>1,836,372.12</u>	<u>1,887,133.50</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-20	510,546.00	982,619.49
Due from Current Fund	SA-22		<u>76,486.12</u>
Total Federal and State Grant Fund		<u>510,546.00</u>	<u>1,059,105.61</u>
Total Assets		<u>\$ 2,346,918.12</u>	<u>\$ 2,946,239.11</u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	\$ 251,377.84	\$ 210,159.17
Reserve for Encumbrances	A-3, SA-11	60,378.60	170,441.17
Accounts Payable	SA-12	1,930.60	56,728.25
Reserve for Municipal Relief Aid	SA-13	54,392.47	27,202.06
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-14	1,612.67	862.67
Prepaid Taxes	SA-15	116,946.59	115,652.85
Tax Overpayments	SA-16	38,154.77	42,473.74
Due to County -- Added and Omitted Taxes	SA-18	3,339.77	4,102.90
Local School Taxes Payable	SA-19	21,071.48	
Reserve for Payroll Deductions Payable	SA-20		4,165.50
Due to Federal and State Grant Fund	SA-22		76,486.12
Due to Trust Other Fund	SB-5		6,383.55
Due to General Capital Fund	SC-8	30,610.96	30,060.96
		<u>579,815.75</u>	<u>744,718.94</u>
Reserves for Receivables and Other Assets		728,547.04	582,510.39
Fund Balance	A-1	528,009.33	559,904.17
Total Current Fund		<u>1,836,372.12</u>	<u>1,887,133.50</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-22	128,863.70	
Reserve for Federal and State Grants -- Unappropriated	SA-23	1,523.81	169,472.61
Reserve for Federal and State Grants -- Appropriated	SA-24	202,377.69	859,416.60
Reserve for Encumbrances	SA-24	35,017.66	15,427.79
Contracts Payable	SA-25	142,763.14	14,788.61
Total Federal and State Grant Fund		<u>510,546.00</u>	<u>1,059,105.61</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,346,918.12</u>	<u>\$ 2,946,239.11</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 407,470.66	\$ 300,000.00
Miscellaneous Revenues Anticipated	2,830,468.50	3,065,939.61
Receipts from Delinquent Taxes	186,093.33	297,827.16
Receipts from Current Taxes	14,872,900.06	14,265,901.91
Non-Budget Revenues	67,085.62	127,914.53
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	167,339.14	270,307.71
Cancellation of Accounts Payable	18,891.86	
Cancellation of Tax Overpayments		2,383.08
Liquidation of Reserve for:		
Due from Trust Other Fund		15,412.76
	<u>18,550,249.17</u>	<u>18,345,686.76</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,602,557.01	2,667,324.76
Other Expenses	2,148,122.08	2,007,701.60
Deferred Charges and Regulatory Expenditures Within "CAPS"	828,379.92	796,820.16
Operations Excluded from "CAPS":		
Salaries and Wages	496,736.89	413,669.44
Other Expenses	356,342.57	666,925.17
Municipal Debt Service Excluded from "CAPS"	757,354.59	561,143.47
County Taxes	3,336,518.52	3,188,361.10
County Added and Omitted Taxes	3,339.77	4,102.90
Regional High School Tax	2,390,468.84	2,622,538.16
Local District School Tax	5,108,130.00	5,065,986.00
Deductions Disallowed by Collector -- Prior Year Taxes	500.00	1,000.00
Adjustment -- Tax Overpayments		500.00
Creation of Reserves:		
Due from Federal and State Grant Fund	128,863.70	
Due from Trust Other Fund	17,359.46	
	<u>18,174,673.35</u>	<u>17,996,072.76</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Excess in Revenue	\$ 375,575.82	\$ 349,614.00
<u>Fund Balance</u>		
Balance Jan. 1	<u>559,904.17</u>	<u>510,290.17</u>
	935,479.99	859,904.17
Decreased by:		
Utilization as Anticipated Revenue	<u>407,470.66</u>	<u>300,000.00</u>
Balance December 31	<u><u>\$ 528,009.33</u></u>	<u><u>\$ 559,904.17</u></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, 2023

	Anticipated <u>Budget</u>	Special <u>N.J.S.A. 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	\$ 407,470.66		\$ 407,470.66	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	18,617.00		18,667.00	\$ 50.00
Other	12,500.00		11,727.00	(773.00)
Fees and Permits	8,000.00		13,139.50	5,139.50
Fines and Costs:				
Municipal Court	76,000.00		73,517.68	(2,482.32)
Interest and Costs on Taxes	45,000.00		46,250.20	1,250.20
Fire Inspection Revenue	80,000.00		75,980.00	(4,020.00)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	521,473.00		525,077.60	3,604.60
Reserve for Municipal Relief Fund	27,202.06		27,202.06	
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	92,000.00		225,661.00	133,661.00
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	127,253.94		127,253.94	
Park School Shared Service - Custodial Staff	443,958.74		442,148.58	(1,810.16)
Park School Shared Service - Class III Officer	63,228.17		31,614.09	(31,614.08)
Laurel Springs/ Pine Hill Court Revenue	152,694.48		152,694.48	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Clean Communities Grant Program	12,522.80	\$ 14,045.84	26,568.64	
Division of Criminal Justice -- Body Armor Replacement Fund	1,359.48		1,359.48	
FY 2022 Local Aid Infrastructure Funding		125,000.00	125,000.00	
Recycling Tonnage Grant	14,664.49		14,664.49	
Safe and Secure Communities Program - P.L. 1994, Chapter 220		12,590.00	12,590.00	
2023 Stormwater Assistance Grant		25,000.00	25,000.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Cable Television Franchise Fee	19,598.09		19,598.09	
Payment in Lieu of Taxes - National Realty	410,016.00		428,256.00	18,240.00
Payment in Lieu of Taxes - CICI Partners	16,107.82		15,651.96	(455.86)
Payment in Lieu of Taxes - Our Lady of Grace	44,176.22		44,176.00	(0.22)
Delaware River Port Authority Fees	15,000.00		15,000.00	
Debt Service Agreement - Our Lady of Grace	106,920.00		107,000.00	80.00
Rental Income - Our Lady of Grace	48,000.00		34,900.00	(13,100.00)
Coronavirus State and Local Fiscal Recovery Funds (ARP)	150,000.01		150,000.01	
NJDCA Local Enforcing Agency Fees	15,000.00		12,515.75	(2,484.25)
American Tower Lease	27,257.12		27,254.95	(2.17)
Off-Duty Police Administrative Fees	16,000.00		16,000.00	(16,000.00)
Total Miscellaneous Revenues	2,564,549.42	176,635.84	2,830,468.50	89,283.24
Receipts from Delinquent Taxes	210,000.00		186,093.33	(23,906.67)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	4,076,507.55		4,038,386.77	(38,120.78)
Budget Totals	7,258,527.63	176,635.84	7,462,419.26	27,255.79
Non-Budget Revenues			67,085.62	67,085.62
	<u>\$ 7,258,527.63</u>	<u>\$ 176,635.84</u>	<u>\$ 7,529,504.88</u>	<u>\$ 94,341.41</u>

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2023

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	\$ 14,872,900.06
Allocated to:	
Schools and County Taxes	11,079,513.29

Balance for Support of Municipal Budget Appropriations	3,793,386.77
--	--------------

Add: Appropriation "Reserve for Uncollected Taxes"	245,000.00
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Amount for Support of Municipal Budget Appropriations	\$ 4,038,386.77
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 186,093.33
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Revenue Accounts Receivable:

Licenses -- Other:

Clerk:

Business	\$ 10,800.00	
Home Business	750.00	
		\$ 11,550.00

Board of Health:

Marriage Licenses	177.00	
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	\$ 11,727.00
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Fees and Permits:

Clerk:

200 Foot Search	\$ 140.00	
Business License Late Fees	800.00	
Chicken Permits	50.00	
Street Opening	5,436.00	
Tenant Landlord Applications	1,400.00	
Towing Applications	100.00	
		\$ 7,926.00

Board of Health:

Vital Statistics	925.00	
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Police:

Police Reports	4,288.50	
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	\$ 13,139.50
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(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2023

Analysis of Realized Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):

Uniform Construction Code Fees:

Fees and Permits:

Building Permits	\$ 145,829.00	
Certificate of Occupancy	796.00	
Certificate of Occupancy - Resale	11,323.00	
Electrical Permits	36,568.00	
Fire Safety Permits	6,915.00	
Mechanical	3,851.00	
Penalties	492.00	
Plumbing Permits	16,237.00	
Zoning Ordinance Permits	<u>3,650.00</u>	
		<u>\$ 225,661.00</u>

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:

Tax Collector:

Miscellaneous		\$ 2,733.92
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Clerk:

Appliance Removal	\$ 10.00	
Basketball Net	1.00	
Cannabis License	<u>350.00</u>	
		361.00

Miscellaneous Revenue Not Anticipated:

Treasurer:

Receipts:

Interest Earned on Deposits:

Current Fund	\$ 14,072.66	
Clerk	18.86	
Municipal Court	136.53	
Police Department	0.54	
Uniform Construction Code	74.57	
Uniform Fire Code	<u>30.50</u>	

	\$ 14,333.66	
Administrative Fees	17,414.03	
Bad Check Fees	200.00	
Conrail Fees	2,425.00	
Division of Motor Vehicles Inspections	500.00	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2023

Analysis of Non-Budget Revenues (Cont'd)

Miscellaneous Revenue Not Anticipated (Cont'd):

Treasurer (Cont'd):

Receipts (Cont'd):

Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee	\$ 790.00	
Interest on Lawn Service Charges	256.49	
Miscellaneous Refund	7,081.16	
Planning and Zoning Applications	3,300.00	
Polling Places	200.00	
Restitution, Judgements and Penalties	2,034.06	
Safety Award	<u>2,500.00</u>	
		\$ 51,034.40
Collected by Trust Other Funds: Planning and Zoning Applications		250.00
Interest Earned in Other Funds:		
Animal Control Fund	29.61	
Trust Other Fund	8,304.16	
General Capital Fund	<u>4,372.53</u>	
		<u>12,706.30</u>

\$ 63,990.70

\$ 67,085.62

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, 2023

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages	\$ 170,521.00	\$ 171,371.00	\$ 171,322.99		\$ 48.01	
Salaries and Wages (ARP)	6,279.00	6,279.00	6,279.00			
Other Expenses	52,000.00	57,500.00	55,744.23	\$ 1,631.33		124.44
Mayor and Council						
Salaries and Wages	47,796.50	47,796.50	47,732.13			64.37
Salaries and Wages (ARP)	3,103.50	3,103.50	3,103.50			
Other Expenses	2,250.00	2,250.00	1,586.56	510.01		153.43
Municipal Clerk						
Salaries and Wages	109,021.50	109,021.50	108,956.90			64.60
Salaries and Wages (ARP)	7,078.50	7,078.50	7,078.50			
Other Expenses	9,250.00	9,250.00	7,010.36	110.88		2,128.76
Financial Administration						
Salaries and Wages	71,267.50	69,767.50	69,709.47			58.03
Salaries and Wages (ARP)	4,432.50	4,432.50	4,432.50			
Other Expenses	30,800.00	30,800.00	29,560.78	1,158.93		80.29
Audit Services						
	50,000.00	55,000.00	55,000.00			
Computerized Data Processing						
Salaries and Wages	3,000.00	3,000.00	2,680.03			319.97
Other Expenses	18,000.00	18,500.00	17,976.67	180.00		343.33
Collection of Taxes						
Salaries and Wages	62,092.50	60,092.50	54,382.83			5,709.67
Salaries and Wages (ARP)	3,457.50	3,457.50	3,457.50			
Other Expenses	7,900.00	8,900.00	8,695.36	139.26		65.38
Assessment of Taxes						
Salaries and Wages	14,555.00	14,555.00	14,477.40			77.60
Salaries and Wages (ARP)	945.00	945.00	945.00			
Other Expenses	3,000.00	3,000.00	2,825.76			174.24
Legal Services and Costs						
Other Expenses	49,500.00	34,500.00	32,909.90			1,590.10
Engineering Services						
Other Expenses	11,000.00	31,056.81	28,439.73			2,617.08
Municipal Court						
Salaries and Wages	119,257.00	119,257.00	104,248.47			15,008.53
Salaries and Wages (ARP)	7,743.00	7,743.00	7,743.00			
Other Expenses	9,550.00	11,550.00	9,019.52	1,947.62		582.86

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government Functions (Cont'd):						
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	\$ 14,775.00	\$ 14,775.00	\$ 13,421.46		\$ 1,353.54	
Land Use Administration:						
Planning Board						
Salaries and Wages	3,000.00	3,000.00	2,899.36		100.64	
Other Expenses	4,700.00	4,700.00	3,716.91		983.09	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages	73,245.00	77,745.00	76,481.34		1,263.66	
Salaries and Wages (ARP)	4,755.00	4,755.00	4,755.00			
Other Expenses	3,500.00	6,410.75	6,350.75		60.00	
Code Enforcement Officer						
Salaries and Wages	15,000.00	18,500.00	17,204.06		1,295.94	
Other Expenses	1,000.00	1,000.00	584.90		415.10	
Insurance:						
Workers Compensation Insurance	100,049.00	100,049.00	100,049.00			
Employee Group Insurance	510,600.00	476,128.52	461,767.24	\$ 763.49	13,597.79	
Liability Insurance	146,712.00	146,712.00	146,712.00			
Health Benefits Waiver	28,000.00	26,600.00	26,541.67		58.33	
Public Safety Functions:						
Police Department						
Salaries and Wages	1,385,159.00	1,320,159.00	1,289,913.81		30,245.19	
Salaries and Wages (ARP)	89,802.01	89,802.01	89,802.01			
Other Expenses	118,981.00	140,981.00	133,147.81	5,702.01	2,131.18	
Office of Emergency Management						
Salaries and Wages	2,347.00	2,347.00	2,267.61		79.39	
Salaries and Wages (ARP)	153.00	153.00	153.00			
Other Expenses	4,700.00	4,700.00	124.00	1,290.00	3,286.00	
Aid to Volunteer Fire Companies	163,100.00	163,100.00	151,420.98	10,929.82	749.20	
Aid to Volunteer Ambulance	8,000.00	8,000.00	8,000.00			
Fire Department						
Fire Hydrant Other Expenses	75,000.00	75,000.00	74,340.33		659.67	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2023

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Safety Functions (Cont'd):						
Fire Prevention						
Salaries and Wages	\$ 49,769.00	\$ 49,769.00	\$ 47,500.81		\$ 2,268.19	
Salaries and Wages (ARP)	3,231.00	3,231.00	3,231.00			
Other Expenses	9,995.00	9,995.00	2,587.15	\$ 317.44	7,090.41	
Municipal Prosecutor's Office						
Salaries and Wages	18,025.00	18,900.00	18,881.90		18.10	
Public Work Functions:						
Streets and Road Maintenance						
Salaries and Wages	500.00	500.00			500.00	
Other Expenses	95,500.00	95,500.00	88,799.90	5,338.23	1,361.87	
Solid Waste Collection						
Salaries and Wages	305,401.00	305,401.00	295,980.76		9,420.24	
Salaries and Wages (ARP)	19,020.00	19,020.00	19,020.00			
Other Expenses	58,075.00	58,075.00	39,671.53	9,049.91	9,353.56	
Public Buildings and Grounds						
Other Expenses	25,900.00	35,950.00	24,979.02	1,037.19	9,933.79	
Health and Human Services Functions:						
Environmental Health Services						
Other Expenses	2,000.00	2,000.00	2,000.00			
Animal Control Services						
Other Expenses	22,000.00	22,000.00	21,223.60		776.40	
Human Relations Commission						
Other Expenses	6,000.00	6,000.00	4,007.28	550.00	1,442.72	
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	31,000.00	31,000.00	27,873.97		3,126.03	
Sterling Municipal Alliance Program	2,243.00	2,243.00	2,243.00			
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	195,000.00	208,500.00	191,578.11	16,098.12	823.77	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Utility Expenses and Bulk Purchases:						
Electricity	\$ 55,000.00	\$ 55,000.00	\$ 45,952.51	\$ 28.29	\$ 9,019.20	
Street Lighting	85,000.00	88,925.00	88,871.45		53.55	
Telephone	32,000.00	32,000.00	31,422.15	400.00	177.85	
Water	4,250.00	4,250.00	2,759.34	193.79	1,296.87	
Gas (Natural or Propane)	10,000.00	10,000.00	7,843.76	1,060.76	1,095.48	
Sewerage Processing and Disposal	1,300.00	1,408.00	1,408.00			
Gasoline	96,188.00	96,188.00	68,633.77	1,941.52	25,612.71	
UNCLASSIFIED:						
Accumulated Leave Compensation	20,000.00	20,000.00	15,000.00		5,000.00	
Total Operations - within "CAPS"	4,773,775.01	4,750,679.09	4,516,440.34	\$ 60,378.60	173,860.15	
Detail:						
Salaries and Wages	2,662,732.01	2,602,557.01	2,529,603.01		72,954.00	
Other Expenses	2,111,043.00	2,148,122.08	1,986,837.33	60,378.60	100,906.15	
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Regulatory Expenditures:						
Contribution to:						
Public Employees Retirement System	196,117.00	196,117.00	196,117.00			
New Jersey Supplemental Disability Insurance (SDI)	1,900.00	2,075.00	2,058.01		16.99	
Police and Firemen's Retirement System of NJ	404,367.00	426,687.92	426,687.92			
Unemployment Insurance		500.00	460.49		39.51	
Defined Contribution Retirement Program	900.00	900.00	876.42		23.58	
Social Security System (O.A.S.I.)	202,000.00	202,100.00	202,045.13		54.87	
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	805,284.00	828,379.92	828,244.97		134.95	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	5,579,059.01	5,579,059.01	5,344,685.31	60,378.60	173,995.10	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Workers Compensation Insurance	\$ 562.00	\$ 562.00	\$ 562.00			
Solid Waste Collection						
Salaries and Wages	599.00	599.00	599.00			
Utility Expenses and Bulk Purchases:						
Gasoline	8,812.00	8,812.00	8,812.00			
Regulatory Expenditures:						
Contribution to:						
Police and Firemen's Retirement System of NJ	3,483.00	3,483.00	3,483.00			
Total Other Operations Excluded from "CAPS"	13,456.00	13,456.00	13,456.00			
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages	79,981.90	79,981.90	79,981.90			
Other Expenses	47,272.04	47,272.04	42,595.20		\$ 4,676.84	
Park School Shared Services - Custodian						
Salaries and Wages	340,337.82	340,337.82	335,387.73		4,950.09	
Other Expenses	103,620.92	103,620.92	71,593.28		32,027.64	
Park School Shared Services - Class III Officer						
Salaries and Wages	63,228.17	63,228.17	27,500.00		35,728.17	
Total Interlocal Municipal Service Agreements -- Within "CAPS"	634,440.85	634,440.85	557,058.11		77,382.74	
Public and Private Programs:						
Clean Communities Grant Program (N.J.S.A. 40A:4-87, \$14,045.84+)	12,522.80	26,568.64	26,568.64			
Division of Criminal Justice -- Body Armor Replacement Fund	1,359.48	1,359.48	1,359.48			
FY 2022 Local Aid Infrastructure Funding (N.J.S.A. 40A:4-87, \$125,000.00+)		125,000.00	125,000.00			
Recycling Tonnage Grant	14,664.49	14,664.49	14,664.49			
Safe and Secure Communities Program - P.L. 1994, Chapter 220, (N.J.S.A. 40A:4-87, \$12,590.00+)		12,590.00	12,590.00			
2023 Stormwater Assistance Grant (N.J.S.A. 40A:4-87, \$25,000.00+)		25,000.00	25,000.00			
Total Public and Private Programs -- Excluded from "CAPS"	28,546.77	205,182.61	205,182.61			

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2023

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
Total Operations -- Excluded from "CAPS"	\$ 676,443.62	\$ 853,079.46	\$ 775,696.72		\$ 77,382.74	
Detail:						
Salaries and Wages	484,146.89	496,736.89	456,058.63		40,678.26	
Other Expenses	192,296.73	356,342.57	319,638.09		36,704.48	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment on Bond Principal	350,000.00	350,000.00	350,000.00			
NJIB Loan Principal	177,969.00	177,969.00	177,968.50			\$ 0.50
Interest on Bonds	45,500.00	45,500.00	45,500.00			
Bond Anticipation Notes	60,550.00	60,550.00	60,550.00			
Interest on Notes	98,000.00	98,000.00	97,330.76			669.24
NJIB Loan Interest	26,006.00	26,006.00	26,005.33			0.67
Total Municipal Debt Service -- Excluded from "CAPS"	758,025.00	758,025.00	757,354.59			670.41
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,434,468.62	1,611,104.46	1,533,051.31		77,382.74	670.41
Subtotal General Appropriations	7,013,527.63	7,190,163.47	6,877,736.62	\$ 60,378.60	251,377.84	670.41
Reserve for Uncollected Taxes	245,000.00	245,000.00	245,000.00			
Total General Appropriations (Carried Forward)	<u>\$ 7,258,527.63</u>	<u>\$ 7,435,163.47</u>	<u>\$ 7,122,736.62</u>	<u>\$ 60,378.60</u>	<u>\$ 251,377.84</u>	<u>\$ 670.41</u>
Appropriation by 40A:4-87		\$ 176,635.84				
Budget		<u>7,258,527.63</u>				
Budget		<u>\$ 7,435,163.47</u>				
Refunds			\$ (157,468.08)			
Reserve for Federal and State Grants -- Appropriated			205,182.61			
Reserve for Uncollected Taxes			245,000.00			
Due Animal Control Fund			20,500.00			
Due General Capital Fund			60,550.00			
Disbursements			<u>6,748,972.09</u>			
			<u>\$ 7,122,736.62</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, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	SB-1	\$ 75.92	\$ 376.32
Total Animal Control Fund		<u>75.92</u>	<u>376.32</u>
Other Funds:			
Cash	SB-1	751,211.36	852,548.78
Due from Current Fund	SB-5		6,383.55
Accounts Receivable	SB-8	<u>23,051.01</u>	
Total Other Funds		<u>774,262.37</u>	<u>858,932.33</u>
Total Assets		<u>\$ 774,338.29</u>	<u>\$ 859,308.65</u>

(Continued)

BOROUGH OF SOMERDALE
TRUST FUNDS
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2023 and 2022

LIABILITIES AND RESERVES:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-3	\$ 75.92	\$ 373.92
Due to State of New Jersey -- Registration Fees	SB-4	<u> </u>	<u>2.40</u>
Total Animal Control Fund		<u>75.92</u>	<u>376.32</u>
Other Funds:			
Due to Current Fund	SB-5	17,359.46	
Due to State of New Jersey -- Division of Youth and Family Services	SB-6	225.00	
Due to State of New Jersey -- New Construction Surcharge	SB-7	12,147.00	878.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-8	2,299.37	2,299.37
Beautification Programs	SB-8	15,548.18	29,992.12
Developer's Escrow Fund	SB-8	332,914.43	297,498.79
Disposal of Forfeited Property	SB-8	25,425.40	22,228.41
Municipal Public Defender	SB-8	687.51	809.11
New Jersey Unemployment Compensation	SB-8	24,458.35	34,254.00
Outside Employment of Off-Duty Police Officers	SB-8	1,073.86	2,710.04
Parking Offense Adjudication Act	SB-8	2,082.05	2,038.05
Board of Recreation Commission	SB-8	18,413.60	17,168.75
Recycling Program	SB-8	15.05	15.05
Tax Title Lien Premiums	SB-8	284,000.00	402,800.00
Tax Title Lien Redemption	SB-8	3,221.87	25,190.40
Uniform Fire Safety Act Penalty Monies	SB-8	<u>34,391.24</u>	<u>21,050.24</u>
Total Other Funds		<u>774,262.37</u>	<u>858,932.33</u>
Total Liabilities and Reserves		<u>\$ 774,338.29</u>	<u>\$ 859,308.65</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, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	SC-1	\$ 487,715.79	\$ 668,184.77
Deferred Charges to Future Taxation:			
Funded	SC-3	7,590,581.50	4,153,550.00
Unfunded	SC-4	960,000.00	5,074,550.00
New Jersey Transportation Trust Fund Authority Act Receivable	SC-5	33,099.34	33,099.34
Camden County Open Space Trust Fund Grant Receivable	SC-6	25,000.00	25,000.00
Due from Current Fund	SC-7	30,610.96	30,060.96
		<u> </u>	<u> </u>
Total Assets		<u>\$ 9,127,007.59</u>	<u>\$ 9,984,445.07</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-8	\$ 209,431.90	\$ 238,126.97
Unfunded	SC-8		295,542.30
Capital Improvement Fund	SC-9	19,679.00	19,679.00
Reserve for Encumbrances	SC-10	4,341.40	43,722.50
Contracts Payable	SC-11	118,128.30	46,279.80
Reserve for the Payment of Debt	C	112,994.50	112,994.50
Bond Anticipation Notes	SC-12	960,000.00	5,074,550.00
General Obligation Bonds	SC-13	5,715,000.00	2,100,000.00
New Jersey Infrastructure Bank Loan Payable	SC-14	1,875,581.50	2,053,550.00
Fund Balance	C-1	111,850.99	
		<u> </u>	<u> </u>
Total Liabilities and Reserves		<u>\$ 9,127,007.59</u>	<u>\$ 9,984,445.07</u>

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

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Fund Balance -- Regulatory Basis
For the Year Ended December 31, 2023

Increased by Receipts:	
Premium Received on Bonds Issued	\$ 200,850.99
Decreased by:	
Bond Anticipation Notes Paid from Bond Premium	<u>89,000.00</u>
Balance December 31, 2023	<u><u>\$ 111,850.99</u></u>

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

BOROUGH OF SOMERDALE
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash	SD-1	\$ 224,107.23	\$ 346,716.41
Due from Sewer Utility Capital Fund	SD-8	<u> </u>	<u>18,400.00</u>
		<u>224,107.23</u>	<u>365,116.41</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-4	50,742.86	47,682.68
Sewer Utility Liens	SD-5	<u>1,855.79</u>	<u>1,033.79</u>
		<u>52,598.65</u>	<u>48,716.47</u>
Total Operating Fund		<u>276,705.88</u>	<u>413,832.88</u>
Assessment Fund:			
Assessments Receivable	SD-6	<u> </u>	<u>18,400.00</u>
		<u> </u>	<u>18,400.00</u>
Capital Fund:			
Fixed Capital	SD-7	7,418,295.16	7,377,812.06
Due from Sewer Utility Trust Assessment Fund	SD-9	<u> </u>	<u>18,400.00</u>
Total Capital Fund		<u>7,418,295.16</u>	<u>7,396,212.06</u>
Total Assets		<u>\$ 7,695,001.04</u>	<u>\$ 7,828,444.94</u>

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2023 and 2022

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Appropriation Reserves	D-3, SD-10	\$ 5,019.22	\$ 71,381.53
Reserve for Encumbrances	D-3, SD-10	957.77	22,552.71
Accounts Payable	SD-11		5,699.10
Sewer Rent Overpayments	SD-12	3,123.41	3,150.42
Accrued Interest on Bonds and Notes	SD-13	1,684.85	1,721.48
		<u>10,785.25</u>	<u>104,505.24</u>
Reserve for Receivables		52,598.65	48,716.47
Fund Balance	D-1	213,321.98	260,611.17
Total Operating Fund		<u>276,705.88</u>	<u>413,832.88</u>
Assessment Fund:			
Due to Sewer Utility Capital Fund	SD-9		18,400.00
			<u>18,400.00</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-8		18,400.00
Reserve for Amortization	SD-14	4,436,619.20	4,331,317.46
United States Department of Agriculture (USDA) Loans Payable	SD-15	2,981,675.96	3,046,494.60
Total Capital Fund		<u>7,418,295.16</u>	<u>7,396,212.06</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,695,001.04</u>	<u>\$ 7,828,444.94</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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 135,109.00	\$ 132,645.43
Rents	522,206.57	541,670.62
Miscellaneous	33,002.54	17,687.00
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	68,544.97	128,016.78
Accounts Payable Cancelled	5,699.10	
	<u>764,562.18</u>	<u>820,019.83</u>
<u>Expenditures</u>		
Operating	448,150.00	429,100.00
Debt Service	121,601.37	121,602.05
Capital Improvements	44,500.00	82,500.00
Regulatory Expenditures	62,491.00	50,324.43
	<u>676,742.37</u>	<u>683,526.48</u>
Total Expenditures	<u>676,742.37</u>	<u>683,526.48</u>
Excess (Deficit) in Revenue	87,819.81	136,493.35
Balance January 1	<u>260,611.17</u>	<u>256,763.25</u>
	348,430.98	393,256.60
Decreased by:		
Utilized as Revenue in Sewer Utility Operating Budget	<u>135,109.00</u>	<u>132,645.43</u>
Balance December 31	<u>\$ 213,321.98</u>	<u>\$ 260,611.17</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, 2023

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	\$ 135,109.00	\$ 135,109.00	
Rents	541,670.00	522,206.57	\$ (19,463.43)
Miscellaneous		<u>33,002.54</u>	<u>33,002.54</u>
	<u>\$ 676,779.00</u>	<u>\$ 690,318.11</u>	<u>\$ 13,539.11</u>
 <u>Analysis of Realized Revenues:</u>			
Rents:			
Consumer Accounts Receivable:			
Receipts -- Collector:			
Rents		\$ 519,056.15	
Overpayments Applied		<u>3,150.42</u>	
			<u>\$ 522,206.57</u>
 Miscellaneous:			
Special Charges Collected by the Current Fund		\$ 7,203.16	
Collector - Receipts:			
Special Sewer Charges	\$ 15,000.00		
Interest and Costs on Delinquent Rents	<u>9,163.29</u>		
		<u>24,163.29</u>	
			\$ 31,366.45
 Treasurer:			
Receipts:			
Interest Earned on Deposits			<u>1,636.09</u>
			<u>\$ 33,002.54</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, 2023

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
Sewer Operating:						
Salaries and Wages	\$ 294,000.00	\$ 299,000.00	\$ 298,432.48		\$ 567.52	
Other Expenses	154,150.00	149,150.00	147,757.43	\$ 957.77	434.80	
Total Operating	<u>448,150.00</u>	<u>448,150.00</u>	<u>446,189.91</u>	<u>957.77</u>	<u>1,002.32</u>	
Capital Improvements						
Capital Outlay	44,500.00	44,500.00	40,483.10		4,016.90	
Debt Service:						
Payment of Bond Principal	64,818.64	64,818.64	64,818.64			
Interest on Bonds	56,819.36	56,819.36	56,782.73			\$ 36.63
Total Debt Service	<u>121,638.00</u>	<u>121,638.00</u>	<u>121,601.37</u>			<u>36.63</u>
Regulatory Expenditures:						
Contribution to:						
Public Employees' Retirement System	40,000.00	40,000.00	40,000.00			
Social Security System (O.A.S.I.)	22,491.00	22,491.00	22,491.00			
Total Regulatory Expenditures	<u>62,491.00</u>	<u>62,491.00</u>	<u>62,491.00</u>			
Total Appropriations	<u>\$ 676,779.00</u>	<u>\$ 676,779.00</u>	<u>\$ 670,765.38</u>	<u>\$ 957.77</u>	<u>\$ 5,019.22</u>	<u>\$ 36.63</u>
Accrued Interest on Bonds and Notes			\$ 56,782.73			
Disbursements			<u>613,982.65</u>			
			<u>\$ 670,765.38</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, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
General Fixed Assets:				
Land and Buildings	\$ 5,708,119.79			\$ 5,708,119.79
Construction in Progress	744,468.56	\$ 57,312.02		801,780.58
Public Works Equipment	897,722.05	10,299.00		908,021.05
Police Equipment	149,376.29			149,376.29
Office Equipment	44,835.32			44,835.32
Fire Equipment	82,303.00	15,839.00		98,142.00
Vehicles	4,083,601.29			4,083,601.29
	<hr/>			
Total General Fixed Assets	\$ 11,710,426.30	\$ 83,450.02	\$ -	\$ 11,793,876.32
	<hr/>			
Total Investment in General Fixed Assets	\$ 11,710,426.30	\$ 83,450.02	\$ -	\$ 11,793,876.32
	<hr/>			

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

BOROUGH OF SOMERDALE
Notes to Financial Statements
For the Year Ended December 31, 2023

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* (2 CFR Part 225), 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, 2022 and decreased by the amount deferred at December 31, 2023.

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 Accounting Pronouncements**

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

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, 2023, the Borough's bank balances of \$2,757,971.85 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,113,702.32
Uninsured and Uncollateralized	<u>644,269.53</u>
Total	<u><u>\$ 2,757,971.85</u></u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	\$ 4.461	\$ 4.271	\$ 4.389	\$ 4.280	\$ 4.202
Apportionment of Tax Rate:					
Municipal	\$ 1.200	\$ 1.133	\$ 1.129	\$ 1.113	\$ 1.107
County	.982	.942	.986	.942	.917
Local School	1.504	1.497	1.485	1.461	1.450
Regional High School	.775	.699	.789	.764	.728

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 339,725,100.00
2022	338,512,100.00
2021	337,834,000.00
2020	337,054,000.00
2019	333,809,300.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 15,170,307.15	\$ 14,872,900.06	98.04%
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%

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>
2023	\$ 57,449.52	\$ 281,719.66	\$ 339,169.18	2.24%
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%

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>
2023	6
2022	7
2021	8
2020	8
2019	9

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>
2023	\$ 216,690.43
2022	170,015.00
2021	170,015.00
2020	170,015.00
2019	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>			
2023	\$ 47,682.68	\$ 1,033.79	\$ 526,891.00	\$ 575,607.47	\$ 522,206.57
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

Note 6: LEASES RECEIVABLE

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

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, 2023, the balance of the lease's receivable is \$120,668.48. 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, 2023:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Tower	\$ 51,675.13	\$ 11,238.60	3,344.90
Church Building	68,993.35	41,747.88	285.92
	<u>\$ 120,668.48</u>	<u>\$ 52,986.48</u>	<u>\$ 3,630.82</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have recognized \$58,524.13 in a reduction of lease receivable and \$3,630.82 in interest revenue related to the leases. In addition, \$52,713.36 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 \$62,154.95 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>
2024	\$ 92,593.98	\$ 2,212.53	\$ 94,806.51
2025	28,074.50	771.47	28,845.97
Total	<u>\$ 120,668.48</u>	<u>\$ 2,984.00</u>	<u>\$ 123,652.48</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>
2023	\$ 528,009.33	\$ 368,009.33	69.70%
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%

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>
2023	\$ 213,321.98	\$ 151,882.99	71.20%
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%

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, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 146,223.16	\$ 30,610.96
Federal and State Grant		128,863.70
Trust - Other		17,359.46
General Capital		
	30,610.96	
	<u>\$ 176,834.12</u>	<u>\$ 176,834.12</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 2024, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions reporting on GASB No. 68, *Accounting and Financial Reporting for Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023, was not available; therefore, the information from the measurement period June 30, 2022, 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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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.

Special Funding Situation Component - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

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

Public Employees' Retirement System (Cont'd) - Special Funding Situation Component (Cont'd) – 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, 2022, was 16.64% 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, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022, is \$244,563.00, and was payable by April 1, 2023. 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, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021, was \$234,781.00, which was paid on April 1, 2022.

Employee contributions to the Plan during the year ended December 31, 2022, were \$112,001.73.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, under Chapter 133, P.L. 2001, for the year ended December 31, 2022, was 0.42% of the Borough's covered payroll.

Based on the most recent PERS measurement date of June 30, 2022, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022, was \$6,158.00, and is payable by April 1, 2023.

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.

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

Police and Firemen's Retirement System - The Borough's contractually required contribution rate for the year ended December 31, 2022, was 30.81% 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, 2022, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2022, is \$425,973.00, and was payable by April 1, 2023. 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, 2021, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2021, was \$405,924.00, which was paid on April 1, 2022.

Employee contributions to the Plan during the year ended December 31, 2022, were \$142,257.12.

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, 2022, was 6.01% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2022, is \$83,066.00, and was payable by April 1, 2023. Based on the 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, was \$62,197.00, which was paid on April 1, 2022.

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, 2023, employee contributions totaled \$1,608.88, and the Borough's contributions were \$876.42. 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, 2022, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Borough's proportionate share of the PERS net pension liability was \$2,926,766.00. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022, measurement date, the Borough's proportion was 0.0193936310%, which was a decrease of (0.0006539949%) from its proportion measured as of June 30, 2021.

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)****Public Employees' Retirement System (Cont'd)**

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021, measurement date was (\$85,137.00). 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, 2022, the Borough's contribution to PERS was \$234,781.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PERS pension (benefit) expense, associated with the Borough, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2022, measurement date, was \$6,158.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

Police and Firemen's Retirement System

Pension Liability - At December 31, 2022, the Borough's, and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 3,749,049.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>667,221.00</u>
	<u>\$ 4,416,270.00</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. 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, 2022, measurement date, the Borough's proportion was 0.0327532100%, which was a decrease of (0.0020761705%) from its proportion measured as of June 30, 2021. Likewise, at June 30, 2022, the State of New Jersey's proportion, on-behalf of the Borough, was 0.0327533100%, which was a decrease of (0.0020759233%) from its proportion, on-behalf of the Borough, measured as of June 30, 2021.

Pension (Benefit) Expense - For the year ended December 31, 2022, the Borough's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2022, measurement date was (\$114,610.00). 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, 2022, the Borough's contribution to PFRS was \$405,924.00, and was paid on April 1, 2022.

For the year ended December 31, 2022, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Borough, calculated by the Plan as of the June 30, 2022, measurement date, was \$76,980.00. This on-behalf (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

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)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, 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	\$ 21,124.00	\$ 169,692.00	\$ 190,816.00	\$ 18,628.00	\$ 229,680.00	\$ 248,308.00
Changes of Assumptions	9,068.00	10,275.00	19,343.00	438,253.00	471,931.00	910,184.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	121,136.00	343,303.00	464,439.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	265,376.00	6,639.00	272,015.00	116,531.00	413,596.00	530,127.00
Contributions Subsequent to the Measurement Date	122,282.00	212,987.00	335,269.00	-	-	-
	<u>\$ 538,986.00</u>	<u>\$ 742,896.00</u>	<u>\$ 1,281,882.00</u>	<u>\$ 573,412.00</u>	<u>\$ 1,115,207.00</u>	<u>\$ 1,688,619.00</u>

Deferred outflows of resources in the amounts of \$122,282.00 and \$212,987.00 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, 2023. These amounts were based on an estimated April 1, 2024, contractually required contribution, prorated from the pension plans' measurement date of June 30, 2022, to the Borough's year end of December 31, 2022.

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) - 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:

	<u>PERS</u>		<u>PFRS</u>	
	<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, 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
June 30, 2022	-	5.04	6.22	
Changes of Assumptions				
Year of Pension Plan Deferral:				
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	-
June 30, 2022	-	5.04		6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
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	-
June 30, 2022	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2022	5.04	5.04	6.22	6.22

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:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2023	\$ (166,687.00)	\$ (300,927.00)	\$ (467,614.00)
2024	(61,162.00)	(235,322.00)	(296,484.00)
2025	(43,393.00)	(176,627.00)	(220,020.00)
2026	115,820.00	180,821.00	296,641.00
2027	(1,286.00)	(45,564.00)	(46,850.00)
Thereafter	-	(7,679.00)	(7,679.00)
	<u>\$ (156,708.00)</u>	<u>\$ (585,298.00)</u>	<u>\$ (742,006.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55%	3.25% - 16.25%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

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, 2022) 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, 2022, 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%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<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, 2022. 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, 2022. 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, 2022 measurement date, calculated using a discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 3,760,037.00</u>	<u>\$ 2,926,766.00</u>	<u>\$ 2,217,619.00</u>

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, 2022, measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Proportionate Share of the Net Pension Liability	\$ 5,144,100.00	\$ 3,749,049.00	\$ 2,587,662.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>915,499.00</u>	<u>667,221.00</u>	<u>460,528.00</u>
	<u>\$ 6,059,599.00</u>	<u>\$ 4,416,270.00</u>	<u>\$ 3,048,190.00</u>

Pension Plan Fiduciary Net Position

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

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans.

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.

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0193936310%	0.0200476259%	0.0192475967%	0.0178649151%	0.0181845981%
Proportionate Share of the Net Pension Liability	\$ 2,926,766.00	\$ 2,374,942.00	\$ 3,138,780.00	\$ 3,218,987.00	\$ 3,580,457.00
Covered Payroll (Plan Measurement Period)	\$ 1,433,116.00	\$ 1,476,636.00	\$ 1,387,012.00	\$ 1,273,164.00	\$ 1,268,256.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	204.22%	160.83%	226.30%	252.83%	282.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	70.33%	58.32%	56.27%	53.60%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0170511830%	0.0157077041%	0.0164134907%	0.0116870070%	0.0129708891%
Proportionate Share of the Net Pension Liability	\$ 3,969,243.00	\$ 4,652,171.00	\$ 3,684,500.00	\$ 2,188,127.00	\$ 2,478,995.00
Covered Payroll (Plan Measurement Period)	\$ 1,133,084.00	\$ 1,071,284.00	\$ 1,149,972.00	\$ 787,492.00	\$ 898,680.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	350.30%	434.26%	320.40%	277.86%	275.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	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 Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 244,563.00	\$ 234,781.00	\$ 210,559.00	\$ 173,773.00	\$ 180,878.00
Contribution in Relation to the Contractually Required Contribution	(244,563.00)	(234,781.00)	(210,559.00)	(173,773.00)	(180,878.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,469,425.00	\$ 1,474,135.00	\$ 1,451,765.00	\$ 1,394,222.00	\$ 1,247,192.00
Contributions as a Percentage of Covered Payroll	16.64%	15.93%	14.50%	12.46%	14.50%
	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 157,961.00	\$ 139,545.00	\$ 141,112.00	\$ 96,346.00	\$ 97,733.00
Contribution in Relation to the Contractually Required Contribution	(157,961.00)	(139,545.00)	(141,112.00)	(96,346.00)	(97,733.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,222,201.00	\$ 1,159,325.00	\$ 1,049,920.00	\$ 1,111,193.00	\$ 856,953.00
Contributions as a Percentage of Covered Payroll	12.92%	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 Ten Plan Years)***

	<u>Measurement Date Ended June 30,</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the Net Pension Liability	0.0327532100%	0.0348293805%	0.0352553952%	0.0362621679%	0.0373776911%
Proportionate Share of the Net Pension Liability	\$ 3,749,049.00	\$ 2,545,732.00	\$ 4,555,462.00	\$ 4,437,698.00	\$ 5,057,818.00
State's Proportionate Share of the Net Pension Liability	667,221.00	715,987.00	706,987.00	700,721.00	687,021.00
Total	<u>\$ 4,416,270.00</u>	<u>\$ 3,261,719.00</u>	<u>\$ 5,262,449.00</u>	<u>\$ 5,138,419.00</u>	<u>\$ 5,744,839.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,167,176.00	\$ 1,220,948.00	\$ 1,187,820.00	\$ 1,229,040.00	\$ 1,240,024.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	321.21%	208.50%	383.51%	361.07%	407.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.33%	77.26%	63.52%	65.00%	62.48%
	<u>Measurement Date Ended June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion of the Net Pension Liability	0.0370470239%	0.0362084266%	0.0327063694%	0.0331527477%	0.0324190261%
Proportionate Share of the Net Pension Liability	\$ 5,719,344.00	\$ 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	640,615.00	80,834.00	477,749.00	449,072.00	40,127.00
Total	<u>\$ 6,359,959.00</u>	<u>\$ 6,997,570.00</u>	<u>\$ 5,925,490.00</u>	<u>\$ 4,619,380.00</u>	<u>\$ 4,349,944.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,199,204.00	\$ 1,157,312.00	\$ 1,093,148.00	\$ 1,047,124.00	\$ 1,050,540.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	476.93%	597.66%	498.35%	398.26%	410.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	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 Ten Years)***

	Year Ended December 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 425,973.00	\$ 405,924.00	\$ 393,863.00	\$ 366,288.00	\$ 365,422.00
Contribution in Relation to the Contractually Required Contribution	(425,973.00)	(405,924.00)	(393,863.00)	(366,288.00)	(365,422.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,382,605.00	\$ 1,212,581.00	\$ 1,197,652.00	\$ 1,199,210.00	\$ 1,196,964.00
Contributions as a Percentage of Covered Payroll	30.81%	33.48%	32.89%	30.54%	30.53%

	Year Ended December 31,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 327,873.00	\$ 295,222.00	\$ 265,854.00	\$ 254,636.00	\$ 236,522.00
Contribution in Relation to the Contractually Required Contribution	(327,873.00)	(295,222.00)	(265,854.00)	(254,636.00)	(236,522.00)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll (Calendar Year)	\$ 1,220,142.00	\$ 1,203,499.00	\$ 1,160,483.00	\$ 1,083,954.00	\$ 1,058,110.00
Contributions as a Percentage of Covered Payroll	26.87%	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, 2022, measurement date included three changes to the plan provisions, only one of which had an impact on the Total Pension Liability (TPL). Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%
2018	5.66%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 9: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)****Other Notes to Supplementary Pension Information (Cont'd)*****Police and Firemen's Retirement System (PFRS)***Changes in Benefit Terms

None

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%
2018	6.51%			2018	7.00%		

The underlying demographic and economic assumptions were updated as a result of the Experience Study covering the period of July 1, 2018 - June 30, 2021.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023, was not available; therefore, the information from the measurement period June 30, 2022, 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 negotiation's 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 (\$673,209.00) for the year ended December 31, 2022, representing (48.69%) of the Borough's covered payroll.

OPEB Liability

At December 31, 2022, the State's proportionate share of the net OPEB liability associated with the Borough was \$4,104,408.00. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

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, 2021, through June 30, 2022. For the June 30, 2022, measurement date, the State's proportion on-behalf of the Borough was 0.121655%, which was an increase of 0.025887% from its proportion measured as of the June 30, 2021, measurement date, as adjusted.

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, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases:

PFRS - Rates for all future years 3.25% to 16.25% based on years of service

Mortality:

PFRS - 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, 2018, to June 30, 2021.

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, 2022, was 3.54%. 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.

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	HMO Post-65	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability, calculated using a discount rate of 3.54%, 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>(2.54%)</u>	Current Discount Rate <u>(3.54%)</u>	1% Increase <u>(4.54%)</u>
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 4,757,835.00</u>	<u>\$ 4,104,408.00</u>	<u>\$ 3,578,665.00</u>

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	<u>\$ 3,481,893.00</u>	<u>\$ 4,104,408.00</u>	<u>\$ 4,901,675.00</u>

OPEB Plan Fiduciary Net Position

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

Supplementary OPEB Information

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Borough (Last Six Plan Years)**

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	4,104,408.00	3,697,945.00	3,822,301.00
Total	<u>\$ 4,104,408.00</u>	<u>\$ 3,697,945.00</u>	<u>\$ 3,822,301.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,304,238.00	\$ 1,165,597.00	\$ 1,224,026.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	314.70%	317.26%	312.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)****Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Borough (Last Six Plan Years) (Cont'd)**

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

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, 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>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

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

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

There were no changes to mortality projections.

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, 2023, the balance of the fund was \$2,299.37. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$337,374.98.

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, 2023, 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, 2023, 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, 2023, 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.

Note 13: FINANCED PURCHASES OBLIGATIONS (CONT'D)

The following is an analysis of the financed purchase obligation liability at December 31, 2023:

Description

Police Vehicles	\$ 48,442.99
Fire Department Vehicle	557,502.33
Public Works Vehicle and Equipment	<u>37,936.93</u>
	<u>\$ 643,882.25</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, 2023:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	70,461.44	7,563.67	78,025.11
2029-2031	<u>222,488.87</u>	<u>11,586.46</u>	<u>234,075.33</u>
	<u>\$ 643,882.25</u>	<u>\$ 70,222.70</u>	<u>\$ 714,104.95</u>

Under the provisions of GASB 87, for the year ended December 31, 2023, the Borough would have reported assets in the amount of \$1,069,207.19 and a financed purchase obligation in the amount of \$643,882.25. In addition, for the year ended December 31, 2023, the Borough would have recognized a reduction of the financed purchase obligation of \$154,888.36 and interest expense of \$24,327.20.

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 \$3,507.12 of lease payments during the year ended December 31, 2023, which were budgeted and paid from the current fund.

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

The Borough, as lessee, has entered into the following leases which meet the requirements of GASB 87 (Cont'd):

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 made semiannual payments through November 16, 2023. The Borough paid \$624.00 of lease payments during the year ended December 31, 2023, 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 \$9,487.50 of lease payments during the year ended December 31, 2023, 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, 2023, 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 \$9,133.56 of lease payments during the year ended December 31, 2023, which were budgeted and paid from the current fund.

Under the provisions of GASB 87, as of December 31, 2023, the balance of the lease liability is \$59,655,209 and balance of the related right to use leased assets have a balance of \$58,865,35. The leases are summarized as follows:

<u>Description</u>	<u>Lease Liability</u>	<u>Lease Asset</u>
Copiers	\$ 8,910.74	\$ 8,841.93
Postage Machine		
Vehicles	<u>50,744.35</u>	<u>50,023.42</u>
	<u>\$ 59,655.09</u>	<u>\$ 58,865.35</u>

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

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>
2024	\$ 27,987.43	\$ 411.53	\$ 28,398.96
2025	25,704.73	186.83	25,891.56
2026	5,962.93	20.79	5,983.72
Total	<u>\$ 59,655.09</u>	<u>\$ 619.15</u>	<u>\$ 60,274.24</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.

General Obligation Bonds, Series 2023 - On April 4, 2023, the Borough issued \$3,965,000.00 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.

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>
2024	\$ 575,000.00	\$ 215,822.08	\$ 790,822.08
2025	585,000.00	100,362.50	685,362.50
2026	600,000.00	146,212.50	746,212.50
2027	620,000.00	130,100.00	750,100.00
2028	635,000.00	112,587.50	747,587.50
2029-2033	2,250,000.00	312,750.00	2,562,750.00
2034	450,000.00	9,000.00	459,000.00
	<u>\$ 5,715,000.00</u>	<u>\$ 1,026,834.58</u>	<u>\$ 6,741,834.58</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>
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	207,828.56	16,380.28	224,208.84
2029-2032	862,990.60	33,844.72	896,835.32
	<u>\$ 1,875,581.50</u>	<u>\$ 142,297.98</u>	<u>\$ 2,017,879.48</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 phases 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 final maturity of these loans is December 20, 2056.

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>	
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	71,158.27	50,479.73	121,638.00
2029-2033	376,410.66	231,779.34	608,190.00
2034-2038	413,225.72	194,964.28	608,190.00
2039-2043	453,641.51	154,548.49	608,190.00
2044-2048	498,010.22	110,179.78	608,190.00
2049-2053	546,718.35	61,471.65	608,190.00
2054-2056	350,793.99	11,540.12	362,334.11
	<u>\$ 2,981,675.96</u>	<u>\$ 1,029,798.15</u>	<u>\$ 4,011,474.11</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>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 8,550,581.50	\$ 9,228,100.00	\$ 8,214,245.92
Sewer Utility:			
Notes and Loans	2,981,675.96	3,046,494.60	3,110,114.78
Total Issued	<u>11,532,257.46</u>	<u>12,274,594.60</u>	<u>11,324,360.70</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes			1,462,854.08
Sewer Utility:			
Notes and Loans			
Total Authorized but not Issued	<u>-</u>	<u>-</u>	<u>1,462,854.08</u>
Total Issued and Authorized but not Issued	<u>11,532,257.46</u>	<u>12,274,594.60</u>	<u>12,787,214.78</u>
<u>Deductions</u>			
General:			
Reserve for Payment of Debt	112,994.50	112,994.50	
Sewer Utility:			
Self-Liquidating	2,981,675.96	3,046,494.60	3,110,114.78
Total Deductions	<u>3,094,670.46</u>	<u>3,159,489.10</u>	<u>3,110,114.78</u>
Net Debt	<u>\$ 8,437,587.00</u>	<u>\$ 9,115,105.50</u>	<u>\$ 9,677,100.00</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 1.827%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School District	\$ 817,838.15	\$ 817,838.15	
Local School District	2,547,000.00	2,547,000.00	
Self-Liquidating	2,981,675.96	2,981,675.96	
General	8,550,581.50	112,994.50	\$ 8,437,587.00
	<u>\$ 14,897,095.61</u>	<u>\$ 6,459,508.61</u>	<u>\$ 8,437,587.00</u>

Net debt \$8,437,587.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$461,864,397.00, equals 1.827%.

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)	\$	16,165,253.90
Less: Net Debt		<u>8,437,587.00</u>
Remaining Borrowing Power	<u>\$</u>	<u>7,727,666.90</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	\$	690,318.11
Deductions:		
Operating and Maintenance Costs	\$	510,641.00
Debt Service		<u>121,601.37</u>
Total Deductions		<u>632,242.37</u>
Excess in Revenue	<u>\$</u>	<u>58,075.74</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:

	<u>Balance December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 1,315,762.50	\$ 1,074,706.34
Deferred	<u>1,315,762.50</u>	<u>1,182,177.00</u>
Prepaid Taxes	<u>\$ -</u>	<u>\$ (107,470.66)</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>
2023	\$ 460.49	\$ 6,174.04	\$ 247.35	\$ 16,677.53 (a)	\$ 24,458.35
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

(a) Includes amounts paid by the Current Fund Budget

It is estimated that unreimbursed payments on behalf of the Borough at December 31, 2023 are \$3,257.75.

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, 2023, 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
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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

Tax Appeals - As of December 31, 2023, a tax appeal was on file against the Borough. Based upon information provided by the tax assessor, if the appeal is not settled in favor of the Borough, the estimated impact of the tax refunds could be material to the financial statements.

Authorization of Debt - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	6/12/2024	\$ 950,000.00

Bank Failure - On April 26, 2024, Republic First Bank (doing business as Republic Bank) was closed by the Pennsylvania Department of Banking and Securities, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect depositors, the FDIC entered into an agreement with Fulton Bank, National Association of Lancaster, Pennsylvania to assume substantially all of the deposits and purchase substantially all of the assets of Republic Bank. As a result of the acquisition by Fulton Bank, the management of the Borough does not expect to incur any losses at this time. As of December 31, 2023, the Borough had deposits on account of \$2,757,970.85.

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, 2023

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2022	\$ 1,304,408.11	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 51,034.40	
2023 Budget Appropriation Refunds	157,468.08	
Collector	15,076,583.53	
Petty Cash Funds	50.00	
Revenue Accounts Receivable	2,552,194.63	
2022 Appropriation Reserves Refunds	4,434.94	
Accounts Payable	1,930.60	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	39,500.00	
Reserve for Payroll Deductions Payable	3,800,487.22	
Reserve for Municipal Relief Aid	54,392.47	
Due Current Fund		\$ 205,349.82
Due Trust - Other Fund	31,376.66	
Due General Capital Fund	4,372.53	
Federal and State Grants Receivable		655,492.01
Reserve for Federal and State Grants -- Unappropriated		1,523.81
Reserve for Federal and State Grants -- Appropriated		902.95
	<u>21,773,825.06</u>	<u>\$ 863,268.59</u>
	23,078,233.17	863,268.59
Decreased by Disbursements:		
Petty Cash Funds	50.00	
2023 Appropriations	6,748,972.09	
2022 Appropriation Reserves	217,696.14	
Accounts Payable	37,836.39	
Tax Overpayments	2,117.36	
County Taxes Payable	3,336,518.52	
Due County for Added and Omitted Taxes	4,102.90	
Local School District Taxes Payable	5,087,058.52	
Regional High School Tax	2,390,468.84	
Reserve for Payroll Deductions Payable	3,804,652.72	
Due Federal and State Grant Fund	205,349.82	
Due Dog License Fund	20,470.39	
Due Trust -- Other Fund	48,126.24	
Due General Capital Fund	60,000.00	
Due Sewer Utility Operating Fund	7,203.16	
Reserve for Federal and State Grants -- Unappropriated		150,000.01
Reserve for Federal and State Grants -- Appropriated		78,243.11
Contracts Payable		635,025.47
	<u>21,970,623.09</u>	<u>863,268.59</u>
Balance December 31, 2023	<u>\$ 1,107,610.08</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, 2023

Increased by:

Maintenance Liens		\$ 8,763.89
Taxes Receivable		14,894,528.26
Prepaid Taxes		116,946.59
Tax Overpayments		7,360.67
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 46,250.20	
Miscellaneous	<u>2,733.92</u>	
		<u>48,984.12</u>

15,076,583.53

Decreased by:

Payments to Treasurer		<u>\$ 15,076,583.53</u>
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BOROUGH OF SOMERDALE
 CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2023

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

Exhibit SA-4

BOROUGH OF SOMERDALE
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2023

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

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 12,163.75
Increased by:		
2023 Charges		<u>1,610.00</u>
		13,773.75
Decreased by:		
Receipts:		
Paid to Trust Other Fund	\$ 1,560.73	
Paid to Sewer Utility Operating Fund	<u>7,203.16</u>	
		<u>8,763.89</u>
Balance December 31, 2023		<u><u>\$ 5,009.86</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Taxes Receivable
 For the Year Ended December 31, 2023

Year	Balance	2023	Added Taxes	Collections		Due from State of New Jersey	Transferred to Tax Title Liens	Over-Payments Applied	Canceled	Balance Dec. 31, 2023
	Dec. 31, 2022	Levy		2022	2023					
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	3,935.79				\$ 0.39		2,413.95			\$ 1,521.45
2022	193,739.38		\$ 500.00		186,092.94		2,349.05			5,797.39
	216,858.42		500.00		186,093.33		23,946.25			7,318.84
2023		\$ 15,170,307.15		\$ 115,652.85	14,708,434.93	\$ 39,250.00	6,954.70	\$ 9,562.28	\$ 16,051.57	274,400.82
	<u>\$ 216,858.42</u>	<u>\$ 15,170,307.15</u>	<u>\$ 500.00</u>	<u>\$ 115,652.85</u>	<u>\$ 14,894,528.26</u>	<u>\$ 39,250.00</u>	<u>\$ 30,900.95</u>	<u>\$ 9,562.28</u>	<u>\$ 16,051.57</u>	<u>\$ 281,719.66</u>

Senior Citizens Disallowed by Collector \$ 500.00

Analysis of 2023 Property Taxes

Tax Yield:

General Purpose Tax	\$ 15,155,137.33
Added Taxes (54:4-63.1 et seq.)	<u>15,169.82</u>
	<u>\$ 15,170,307.15</u>

Tax Levy:

Regional High School Tax	\$ 2,631,525.00
Local District School Tax	5,108,130.00
County Taxes:	
Net County Taxes	\$ 3,045,644.15
County Library Tax	198,285.09
County Open Space Taxes	92,589.28
Due County for Added and Omitted Taxes	<u>3,339.77</u>
Total County Taxes	3,339,858.29
Local Tax for Municipal Purposes	4,076,507.55
Add: Additional Tax Levied	<u>14,286.31</u>
	<u>4,090,793.86</u>
	<u>\$ 15,170,307.15</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 51,572.50
Increased by:		
Interest and Costs Accrued by Sale of June 14, 2023		\$ 20,443.71
Transfers from Taxes Receivable:		
2015 Taxes	\$ 2,610.46	
2016 Taxes	3,482.58	
2017 Taxes	3,581.82	
2018 Taxes	3,620.51	
2019 Taxes	3,533.88	
2020 Taxes	2,354.00	
2021 Taxes	2,413.95	
2022 Taxes	2,349.05	
2023 Taxes	<u>6,954.70</u>	
		<u>30,900.95</u>
		<u>51,344.66</u>
Decreased by Foreclosures:		102,917.16
Property Acquired for Taxes -- Assessed Valuation		<u>45,467.64</u>
Balance December 31, 2023		<u><u>\$ 57,449.52</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	Accrued in <u>2023</u>	<u>Collections</u>		Balance <u>Dec. 31, 2023</u>
			<u>Collector</u>	<u>Treasurer</u>	
Clerk:					
Licenses:					
Alcohol Beverages		\$ 18,667.00		\$ 18,667.00	
Other		11,550.00		11,550.00	
Fees and Permits		7,926.00		7,926.00	
Non Budgeted Revenue		361.00		361.00	
Municipal Court:					
Fines and Costs	\$ 4,831.97	71,577.98		73,517.68	\$ 2,892.27
Tax Collector:					
Interest and Costs on Taxes		46,250.20	\$ 46,250.20		
Non Budgeted Revenue		2,733.92	2,733.92		
Board of Health:					
Licenses Other		177.00		177.00	
Fees and Permits		925.00		925.00	
Police:					
Fees and Permits		4,288.50		4,288.50	
Treasurer:					
Energy Receipts Tax		525,077.60		525,077.60	
Reserve for Municipal Relief Fund		27,202.06		27,202.06	
Interlocal Service Agreements		753,711.09		753,711.09	
Cable Television Franchise Tax	19,598.09	18,562.14		19,598.09	18,562.14
Payment in Lieu of Taxes - National Realty		428,256.00		428,256.00	
Payment in Lieu of Taxes - CICI Partners		15,651.96		15,651.96	
Payment in Lieu of Taxes - Our Lady of Grace		44,176.00		44,176.00	
Delaware River Port Authority Fees		15,000.00		15,000.00	
Debt Service Agreement - Our Lady of Grace		107,000.00		107,000.00	
Rental Income - Our Lady of Grace		34,900.00		34,900.00	
Coronavirus State and Local Fiscal Recovery Funds (ARP)		150,000.01		150,000.01	
NJDCALocal Enforcing Agency Fees		12,515.75		12,515.75	
American Tower Lease		27,254.95		27,254.95	
Uniform Construction Code:					
Fees and Permits		225,661.00		225,661.00	
Uniform Fire Code:					
Local Fees & Permits		75,980.00		75,980.00	
	<u>\$ 24,430.06</u>	<u>\$ 2,625,405.16</u>	<u>\$ 48,984.12</u>	<u>\$ 2,579,396.69</u>	<u>\$ 21,454.41</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Schedule of Property Acquired for Taxes (At Assessed Valuation)
As of December 31, 2023

Balance December 31, 2022		\$ 170,015.00
Increased by:		
Foreclosures:		
Tax Title Liens Receivable	\$ 45,467.64	
Sewer Utility Liens Receivable	<u>1,207.79</u>	
		<u>46,675.43</u>
Balance December 31, 2023		<u><u>\$ 216,690.43</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Regional High School Taxes
 For the Year Ended December 31, 2023

Balance December 31, 2022		
School Tax Deferred	\$ 1,182,177.00	
Prepaid School Tax	<u>(107,470.66)</u>	
		\$ 1,074,706.34
Increased by:		
Levy School Year July 1, 2023 to June 30, 2024		<u>2,631,525.00</u>
		3,706,231.34
Decreased by:		
Disbursements		<u>2,390,468.84</u>
		1,315,762.50
Balance December 31, 2023		<u>\$ 1,315,762.50</u>
School Tax Deferred		<u>2,390,468.84</u>
2023 Regional High School Tax		<u>\$ 2,390,468.84</u>
Amount Charged to 2023 Operations		<u>2,390,468.84</u>

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of 2022 Appropriation Reserves
 For the Year Ended December 31, 2023

	Balance December 31, 2022		Balance After Modification	Expended	Refunded	Balanced Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages		\$ 987.46	\$ 987.46			\$ 987.46
Other Expenses	\$ 2,312.79	2,950.35	5,263.14	\$ 3,162.96		2,100.18
Mayor and Council						
Salaries and Wages		484.14	484.14			484.14
Other Expenses	600.43	161.76	762.19	658.43		103.76
Municipal Clerk						
Other Expenses	198.70	3,004.61	3,203.31	198.70		3,004.61
Financial Administration						
Salaries and Wages		15.90	15.90			15.90
Other Expenses	1,050.00		1,050.00	1,050.00		
Computerized Data Processing		1,273.04	1,273.04			1,273.04
Collection of Taxes						
Other Expenses		1,512.98	1,512.98	600.00		912.98
Assessment of Taxes						
Salaries and Wages		26.86	26.86			26.86
Other Expenses		2,805.00	2,805.00	2,040.00		765.00
Legal Services and Costs						
Other Expenses	3,605.08	5,027.89	8,632.97	8,421.34		211.63
Engineering Services						
Other Expenses	852.28	5,294.11	6,146.39	9,339.30	\$ 3,353.53	160.62
Municipal Court						
Salaries and Wages		737.80	737.80			737.80
Other Expenses	1,529.02	41.19	1,570.21	1,529.02		41.19
Public Defender (P.L. 1997, C.256)						
Salaries and Wages		1,763.57	1,763.57			1,763.57
Land Use Administration:						
Planning Board						
Salaries and Wages		27.28	27.28			27.28
Other Expenses	61.00	480.00	541.00	86.00		455.00
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages		516.84	516.84			516.84
Other Expenses		274.24	274.24			274.24
Insurance:						
Employee Group Insurance	28,386.55	14,484.96	39,571.51	28,366.80		11,204.71
Public Safety Functions:						
Police Department						
Salaries and Wages		24,281.97	24,281.97	6,563.03		17,718.94
Other Expenses	13,701.09	5,829.15	19,530.24	19,341.80		188.44
Office of Emergency Management						
Other Expenses	2,540.35	389.58	2,929.93	2,540.35		389.58
Aid to Volunteer Fire Companies	37,901.59	2,578.05	40,479.64	37,062.45		3,417.19
Fire Department						
Other Expenses	5,566.25	621.17	6,187.42	5,566.25		621.17
Fire Prevention						
Salaries and Wages		233.69	233.69			233.69
Other Expenses	502.00	3,701.80	4,203.80	502.00		3,701.80
Public Work Functions:						
Streets and Road Maintenance						
Salaries and Wages		843.40	843.40			843.40
Salaries and Wages (ARP)		15.95	15.95			15.95
Other Expenses	25,298.29	6,330.62	31,628.91	23,685.51		7,943.40
Capital Purchase/ Lease Payment		320.25	320.25			320.25
Workforce:						
Other Expenses		1,444.19	1,444.19			1,444.19
Solid Waste Collection						
Salaries and Wages		10,059.41	10,059.41			10,059.41
Other Expenses	3,950.00	2,835.00	6,785.00	6,472.75		312.25
Public Buildings and Grounds						
Other Expenses	3,460.69	1,481.07	3,241.76	3,211.07		30.69

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of 2022 Appropriation Reserves
 For the Year Ended December 31, 2023

	Balance December 31, 2022		Balance After Modification	Expended	Refunded	Balanced Lapsed
	Encumbered	Reserved				
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Health and Human Services Functions:						
Animal Control Services						
Other Expenses		\$ 940.71	\$ 940.71			\$ 940.71
Human Relations Commission						
Other Expenses	\$ 75.00	224.61	299.61	\$ 75.00		224.61
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	5,665.55	3.63	5,669.18	4,895.65		773.53
Sterling Municipal Alliance Program		100.00	100.00			100.00
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	15,534.09	1,516.38	17,050.47	15,534.09		1,516.38
Utility Expenses and Bulk Purchases:						
Electricity	2,091.13	391.16	4,482.29	3,714.74		767.55
Street Lighting	6,883.58	2,198.50	9,082.08	6,883.58		2,198.50
Telephone	436.65	3,597.17	2,033.82	666.60		1,367.22
Water	102.54	0.55	880.09	879.37		0.72
Gas (Natural or Propane)	1,013.08	1,114.30	1,350.38	1,013.08		337.30
Sewerage Processing and Disposal		2.61	2.61			2.61
Gasoline	2,361.72	1,524.56	3,886.28	3,874.55	\$ 1,081.41	1,093.14
UNCLASSIFIED:						
Accumulated Leave Compensation		10,000.00	15,000.00	15,000.00		
Total Operations - within "CAPS"	<u>165,679.45</u>	<u>124,449.46</u>	<u>290,128.91</u>	<u>212,934.42</u>	<u>4,434.94</u>	<u>81,629.43</u>
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Regulatory Expenditures:						
Contribution to:						
New Jersey Supplemental Disability Insurance (SDI)		6.66	6.66			6.66
Social Security System (O.A.S.I.)		14,279.35	14,279.35			14,279.35
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"		<u>14,286.01</u>	<u>14,286.01</u>			<u>14,286.01</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>165,679.45</u>	<u>138,735.47</u>	<u>304,414.92</u>	<u>212,934.42</u>	<u>4,434.94</u>	<u>95,915.44</u>
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages						
Other Expenses	775.42	5,812.86	6,588.28	775.42		5,812.86
Park School Shared Services						
Salaries and Wages		1,627.45	1,627.45			1,627.45
Other Expenses	3,986.30	63,983.39	67,969.69	3,986.30		63,983.39
Total Interlocal Municipal Service Agreements -- Within "CAPS" Excluded from "CAPS"	<u>4,761.72</u>	<u>71,423.70</u>	<u>76,185.42</u>	<u>4,761.72</u>		<u>71,423.70</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,761.72</u>	<u>71,423.70</u>	<u>76,185.42</u>	<u>4,761.72</u>		<u>71,423.70</u>
	<u>\$ 170,441.17</u>	<u>\$ 210,159.17</u>	<u>\$ 380,600.34</u>	<u>\$ 217,696.14</u>	<u>\$ 4,434.94</u>	<u>\$ 167,339.14</u>
Disbursements				<u>\$ 217,696.14</u>		

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Accounts Payable
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 56,728.25
Increased by:		
Receipts		1,930.60
		58,658.85
Decreased by:		
Canceled	\$ 18,891.86	
Disbursements	37,836.39	
		56,728.25
Balance December 31, 2023		\$ 1,930.60

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Reserve for Municipal Relief Fund
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 27,202.06
Increased by:		
Receipts		54,392.47
		81,594.53
Decreased by:		
Realized as Revenue in the Current Fund		27,202.06
Balance December 31, 2023		\$ 54,392.47

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of Due to State of New Jersey
 Veterans' and Senior Citizens' Deductions
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 862.67
Increased by:		
Receipts	\$ 39,500.00	
Prior Year Deductions Disallowed by Tax Collector	500.00	
		40,000.00
		40,862.67
Decreased by:		
Accrued in 2023:		
Deductions per Tax Billing	\$ 37,500.00	
Deductions Allowed by Tax Collector:		
2023 Taxes	2,250.00	
		39,750.00
Less:		
Deductions Disallowed by Tax Collector	500.00	
		39,250.00
Balance December 31, 2023		\$ 1,612.67

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2023

Balance December 31, 2022 (2023 Taxes)		\$ 115,652.85
Increased by:		
Receipts -- Collector		116,946.59
		232,599.44
Decreased by:		
Application to Taxes Receivable		115,652.85
Balance December 31, 2023 (2024 Taxes)		\$ 116,946.59

Exhibit SA-16

BOROUGH OF SOMERDALE
Statement of Tax Overpayments
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 42,473.74
Increased by:		
Receipts -- Collector		7,360.67
		49,834.41
Decreased by:		
Refunded -- Disbursements	\$ 2,117.36	
Application to Taxes Receivable: 2023		9,562.28
		11,679.64
Balance December 31, 2023		\$ 38,154.77

BOROUGH OF SOMERDALE
CURRENT FUND
 Statement of County Taxes Payable
 For the Year Ended December 31, 2023

2023 Levy:			
Net County Taxes	\$	3,045,644.15	
County Library Tax		198,285.09	
County Open Space Tax		<u>92,589.28</u>	
			<u>\$ 3,336,518.52</u>
Decreased by:			
Disbursements			<u>\$ 3,336,518.52</u>

BOROUGH OF SOMERDALE
 Statement of Due County for Added and Omitted Taxes
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 4,102.90
Increased by:		
County Share of 2023 Levy (R.S. 54:4-63.1 and seq.):		
2022 Added Assessment	\$	218.24
2023 Added Assessments		<u>3,121.53</u>
		<u>3,339.77</u>
		7,442.67
Decreased by:		
Disbursements		<u>4,102.90</u>
Balance December 31, 2023		<u>\$ 3,339.77</u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Local School District Taxes
For the Year Ended December 31, 2023

2023 Levy -- Calendar Year	\$ 5,108,130.00
Decreased by:	
Disbursements	<u>5,087,058.52</u>
Balance December 31, 2023	<u><u>\$ 21,071.48</u></u>

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 4,165.50
Increased by:	
Receipts	<u>3,800,487.22</u>
	3,804,652.72
Decreased by:	
Disbursements	<u>\$ 3,804,652.72</u>

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, 2023

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Anticipated</u> <u>Revenue</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Federal Grants:					
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
Total Federal Grants	137,000.00				137,000.00
State Grants:					
Body Armor Replacement Fund	2,291.49	\$ 1,359.48	\$ 1,359.48	\$ 2,291.49	
Clean Communities Program		26,568.64	26,568.64		
FY2022 Somerdale Pedestrian Safety Grant	720.00				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		213,750.00		71,250.00
Chestnut and Parkview	250,000.00		187,500.00		62,500.00
FY 2022 Local Aid Infrastructure Funding		125,000.00			125,000.00
Recycling Tonnage Grant		14,664.49	14,664.49		
Safe and Secure Communities Program		12,590.00	12,590.00		
2023 Stormwater Assistance Grant		25,000.00	15,000.00		10,000.00
SFY 21 Body Worn Camera Grant Program	32,608.00		28,532.00		4,076.00
Total State Grants	745,619.49	205,182.61	674,964.61	2,291.49	273,546.00
Total Federal & State Grants	882,619.49	205,182.61	674,964.61	2,291.49	410,546.00
Other Grants:					
Camden County Recreation Grant 2020	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
	100,000.00				100,000.00
Total All Grants	\$ 982,619.49	\$ 205,182.61	\$ 674,964.61	\$ 2,291.49	\$ 510,546.00
Appropriation Current Fund Budget		\$ 28,546.77			
Appropriation by NJS 40A:4-87 (Chapter 159's)		176,635.84			
Transferred from Reserve for Federal and State Grants Unappropriated			\$ 19,472.60		
Cash Receipts			655,492.01		
		\$ 205,182.61	\$ 674,964.61		

BOROUGH OF SOMERDALE
CURRENT FUND
Federal, State and Other Grant Fund
Statement of Due from/to Current Fund
For the Year Ended December 31, 2023

Balance December 31, 2022 (Due from)	\$ 76,486.12
Decreased by:	
Receipts	<u>205,349.82</u>
Balance December 31, 2023 (Due to)	<u><u>\$ 128,863.70</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, 2023

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Grants</u> <u>Receipts</u>	<u>Realized as</u> <u>Revenue in</u> <u>2023</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Federal Grants:				
COVID-19 State and Fiscal Recovery (ARP)	\$ 150,000.01	_____	\$ 150,000.01	_____
Total Federal Grants	<u>150,000.01</u>	_____	<u>150,000.01</u>	_____
State Grants:				
Body Armor Replacement Fund	1,359.48	\$ 1,523.81	1,359.48	\$ 1,523.81
Clean Communities Program	12,522.80	_____	12,522.80	_____
Recycling Tonnage Grant	<u>5,590.32</u>	_____	<u>5,590.32</u>	_____
Total State Grants	<u>19,472.60</u>	<u>1,523.81</u>	<u>19,472.60</u>	<u>1,523.81</u>
Total All Grants	<u>\$ 169,472.61</u>	<u>\$ 1,523.81</u>	<u>\$ 169,472.61</u>	<u>\$ 1,523.81</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, 2023

Grant	Balance Dec. 31, 2022		Transferred - 2023 Budget Appropriations	Expenditures	Encumbered	Refunds	Canceled	Balance Dec. 31, 2023
	Appropriated	Reserve for Encumbrances						
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			8,606.65	\$ 25,142.40			250.95
Total Federal Grants	139,746.62			111,606.65	25,142.40			2,997.57
State Grants:								
Body Armor Replacement Fund	15,307.20		\$ 1,359.48	\$ 1,146.38			\$ 2,291.49	13,228.81
Clean Communities Program	30,436.62	\$ 945.91	26,568.64	21,367.10	\$ 6,080.26			30,503.81
FY2022 Somerdale Pedestrian Safety Grant	1,594.35							1,594.35
New Jersey Department of Transportation:								
Parkview	285,000.00			285,000.00				
Chestnut and Parkview	250,000.00			250,000.00				
FY 2022 Local Aid Infrastructure Funding			125,000.00	125,000.00				
Recycling Tonnage Grant	40,635.21	7,984.67	14,664.49	25,530.99	3,500.00	\$ 902.95		35,156.33
Safe and Secure Communities Program			12,590.00	12,590.00				
2023 Stormwater Assistance Grant			25,000.00					25,000.00
Total State Grants	622,973.38	8,930.58	205,182.61	720,634.47	9,580.26	902.95	2,291.49	105,483.30
Other Grants:								
Camden County Recreation Grant 2020		6,497.21		4,733.00				1,764.21
Camden County Recreation Grant 2022	25,000.00							25,000.00
Camden County Historical Preservation Grant	50,000.00							50,000.00
Camden County DWI Task Force	21,696.60			4,268.99	295.00			17,132.61
Total All Grants	\$ 859,416.60	\$ 15,427.79	\$ 205,182.61	\$ 841,243.11	\$ 35,017.66	\$ 902.95	\$ 2,291.49	\$ 202,377.69
Appropriation Current Fund Budget			\$ 28,546.77					
Appropriation by NJS 40A:4-87 (Chapter 159's)			176,635.84					
Disbursements				\$ 78,243.11				
Contracts Payable				763,000.00				
			\$ 205,182.61	\$ 841,243.11				
Canceled to Federal, State and Other Grants Receivable							\$ 2,291.49	
							\$ 2,291.49	

BOROUGH OF SOMERDALE
CURRENT FUND
 Federal, State and Other Grant Fund
 Statement of Contracts Payable
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 14,788.61
Increased by:	
Contracts Awarded -- Appropriated Reserves	763,000.00
	777,788.61
Decreased by:	
Disbursements	635,025.47
Balance December 31, 2023	\$ 142,763.14

<u>Contractor</u>	<u>Grant</u>	<u>Contract</u>	<u>Amount</u>
Landberg Construction LLC	Community Development Block Grant 2021	C2100004	14,788.61
Lexa Concrete	Local Aid Infrastructure Funding	C2300002	125,000.00
Lexa Concrete	New Jersey Department of Transportation --Chestnut and Parkview	C2300002	2,974.53
			\$ 142,763.14

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, 2023

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2022	\$ 376.32	\$ 852,548.78
Increased by Receipts:		
Due Current Fund	\$ 20,500.00	\$ 10,114.89
Reserve for Animal Control Fund Expenditures	2,163.00	
State Registration Fees	195.00	
Due State of New Jersey -- Division of Youth and Family Services		500.00
Due State of New Jersey -- New Construction Surcharge		14,937.00
Miscellaneous Trust Reserves:		
Beautification Program		11,500.00
Developer's Escrow Fund		74,284.30
Disposal of Forfeited Property		3,196.99
Municipal Public Defender		5,753.00
New Jersey Unemployment Compensation		6,421.39
Outside Employment of Off-Duty Police Officers		183,307.30
Parking Offense Adjudication Act		44.00
Board of Recreation Commission		5,150.00
Tax Title Liens:		
Premiums		161,200.00
Redemption		521,511.60
Uniform Fire Safety Act Penalty Monies		18,500.00
	22,858.00	1,016,420.47
	23,234.32	1,868,969.25
Decreased by Disbursements:		
Due Current Fund		31,376.48
Reserve for Animal Control Fund Expenditures	22,961.00	
State Registration Fees	197.40	
Due State of New Jersey -- Division of Youth and Family Services		275.00
Due State of New Jersey -- New Construction Surcharge		3,668.00
Miscellaneous Trust Reserves:		
Beautification Program		27,504.67
Developer's Escrow Fund		38,868.66
Municipal Public Defender		5,874.60
New Jersey Unemployment Compensation		16,217.04
Outside Employment of Off-Duty Police Officers		161,428.98
Board of Recreation Commission		3,905.15
Tax Title Liens:		
Premiums		280,000.00
Redemption		543,480.31
Uniform Fire Safety Act Penalty Monies		5,159.00
	23,158.40	1,117,757.89
Balance December 31, 2023	\$ 75.92	\$ 751,211.36

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2023

Increased by:	
2023 Budget Appropriation	\$ 20,500.00
Decreased by:	
Receipts:	
Interest Earned on Deposits	\$ 29.61
Interfunds Received	<u>20,470.39</u>
	<u>\$ 20,500.00</u>

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund Expenditures
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 373.92
Increased by:		
Receipts:		
Dog License Fees Collected	\$ 1,833.00	
Cat License Fees Collected	255.00	
Late Fees	75.00	
		\$ 2,163.00
Due from Current Fund:		
2023 Budget Appropriation		20,500.00
		22,663.00
		23,036.92
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Disbursements		22,961.00
Balance December 31, 2023		\$ 75.92
Fees Collected:		
<u>Year</u>		
2021		\$ 1,566.60
2022		2,161.40
		\$ 3,728.00

BOROUGH OF SOMERDALE
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 2.40
Increased by:	
Receipts	<u>195.00</u>
	197.40
Decreased by:	
Disbursements	<u>\$ 197.40</u>

BOROUGH OF SOMERDALE
TRUST - OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2023

	<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, 2022 (Due from)	\$ 6,383.55		\$ 4.67				\$ 6,378.88		
Increased by:									
Receipts:									
Interfunds Received	1,560.73	\$ 1,560.73							
Interest Earned on Deposits	8,304.16	320.21	3,688.73	\$ 3,166.73	\$ 0.12	\$ 659.15		\$ 186.12	\$ 283.10
Revenues Collected on Behalf of the Current Fund - Miscellaneous Revenue Not Anticipated	250.00			250.00					
Payments made by Current Fund	46,565.51					46,565.51			
	<u>56,680.40</u>	<u>1,880.94</u>	<u>3,688.73</u>	<u>3,416.73</u>	<u>0.12</u>	<u>47,224.66</u>		<u>186.12</u>	<u>283.10</u>
	(50,296.85)	(1,880.94)	(3,684.06)	(3,416.73)	(0.12)	(47,224.66)	6,378.88	(186.12)	(283.10)
Decreased by:									
Disbursements:									
Interfunds Liquidated	31,376.48	320.21	3,688.73	3,166.73	0.12	23,731.47		186.12	283.10
Collected on Behalf of the Trust Other Funds	0.18		0.18						
Reserve for Maintenance Liens Receivable - Reserve for Beautification Program Donations	1,560.73	1,560.73							
	<u>32,937.39</u>	<u>1,880.94</u>	<u>3,688.91</u>	<u>3,166.73</u>	<u>0.12</u>	<u>23,731.47</u>	<u>-</u>	<u>186.12</u>	<u>283.10</u>
Balance December 31, 2023 (Due to)	<u>\$ (17,359.46)</u>	<u>\$ -</u>	<u>\$ 4.85</u>	<u>\$ (250.00)</u>	<u>\$ -</u>	<u>\$ (23,493.19)</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, 2023

Increased by:	
Receipts	\$ 500.00
Decreased by:	
Disbursements	<u>275.00</u>
Balance December 31, 2023	<u><u>\$ 225.00</u></u>

BOROUGH OF SOMERDALE
TRUST - OTHER FUND
 Statement of Due to State of New Jersey -- New Construction Surcharge
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 878.00
Increased by:	
Receipts	<u>14,937.00</u>
	15,815.00
Decreased by:	
Disbursements	<u>3,668.00</u>
Balance December 31, 2023	<u><u>\$ 12,147.00</u></u>

BOROUGH OF SOMERDALE
TRUST - OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2023

	Balance Dec. 31, 2022	Increased by		Decreased by		Balance Dec. 31, 2023
		Receipts	Other	Disbursements	Due Current Fund	
Accumulated Absences	\$ 2,299.37					\$ 2,299.37
Beautification Program Donations	29,992.12	\$ 11,500.00	\$ 1,560.73	\$ 27,504.67		15,548.18
Developer's Escrow Fund	297,498.79	74,284.30		38,868.66		332,914.43
Disposal of Forfeited Property	22,228.41	3,196.99				25,425.40
Municipal Public Defender	809.11	5,753.00		5,874.60		687.51
New Jersey Unemployment Compensation	34,254.00	6,421.39		16,217.04		24,458.35
Outside Employment of Off-Duty Municipal Police Officers	2,710.04	183,307.30	23,051.01	161,428.98	\$ 46,565.51	1,073.86
Parking Offense Adjudication Act	2,038.05	44.00				2,082.05
Board of Recreation Commission	17,168.75	5,150.00		3,905.15		18,413.60
Recycling Program	15.05					15.05
Tax Title Liens:						
Premiums	402,800.00	161,200.00		280,000.00		284,000.00
Redemption	25,190.40	521,511.60	0.18	543,480.31		3,221.87
Uniform Fire Safety Act Penalty Monies	21,050.24	18,500.00		5,159.00		34,391.24
	<u>\$ 858,054.33</u>	<u>\$ 990,868.58</u>	<u>\$ 24,611.92</u>	<u>\$ 1,082,438.41</u>	<u>\$ 46,565.51</u>	<u>\$ 744,530.91</u>
Due Current Fund			\$ 1,560.91			
Accounts Receivable			23,051.01			
			<u>\$ 24,611.92</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, 2023

Balance December 31, 2022		\$ 668,184.77
Increased by Receipts:		
Due Current Fund	\$ 4,372.53	
Improvement Authorizations	5,950.00	
Bond Anticipation Notes	960,000.00	
General Obligation Bonds Issued	3,965,000.00	
Premium Collected on Bonds - Fund Balance	<u>200,850.99</u>	
		<u>5,136,173.52</u>
		5,804,358.29
Decreased by Disbursements:		
Due Current Fund	4,372.53	
Improvement Authorizations	253,908.26	
Contracts Payable	43,811.71	
Bond Anticipation Notes	<u>5,014,550.00</u>	
		<u>5,316,642.50</u>
Balance December 31, 2023		<u><u>\$ 487,715.79</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2023

	Receipts					Disbursements					Balance (Overdraft) Dec. 31, 2023	
	Balance (Overdraft) Dec. 31, 2022	Miscellaneous	Improvement Authorizations	Proceeds of Serial Bonds Issued	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Transfers				
								From	To			
New Jersey Transportation Trust Fund Authority Act Receivable	\$ (33,099.34)										\$ (33,099.34)	
Camden County Open Space Preservation Trust Fund Receivable	(25,000.00)										(25,000.00)	
Due Current Fund	(30,060.96)	\$ 4,372.53						\$ 4,372.53	\$ 60,550.00	\$ 60,000.00	(30,610.96)	
Capital Improvement Fund	19,679.00										19,679.00	
Reserve for Encumbrances	43,722.50								43,722.50	4,341.40	4,341.40	
Contracts Payable	46,279.80							43,811.71		115,660.21	118,128.30	
Reserve for the Payment of Debt	112,994.50										112,994.50	
Fund Balance				\$ 200,850.99					89,000.00		111,850.99	
Note Renewals					\$ 960,000.00			\$ 960,000.00				
Improvement Authorizations:												
Ordinance												
Number												
12-02	Various Capital Improvements	54,533.12										54,533.12
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3,368.14										3,368.14
15-02; 15-10	Completion of Various Capital Improvements	173,428.43				\$ 62,430.00						110,998.43
16-06	Acquisition of Garbage Containers	1,970.34	\$ 5,950.00			15,738.00				15,738.00		7,920.34
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	850.10		1,202,000.00			1,291,000.00			89,000.00		850.10
18-04	Completion of Various Improvements to Borough Buildings and Grounds	827.31										827.31
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3,999.63		1,576,000.00			1,576,050.00				50.00	3,999.63
21-06; 22-15; 23-05	Completion of Various Capital Improvements	294,692.20		1,187,000.00		175,740.26	1,187,500.00		120,001.61	28,484.50		26,934.83
		<u>\$ 668,184.77</u>	<u>\$ 4,372.53</u>	<u>\$ 5,950.00</u>	<u>\$ 4,165,850.99</u>	<u>\$ 960,000.00</u>	<u>\$ 253,908.26</u>	<u>\$ 5,014,550.00</u>	<u>\$ 48,184.24</u>	<u>\$ 313,274.11</u>	<u>\$ 313,274.11</u>	<u>\$ 487,715.79</u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 4,153,550.00
Increased by:		
Improvement Costs Funded by:		
Bonds Issued		<u>3,965,000.00</u>
		8,118,550.00
Decreased by:		
2023 Budget Appropriation to Pay Debt:		
General Obligation Bonds	\$ 350,000.00	
New Jersey Infrastructure Bank Loan	<u>177,968.50</u>	
		<u>527,968.50</u>
Balance December 31, 2023		<u><u>\$ 7,590,581.50</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Deferred Charges to Future Taxation -- Unfunded
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	Decreased by			Balance Dec. 31, 2023	Analysis of Balance December 31, 2023		
			Notes Paid by Budget Appropriation	Notes Paid from Bond Premium Collected	Transferred to Deferred Taxation -- Funded		Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:									
17-09	Acquisition of Certain Real Property in the Borough	\$ 1,020,000.00	\$ 60,000.00			\$ 960,000.00	\$ 960,000.00		
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	1,291,000.00		\$ 89,000.00	\$ 1,202,000.00				
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements	1,576,050.00	50.00		1,576,000.00				
21-06; 22-15; 23-05	Completion of Various Capital Improvements	1,187,500.00	500.00		1,187,000.00				
		<u>\$ 5,074,550.00</u>	<u>\$ 60,550.00</u>	<u>\$ 89,000.00</u>	<u>\$ 3,965,000.00</u>	<u>\$ 960,000.00</u>	<u>\$ 960,000.00</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Schedule of New Jersey Transportation Trust Fund Authority Act Receivable
As of December 31, 2023

Balance December 31, 2023	<u>\$ 33,099.34</u>
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BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Schedule of Camden County Open Space Grant Receivable
As of December 31, 2023

Balance December 31, 2023	<u>\$ 25,000.00</u>
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BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 30,060.96
Increased by:		
2023 Budget Appropriations:		
Payment of Bond Anticipation Notes	\$ 60,550.00	
Interfunds Returned -- Disbursements	<u>4,372.53</u>	
		<u>64,922.53</u>
		94,983.49
Decreased by:		
Notes paid by the Current Fund	60,000.00	
Receipts:		
Interest Earned on Deposits	<u>4,372.53</u>	
		<u>64,372.53</u>
Balance December 31, 2023		<u><u>\$ 30,610.96</u></u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2023

Ordinance Number	Improvement Descriptions	Date	Ordinance		Balance December 31, 2022		Transferred from Reserve for Encumbrances	Paid or Charged	Refunds	Balance December 31, 2023		
			Amount		Funded	Unfunded				Funded	Unfunded	
General Improvements:												
12-02	Various Capital Improvements	3/8/12	\$ 94,646.12	\$	54,533.12					\$	54,533.12	
13-07	Acquisition of Various Equipment and the Completion of Various Capital Improvements	6/13/13	1,085,361.00		3,368.14						3,368.14	
15-02;15-10	Completion of Various Capital Improvements	3/12/15	696,754.00		173,428.43		\$ 62,430.00				110,998.43	
16-06	Acquisition of Garbage Containers	7/14/16	104,000.00		1,970.34		\$ 15,738.00	15,738.00	\$ 5,950.00		7,920.34	
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3/8/18	1,400,000.00								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; 22-15; 23-05	Completion of Various Capital Improvements	3/23/21	1,250,000.00			294,692.20	27,984.50	295,741.87			26,934.83	
					<u>\$ 238,126.97</u>	<u>\$ 295,542.30</u>	<u>\$ 43,722.50</u>	<u>\$ 373,909.87</u>	<u>\$ 5,950.00</u>	<u>\$ 209,431.90</u>	<u>\$ -</u>	
							Contracts Payable	\$ 115,660.21				
							Reserve for Encumbrances	4,341.40				
							Disbursements	253,908.26				
							<u>\$ 373,909.87</u>					

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Schedule of Capital Improvement Fund
 As of December 31, 2023

Balance December 31, 2023	\$ 19,679.00
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Exhibit SC-10

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 43,722.50
Increased by:	
2023 Encumbrances Charged to Improvement Authorizations	4,341.40
	48,063.90
Decreased by:	
Transferred to Improvement Authorizations	43,722.50
	43,722.50
Balance December 31, 2023	\$ 4,341.40

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Contracts Payable
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$	46,279.80
Increased by:		
Contracts Payable Charged to Improvement Authorizations		115,660.21
		161,940.01
Decreased by:		
Disbursements		43,811.71
Balance December 31, 2023	\$	118,128.30

Analysis of Balance December 31, 2023

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; 2021:6B		95,737.15
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
		\$	118,128.30

BOROUGH OF SOMERDALE
 GENERAL CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2023

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, 2022	Increased	Disbursed	Paid by Current Fund	Balance Dec. 31, 2023
General Improvements:											
17-09	Acquisition of Certain Real Property in the Borough *	\$ 1,140,000.00	12/1/2017	11/7/2022	11/6/2023	4.60%	\$ 1,020,000.00		\$ 960,000.00	\$ 60,000.00	
				11/2/2023	11/1/2024	5.59%		\$ 960,000.00			\$ 960,000.00
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	750,000.00	11/27/2019	4/6/2022	4/5/2023	1.25%	711,000.00		711,000.00		
		580,000.00	4/20/2020	4/6/2022	4/5/2023	1.25%	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	4/6/2022	4/5/2023	1.25%	1,576,050.00		1,576,050.00		
21-06; 22-15; 23-05	Completion of Various Capital Improvements	1,187,500.00	5/18/2021	4/6/2022	4/5/2023	1.25%	1,187,500.00		1,187,500.00		
							<u>\$ 5,074,550.00</u>	<u>\$ 960,000.00</u>	<u>\$ 5,014,550.00</u>	<u>\$ 60,000.00</u>	<u>\$ 960,000.00</u>
								\$ 960,000.00	\$ 960,000.00		
									3,965,000.00		
									89,000.00		
									550.00	\$ 60,000.00	
								<u>\$ 960,000.00</u>	<u>\$ 5,014,550.00</u>	<u>\$ 60,000.00</u>	

* Taxable

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of General Obligation Bonds
 For the Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Issued</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
General Obligation Bonds of 2017	10/24/2017	\$ 3,180,000.00	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%	\$ 2,100,000.00		\$ 350,000.00	\$ 1,750,000.00
General Obligation Bonds of 2023	4/4/2023	3,965,000.00	1/15/2024	225,000.00	3.00%				
			1/15/2025	235,000.00	3.00%				
			1/15/2026	250,000.00	3.00%				
			1/15/2027	270,000.00	3.00%				
			1/15/2028	285,000.00	3.00%				
			1/15/2029	450,000.00	3.00%				
			1/15/2030	450,000.00	4.00%				
			1/15/2031	450,000.00	4.00%				
			1/15/2032	450,000.00	4.00%				
			1/15/2033	450,000.00	4.00%				
			1/15/2034	450,000.00	4.00%				
						<u>\$ 3,965,000.00</u>		<u>3,965,000.00</u>	
						<u>\$ 2,100,000.00</u>	<u>\$ 3,965,000.00</u>	<u>\$ 350,000.00</u>	<u>\$ 5,715,000.00</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, 2023

Purpose	Loan Amount	Date of Loan	Interest Rate	Maturity of Loan		Interest Rate	Balance Dec. 31, 2022	Paid by Budget Appropriation	Balance Dec. 31, 2023
				Outstanding Dec. 31, 2023 Date	Amount				
New Jersey Infrastructure Bank Loan - 2022	\$ 2,053,550.00	12/06/22	1.479%	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								
							\$ 2,053,550.00	\$ 177,968.50	\$ 1,875,581.50
							<u>\$ 2,053,550.00</u>	<u>\$ 177,968.50</u>	<u>\$ 1,875,581.50</u>

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
 Statement of Bonds and Notes Authorized but not Issued
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Increased by Notes Paid by Bond Funds</u>	<u>Decreased by Proceeds of Serial Bonds Issued</u>	<u>Balance Dec. 31, 2023</u>
General Improvements:					
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements		\$ 1,202,000.00	\$ 1,202,000.00	
19-02; 20-04	Acquisition of Various Equipment and the Completion of Various Capital Improvements		1,576,000.00	1,576,000.00	
21-06; 22-15; 23-05	Completion of Various Capital Improvements		1,187,000.00	1,187,000.00	
		<u>\$ -</u>	<u>\$ 3,965,000.00</u>	<u>\$ 3,965,000.00</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, 2023

		<u>Operating</u>
Balance December 31, 2022		\$ 346,716.41
Increased by Receipts:		
Treasurer - Interest Earned on Deposits	\$ 1,636.09	
Collector	546,342.85	
Due Current Fund	7,203.16	
Due Sewer Utility Capital Fund	<u>18,400.00</u>	
		<u>573,582.10</u>
		920,298.51
Decreased by Disbursements:		
2023 Appropriations	613,982.65	
2022 Appropriation Reserves	25,389.27	
Accrued Interest on Bonds and Notes	<u>56,819.36</u>	
		<u>696,191.28</u>
Balance December 31, 2023		<u><u>\$ 224,107.23</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, 2023

Receipts:

Consumer Accounts Receivable	\$ 519,056.15	
Sewer Rent Overpayments	3,123.41	
Miscellaneous Revenue:		
Special Sewer Charges	15,000.00	
Interest and Costs on Delinquent Rents	<u>9,163.29</u>	
		\$ 546,342.85
Decreased by:		
Payments to Treasurer		<u>\$ 546,342.85</u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Utility Capital Cash
 For the Year Ended December 31, 2023

	Balance (Overdraft) <u>Dec. 31, 2022</u>	<u>T r a n s f e r s</u>		Balance (Overdraft) <u>Dec. 31, 2023</u>
		<u>From</u>	<u>To</u>	
Due Sewer Utility Operating Fund	\$ 18,400.00	\$ 18,400.00		
Due Sewer Utility Trust Assessment Fund	<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, 2023

Balance December 31, 2022		\$ 47,682.68
Increased by:		
Sewer Rents Levied		526,891.00
		574,573.68
Decreased by:		
Transferred to Lien	\$ 1,624.25	
Receipts -- Collector	519,056.15	
Overpayments Applied	3,150.42	
		523,830.82
Balance December 31, 2023		\$ 50,742.86

Exhibit SD-5

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Liens
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 1,033.79
Increased by:		
Interest and Costs at the Tax Dated June 14, 2023	\$ 405.54	
Transferred from Sewer Rents Receivable	1,624.25	
		2,029.79
		3,063.58
Decreased by:		
Foreclosures		1,207.79
Balance December 31, 2023		\$ 1,855.79

BOROUGH OF SOMERDALE
SEWER UTILITY TRUST ASSESSEMENT FUND
Statement of Assessments Receivable
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 18,400.00
Decreased by:	
Collections Received by the Sewer Utility Operating Fund	<u>\$ 18,400.00</u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2023

<u>Description</u>	Balance	<u>Additions</u>	
	<u>Dec. 31, 2022</u>	Capital <u>Outlay</u>	Balance <u>Dec. 31, 2023</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>6,819,968.26</u>	<u>\$ 40,483.10</u>	<u>6,860,451.36</u>
	<u>\$ 7,377,812.06</u>	<u>\$ 40,483.10</u>	<u>\$ 7,418,295.16</u>
Operating Fund:			
2023 Appropriations		<u>\$ 40,483.10</u>	

BOROUGH OF SOMERDALE
SEWER UTILITY TRUST CAPITAL FUND
 Statement of Due to Sewer Utility Operating Fund
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 18,400.00
Decreased by:	
Assessments Receivable Collected by the Sewer Utility Operating Fund	<u>\$ 18,400.00</u>

BOROUGH OF SOMERDALE
SEWER UTILITY TRUST ASSESSEMENT FUND
 Statement of Due to Sewer Utility Capital Fund
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 18,400.00
Decreased by:	
Assessments Receivable Collected by the Sewer Utility Operating Fund	<u>\$ 18,400.00</u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of 2022 Appropriation Reserves
For the Year Ended December 31, 2023

	Balance December 31, 2022		Balance After Modification	Paid or Charged	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Sewer Operating:					
Salaries and Wages		\$ 2,834.43	\$ 2,834.43		\$ 2,834.43
Other Expenses	\$ 22,552.71	33,595.51	56,148.22	\$ 25,389.27	30,758.95
Total Operating	<u>22,552.71</u>	<u>36,429.94</u>	<u>58,982.65</u>	<u>25,389.27</u>	<u>33,593.38</u>
Capital Improvements					
Capital Outlay		34,262.92	34,262.92		34,262.92
Total Debt Service		<u>34,262.92</u>	<u>34,262.92</u>		<u>34,262.92</u>
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		688.67	688.67		688.67
Total Regulatory Expenditures		<u>688.67</u>	<u>688.67</u>		<u>688.67</u>
Total Appropriations	<u>\$ 22,552.71</u>	<u>\$ 71,381.53</u>	<u>\$ 93,934.24</u>	<u>\$ 25,389.27</u>	<u>\$ 68,544.97</u>
Disbursements				<u>\$ 25,389.27</u>	

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Accounts Payable
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 5,699.10
Decreased by:	
Cancelled - Operations	<u>\$ 5,699.10</u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 3,150.42
Increased by:	
Receipts -- Collector	<u>3,123.41</u>
	6,273.83
Decreased by:	
Overpayments Applied	<u>3,150.42</u>
Balance December 31, 2023	<u><u>\$ 3,123.41</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
 Statement of Accrued Interest on Bonds and Notes
 For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 1,721.48
Increased by:	
Charged to Budget Appropriation - Interest on Notes and Loans	56,782.73
	58,504.21
Decreased by:	
Interest Paid:	
Disbursed	56,819.36
Balance December 31, 2023	\$ 1,684.85

Analysis of Accrued Interest December 31, 2023

<u>Principal Outstanding December 31, 2023</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
United States Department of Agriculture Loans:					
\$ 2,981,675.96	1.875%	12-20-23	12-31-23	11 Days	\$ 1,684.85

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 4,331,317.46
Increased by:		
Capital Outlay -- Operating Budget	\$ 40,483.10	
Loans Paid by:		
Budget Appropriation	<u>64,818.64</u>	
		<u>105,301.74</u>
Balance December 31, 2023		<u><u>\$ 4,436,619.20</u></u>

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2023

Balance December 31, 2022	\$	3,046,494.60
Decreased by:		
Principal Paid by Operating Fund		64,818.64
Balance December 31, 2023	\$	2,981,675.96

Schedule of United States Department of Agriculture (USDA) Loans Payable December 31, 2023

Interest Rate: 1.875%

<u>Due Date</u>	<u>Phase 1</u>	<u>Phase 2</u>	<u>Phase 3</u>	<u>Balance Dec. 31, 2023</u>
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
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

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2023

Schedule of United States Department of Agriculture Loans Payable December 31, 2023 (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, 2023</u>
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	58,614.06
December 20, 2055	21,333.83	23,987.54	13,842.19	59,163.56
June 20, 2056	21,533.83	24,212.43	13,971.96	59,718.21
December 20, 2056	20,830.70	23,422.11	13,445.38	57,698.18
	<u>\$ 1,075,189.78</u>	<u>\$ 1,208,932.91</u>	<u>\$ 697,553.27</u>	<u>\$ 2,981,675.96</u>

PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF SOMERDALE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2023

Schedule of Financial Statement Findings

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

None.

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

This section identifies the status of prior year findings related to the financial statements and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards* and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

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	Councilman	
George Badey	Councilman	
George Ehrmam	Councilman	
Barbara Kane	Councilwoman	
James J. Perry	Councilman	
Larry Sefchick	Council President	
Valerie Ciminera	Chief Financial Officer	(A)
Laura Zappone	Tax Collector, Collector of Utilities	(A)
Jacquelyn Vicari	Court Administrator, Violations Clerk	(A)
Michele D. Miller	Borough Clerk, Officer for Searches Municipal Improvement and Registrar	(A)
Salvatore Arena	Tax Assessor	
Charles Shimberg	Judge of the Municipal Court	(A)
John Kearney	Solicitor	
Charles J. Riebel, Jr.	Engineer	
Karen Wharton	Zoning Officer	(A)
Peter Carbone	Construction Code Official (to July 12, 2023)	(A)
Michael DePalma	Construction Code Official (from July 13, 2023)	(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.

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APPRECIATION

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

Respectfully submitted,

Handwritten signature in cursive script that reads "Bowman & Company LLP".

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Handwritten signature in cursive script that reads "Scott P. Baum".

Certified Public Accountant
Registered Municipal Accountant

