PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

BOROUGH OF SOMERDALE

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

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BOROUGH OF SOMERDALE

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BOROUGH OF SOMERDALE

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Regulatory Basis Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Borough of Somerdale, in the County of Camden, State of New Jersey ("Borough"), as of December 31, 2025, and the related statements of operations and changes in fund balance - regulatory basis, the related statements of revenues - regulatory basis, statements of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2025, 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 balance sheets - regulatory basis of the various funds of the Borough as of December 31, 2025, and the results of its operations and changes in fund balance - regulatory basis of such funds, the statements of revenues - regulatory basis and statements of expenditures - regulatory basis, for the year ended December 31, 2025, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), 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 as of December 31, 2025, or the results of its operations and changes in fund balance for the year 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, 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 *Auditors' 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.

PKF O'Connor Davies LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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, 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.

Report on Prior Year Financial Statements

The financial statements of the Borough, as of and for the year ended December 31, 2024, were audited by Bowman & Company LLP whose owners became partners with PKF O'Connor Davies, LLP, and whose report dated May 7, 2025, expressed an unmodified opinion on the regulatory basis of accounting and an adverse opinion on accounting principles generally accepted in the United States of America.

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. 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.

Auditors' 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 auditors' 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, requirements prescribed by the Division, 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, requirements prescribed by the Division, 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, 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 August 18, 2026, on our consideration of the Borough'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'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's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP
Voorhees, New Jersey
August 18, 2026

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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 AUDITORS' REPORT

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

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 "Division"), the financial statements prepared on a regulatory basis of accounting prescribed by the Division, of the Borough of Somerdale, in the County of Camden, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 18, 2026. That report indicated that the Borough'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.

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.

PKF O'Connor Davies LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough'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, in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP
Voorhees, New Jersey
August 18, 2026

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

BOROUGH OF SOMERDALE
CURRENT FUND
Balance Sheets -- Regulatory Basis
As of December 31, 2025 and 2024

ASSETS:	Ref.	2025	2024
Current Fund:			
Cash	SA-1	$ 1,969,488.11	$ 1,336,266.54
Change Fund	SA-3	215.00	215.00
		1,969,703.11	1,336,481.54
Receivables and Other Assets with Full Reserves:			
Maintenance Liens Receivable	SA-5	470.10	781.67
Delinquent Property Taxes Receivable	SA-6	314,369.42	251,984.67
Tax Title Liens Receivable	SA-7	65,499.12	61,416.03
Revenue Accounts Receivable	SA-8	25,395.00	21,000.04
Property Acquired for Taxes -- Assessed Valuation	SA-9	170,015.00	170,015.00
Prepaid Regional High School Tax	SA-10	17,946.00	
Due from Federal and State Grant Fund	SA-22		96,187.62
Due from Animal Control Fund	SB-2	588.47	588.47
Due from Trust Other Fund	SB-5	250.00	250.00
		594,533.11	602,223.50
Total Current Fund		2,564,236.22	1,938,705.04
Federal and State Grant Fund:			
Cash	SA-1	59,145.19	
Federal and State Grants Receivable	SA-21	682,320.38	1,065,087.18
Total Federal and State Grant Fund		741,465.57	1,065,087.18
Total Assets		$ 3,305,701.79	$ 3,003,792.22

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Balance Sheets -- Regulatory Basis
As of December 31, 2025 and 2024

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2025	2024
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-12	$ 249,410.05	$ 245,474.57
Reserve for Encumbrances	A-3, SA-11	160,742.12	112,449.67
Due to State of New Jersey - Veteran and Senior Citizens' Deductions	SA-13	2,970.89	1,720.89
Prepaid Taxes	SA-14	138,291.03	116,433.17
Tax Overpayments	SA-15	11,040.69	13,649.52
Due to County -- Added and Omitted Taxes	SA-17	7,171.14	1,487.42
Due to County - Payment in Lieu of Taxes	SA-18		22,372.80
Due to General Capital Fund	SC-7		550.00
		569,625.92	514,138.04
Reserves for Receivables and Other Assets		594,533.11	602,223.50
Fund Balance	A-1	1,400,077.19	822,343.50
Total Current Fund		2,564,236.22	1,938,705.04
Federal and State Grant Fund:			
Due to Current Fund	SA-22		96,187.62
Reserve for Federal and State Grants -- Unappropriated	SA-23		1,573.95
Reserve for Federal and State Grants -- Appropriated	SA-24	717,834.24	667,907.14
Reserve for Encumbrances	SA-24	23,631.33	10,279.97
Contracts Payable	SA-25		289,138.50
Total Federal and State Grant Fund		741,465.57	1,065,087.18
Total Liabilities, Reserves and Fund Balance		$ 3,305,701.79	$ 3,003,792.22

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, 2025 and 2024

	Ref.	2025	2024
Revenue and Other Income Realized			
Surplus Anticipated	A-2	$ 600,000.00	$ 368,009.33
Miscellaneous Revenues Anticipated	A-2	3,429,506.44	3,989,472.91
Receipts from Delinquent Taxes	A-2	252,552.72	309,942.55
Receipts from Current Taxes	A-2	16,017,167.32	15,618,034.68
Non-Budget Revenues	A-2	386,777.80	119,721.78
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	SA-12	230,881.42	240,731.08
Cancellation of Accounts Payable			1,930.60
Cancellation of Tax Overpayments			2.79
Cancellation of Due County for Added and Omitted Taxes			218.24
Cancellation of Federal and State Grants Contracts Payable			14,788.61
Statutory Excess in Animal Control Fund			588.47
Liquidation of Reserve for:			
Due from Federal and State Grant Fund	SA-22	96,187.62	32,676.08
Due from Trust Other Fund			17,109.46
Total Income		21,013,073.32	20,713,226.58
Expenditures			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Salaries and Wages	A-3	2,703,134.21	2,421,365.00
Other Expenses	A-3	2,331,595.00	2,294,999.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	A-3	917,074.00	885,212.10
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	576,327.90	960,530.00
Other Expenses	A-3	647,165.73	1,145,846.82
Capital Improvements Excluded from "CAPS"	A-3	50,000.00	50,000.00
Municipal Debt Service Excluded from "CAPS"	A-3	1,066,250.07	1,083,545.84
County Taxes	SA-16	3,407,031.58	3,445,594.43
County Added and Omitted Taxes	SA-17	7,171.14	1,487.42
Regional High School Tax	SA-10	2,623,705.00	2,609,669.00
Local District School Tax	SA-19	5,504,885.00	5,151,045.00
Deductions Disallowed by Collector -- Prior Year Taxes	SA-13	1,000.00	1,000.00
Creation of Reserves:			
Due from Animal Control Fund			588.47
Total Expenditures		19,835,339.63	20,050,883.08

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2025 and 2024

	Ref.	2025	2024
Excess Revenue and Other Income Realized Over Expenditures		$ 1,177,733.69	$ 662,343.50
Fund Balance			
Balance Jan. 1	A	822,343.50	528,009.33
		2,000,077.19	1,190,352.83
Decreased by:			
Utilization as Anticipated Revenue	A-1	600,000.00	368,009.33
Balance December 31	A	$ 1,400,077.19	$ 822,343.50

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, 2025

	Ref.	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 600,000.00		$ 600,000.00	
Miscellaneous Revenues:					
Local Revenues:					
Licenses:					
Alcoholic Beverages	SA-8	18,617.00		18,831.80	$ 214.80
Other	SA-8	11,000.00		12,415.00	1,415.00
Fees and Permits	SA-8	25,000.00		289,312.00	264,312.00
Fines and Costs:					
Municipal Court	SA-8	70,000.00		57,360.46	(12,639.54)
Interest and Costs on Taxes	SA-8	60,000.00		41,742.51	(18,257.49)
Interest on Investments and Deposits	SA-8	25,000.00		31,162.57	6,162.57
Fire Inspection Revenue	SA-8	80,000.00		80,730.00	730.00
State Aid Without Offsetting Appropriations:					
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	SA-8	527,692.00		527,691.64	(0.36)
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	SA-8	175,000.00		423,096.00	248,096.00
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	SA-8	151,675.00		151,675.00	
Park School Shared Service - Custodial Staff	SA-8	112,955.79		112,955.79	
Park School Shared Service - Class III Officer	SA-8	130,061.00		130,061.00	
Shared Court Services	SA-8	293,000.00		298,985.00	5,985.00
Laurel Springs Shared Service - Qualified Purchasing Agent	SA-8	4,000.00		4,000.00	
Laurel Springs Shared Service - Chief Financial Officer	SA-8	29,253.00		29,253.00	
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	SA-24		$ 15,823.01	15,823.01	
Division of Criminal Justice -- Body Armor Replacement Fund	SA-24	1,573.95		1,573.95	
Department of Community Affairs - LEAP Grant	SA-24		187,500.00	187,500.00	
Drunk Driving Enforcement	SA-24		13,201.11	13,201.11	
Recycling Tonnage Grant	SA-24		9,267.77	9,267.77	
Safe and Secure Communities Program - P.L. 1994, Chapter 220	SA-24		17,545.00	17,545.00	
New Jersey Department of Transportation:					
FY2025 Juniper	SA-24	244,910.00		244,910.00	
Special Items of General Revenue Anticipated with Prior Written					
Consent of Director of Local Government Services -					
Other Special Items:					
Cable Television Franchise Fee	SA-8	18,562.14		17,785.13	(777.01)
Payment in Lieu of Taxes - National Realty	SA-8	425,000.00		437,577.60	12,577.60
Payment in Lieu of Taxes - CICI Partners	SA-8	14,575.00		9,578.88	(4,996.12)
Payment in Lieu of Taxes - Our Lady of Grace	SA-8	70,000.00		63,802.60	(6,197.40)
Delaware River Port Authority Fees	SA-8	15,000.00		15,000.00	
Debt Service Agreement - Our Lady of Grace	SA-8	213,960.93		136,961.00	(76,999.93)
NJDCA Local Enforcing Agency Fees	SA-8	14,000.00		20,793.84	6,793.84
American Tower Lease	SA-8	28,000.00		28,914.78	914.78
Total Miscellaneous Revenues	A-1	2,758,835.81	243,336.89	3,429,506.44	427,333.74
Receipts from Delinquent Taxes	A-2	200,000.00		252,552.72	52,552.72
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	4,783,124.14		4,764,374.60	(18,749.54)
Budget Totals		8,341,959.95	243,336.89	9,046,433.76	461,136.92
Non-Budget Revenues	A-1			386,777.80	386,777.80
		$ 8,341,959.95	$ 243,336.89	$ 9,433,211.56	$ 847,914.72

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

Analysis of Realized Revenues

		Ref.	
Allocation of Current Tax Collections:			
Revenue from Collections		A-1,SA-6	$ 16,017,167.32
Allocated to:			
Schools and County Taxes		SA-10,SA-16, SA-19	11,542,792.72
Balance for Support of Municipal Budget Appropriations			4,474,374.60
Add: Appropriation "Reserve for Uncollected Taxes"		A-3	290,000.00
Amount for Support of Municipal Budget Appropriations		A-2	$ 4,764,374.60
Receipts from Delinquent Taxes:			
Delinquent Tax Collections		SA-6	$ 252,160.28
Tax Title Liens		SA-7	392.44
Delinquent Tax Collections			$ 252,552.72
Revenue Accounts Receivable:			
Licenses -- Other:			
Clerk:			
Business	$ 11,750.00		
Cannabis License	500.00		
Home Business	75.00		
		$ 12,325.00	
Board of Health:			
Marriage Licenses		90.00	
			$ 12,415.00
Fees and Permits:			
Clerk:			
200 Foot Search	$ 140.00		
Business License Late Fees	1,400.00		
Charitable Donation Bins	50.00		
Chicken Permits	150.00		
Second Hand Goods	400.00		
Street Opening	248,488.00		
Tenant Landlord Applications	2,750.00		
Trailer	150.00		
		$ 253,528.00	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

Analysis of Realized Revenues (Cont'd)

Revenue Accounts Receivable (Cont'd):

Fees and Permits (Cont'd):

Board of Health:				
Vital Statistics			$ 1,395.00	
Police:				
Police Reports			7,067.00	
Code Enforcement (Non UCC):				
Zoning Ordinance Permits			6,599.00	
Fire Official:				
Certificate of Occupancy - Resale			20,723.00	
				$ 289,312.00
Uniform Construction Code Fees:				
Fees and Permits:				
Building Permits	$ 321,981.00			
Certificate of Occupancy	18,047.00			
Electrical Permits	45,324.00			
Fire Safety Permits	11,957.00			
Mechanical	11,367.00			
Plumbing Permits	11,960.00			
Temporary Certificate of Occupancy	200.00			
		420,836.00		
Penalties		2,270.00		
			423,106.00	
Less Refunded -- Reserve for Encumbrances			(10.00)	
				$ 423,096.00

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2025

Analysis of Non-Budget Revenues

Revenue Accounts Receivable:		
Tax Collector:		
Miscellaneous		$ 5,035.11
Clerk:		
Appliance Removal		10.00
Miscellaneous Revenue Not Anticipated:		
Treasurer		
Receipts:		
Administrative and Vehicle Fees	$ 71,424.75	
Bank Fees	145.00	
Cannabis Tax	82,085.89	
Conrail Fees	2,425.00	
Division of Motor Vehicles Inspections	300.00	
Due State of New Jersey -- Veterans and Senior Citizens - Administrative Fee	735.00	
Forfeited Premium on Liens	100.00	
Miscellaneous Refund	1,587.27	
Payment in Lieu of Taxes	40,600.00	
Planning and Zoning Applications	2,450.00	
Refund of Prior Year Expenditures	4,545.78	
Rental Income	55,200.00	
Restitution, Judgements and Penalties	2,004.00	
Sale of Municipal Assets	9,382.00	
Shared Services Police Coverage	108,748.00	
		$ 381,732.69
		$ 386,777.80

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, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration						
Salaries and Wages	$ 50,000.00	$ 42,600.00	$ 41,920.26		$ 679.74	
Other Expenses	87,700.00	81,700.00	71,617.35	$ 9,625.39	457.26	
Mayor and Council						
Salaries and Wages	55,500.00	55,500.00	54,227.28		1,272.72	
Other Expenses	2,275.00	2,275.00	1,720.07		554.93	
Municipal Clerk						
Salaries and Wages	157,000.00	155,000.00	153,648.68		1,351.32	
Other Expenses	10,800.00	14,050.00	10,196.24	1,904.83	1,948.93	
Financial Administration						
Salaries and Wages	83,500.00	83,500.00	82,748.36		751.64	
Other Expenses	21,450.00	21,450.00	16,547.99	2,657.02	2,244.99	
Audit Services	65,000.00	65,000.00	65,000.00			
Computerized Data Processing						
Other Expenses	20,000.00	12,500.00	10,954.57	503.89	1,041.54	
Collection of Taxes						
Salaries and Wages	62,000.00	62,000.00	61,830.96		169.04	
Other Expenses	12,000.00	12,000.00	11,329.46		670.54	
Assessment of Taxes						
Salaries and Wages	17,000.00	17,000.00	16,440.96		559.04	
Other Expenses	3,300.00	3,300.00	3,083.00		217.00	
Legal Services and Costs						
Other Expenses	43,500.00	47,500.00	44,747.08	725.00	2,027.92	
Engineering Services						
Other Expenses	40,000.00	44,400.00	38,558.75		5,841.25	
Municipal Court						
Salaries and Wages	45,750.00	43,600.00	43,533.33		66.67	
Other Expenses	6,250.00	11,250.00	7,967.78		3,282.22	
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	8,000.00	8,000.00	8,000.00			

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
General Government Functions (Cont'd):						
Land Use Administration:						
Planning Board						
Salaries and Wages	$ 3,300.00	$ 3,300.00	$ 3,198.00		$ 102.00	
Other Expenses	3,600.00	3,600.00	2,993.35	$ 92.37	514.28	
Code Enforcement and Administration:						
Construction Code Official						
Salaries and Wages	93,000.00	93,000.00	91,618.80		1,381.20	
Other Expenses	21,100.00	21,100.00	19,333.53	691.32	1,075.15	
Code Enforcement Officer						
Salaries and Wages	12,000.00	12,000.00	10,959.39		1,040.61	
Other Expenses	500.00	500.00	13.27		486.73	
Insurance:						
Workers Compensation Insurance	120,969.00	120,969.00	120,969.00			
Employee Group Insurance	477,000.00	473,325.00	383,911.64	31,820.82	57,592.54	
Liability Insurance	169,288.00	169,288.00	169,288.00			
Health Benefits Waiver	18,375.00	22,050.00	22,050.00			
Public Safety Functions:						
Police Department						
Salaries and Wages	1,493,240.00	1,508,240.00	1,501,012.57		7,227.43	
Other Expenses	165,203.00	165,203.00	146,675.10	16,611.09	1,916.81	
Office of Emergency Management						
Salaries and Wages	2,700.00	2,700.00	2,580.96		119.04	
Other Expenses	5,350.00	5,350.00	1,514.87		3,835.13	
Aid to Volunteer Fire Companies						
Salaries and Wages	10,000.00					
Other Expenses	189,785.00	189,785.00	164,146.51	24,828.00	810.49	
Aid to Volunteer Ambulance	16,000.00	16,000.00	16,000.00			
Fire Department						
Fire Hydrant Other Expenses	85,000.00	85,000.00	83,171.88		1,828.12	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Safety Functions (Cont'd):						
Fire Prevention						
Salaries and Wages	$ 65,000.00	$ 62,000.00	$ 60,642.06		$ 1,357.94	
Other Expenses	14,000.00	14,000.00	11,423.48	$ 9.10	2,567.42	
Municipal Prosecutor's Office						
Salaries and Wages	8,000.00	8,000.00	8,000.00			
Public Works Functions:						
Streets and Road Maintenance						
Salaries and Wages	7,000.00	7,000.00	5,561.95		1,438.05	
Other Expenses	73,200.00	68,300.00	49,810.33	14,301.56	4,188.11	
Solid Waste Collection						
Salaries and Wages	403,500.00	385,880.56	366,037.09		19,843.47	
Other Expenses	65,500.00	82,500.00	61,753.56	3,490.00	17,256.44	
Park School Shared Services - Custodian (Inside CAP)						
Salaries and Wages	112,044.21	116,763.65	116,763.65			
Public Buildings and Grounds						
Other Expenses	22,800.00	22,800.00	15,386.54	4,612.00	2,801.46	
Health and Human Services Functions:						
Environmental Health Services						
Other Expenses	2,000.00	2,000.00	2,000.00			
Animal Control Services						
Other Expenses	18,000.00	15,000.00	13,000.00		2,000.00	
Human Relations Commission						
Other Expenses	2,000.00	1,000.00	524.73		475.27	
Park and Recreation Functions:						
Board of Recreation Commissioners						
Other Expenses	30,000.00	30,000.00	12,806.03	9,207.88	7,986.09	
Landfill / Solid Waste Disposal Costs:						
Landfill Fees	220,000.00	224,200.00	204,324.32	19,875.68		

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Utility Expenses and Bulk Purchases:						
Electricity	$ 55,000.00	$ 55,000.00	$ 44,257.70	$ 3,795.32	$ 6,946.98	
Street Lighting	99,500.00	101,000.00	92,381.41	8,186.23	432.36	
Telephone	37,000.00	38,000.00	37,086.37	889.55	24.08	
Water	7,000.00	7,000.00	2,995.21		4,004.79	
Gas (Natural or Propane)	11,000.00	13,000.00	12,640.55	359.45		
Sewerage Processing and Disposal	2,250.00	2,250.00	2,232.00		18.00	
Gasoline	90,000.00	90,000.00	72,456.34	1,031.62	16,512.04	
UNCLASSIFIED:						
Accumulated Leave Compensation	15,000.00	15,000.00	15,000.00			
Total Operations - within "CAPS"	5,037,229.21	5,034,729.21	4,690,592.31	$ 155,218.12	188,918.78	
Detail:						
Salaries and Wages	2,721,909.21	2,703,134.21	2,665,774.30		37,359.91	
Other Expenses	2,315,320.00	2,331,595.00	2,024,818.01	155,218.12	151,558.87	
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Regulatory Expenditures:						
Contribution to:						
Public Employee's Retirement System	242,682.00	242,682.00	214,962.00		27,720.00	
New Jersey Supplemental Disability Insurance (SDI)	2,300.00	2,300.00	2,074.08		225.92	
Police and Firemen's Retirement System of NJ	432,892.00	432,892.00	432,892.00			
Unemployment Insurance	15,000.00	15,000.00	12,529.15	2,086.77	384.08	
Defined Contribution Retirement Program	1,700.00	1,700.00	1,108.01		591.99	
Social Security System (O.A.S.I.)	220,000.00	222,500.00	203,447.60		19,052.40	
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"	914,574.00	917,074.00	867,012.84	2,086.77	47,974.39	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	5,951,803.21	5,951,803.21	5,557,605.15	157,304.89	236,893.17	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance (N.J.S.A. 40A:4-45.3(00)):						
Liability Insurance	$ 9,228.00	$ 9,228.00	$ 9,228.00			
Total Other Operations Excluded from "CAPS"	9,228.00	9,228.00	9,228.00			
Interlocal Municipal Service Agreements:						
Sterling High School -- COPS in Schools:						
Salaries and Wages	85,678.00	85,678.00	85,678.00			
Other Expenses	65,997.00	65,997.00	58,061.92	$ 973.05	$ 6,962.03	
Park School Shared Services - Custodian						
Salaries and Wages	77,955.79	77,955.79	77,955.79			
Other Expenses	35,000.00	35,000.00	35,000.00			
Park School Shared Services - Class III Officer						
Salaries and Wages	77,195.00	77,195.00	77,195.00			
Other Expenses	52,866.00	52,866.00	49,159.42	475.00	3,231.58	
Laurel Springs Share Services:						
Qualified Purchasing Agent - Salary and Wages	4,000.00	4,000.00	4,000.00			
Chief Financial Officers - Salary and Wages	29,253.00	29,253.00	29,253.00			
Laurel Springs/ Pine Hill Municipal Court Shared Services						
Salaries and Wages	268,000.00	268,000.00	267,801.38		198.62	
Other Expenses	25,000.00	25,000.00	22,875.35		2,124.65	
Sewer Licensed Operator Shared Service:						
Salaries and Wages	3,500.00	3,500.00	3,500.00			
Total Interlocal Municipal Service Agreements -- Excluded from "CAPS"	724,444.79	724,444.79	710,479.86	1,448.05	12,516.88	

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs:						
Clean Communities Grant Program (N.J.S.A. 40A:4-87, $15,823.01+)		$ 15,823.01	$ 15,823.01			
Division of Criminal Justice -- Body Armor Replacement Fund	$ 1,573.95	1,573.95	1,573.95			
Department of Community Affairs - LEAP Grant (N.J.S.A. 40A:4-87, $187,500.00+)		187,500.00	187,500.00			
Drunk Driving Enforcement (N.J.S.A. 40A:4-87, $13,201.11+)		13,201.11	13,201.11			
Recycling Tonnage Grant (N.J.S.A. 40A:4-87. $9,267.77+)		9,267.77	9,267.77			
Safe and Secure Communities Program - P.L. 1994, Chapter 220 (N.J.S.A. 40A:4-87. $17,545.00+)		17,545.00	17,545.00			
New Jersey Department of Transportation:						
FY2025 Juniper	244,910.00	244,910.00	244,910.00			
Total Public and Private Programs -- Excluded from "CAPS"	246,483.95	489,820.84	489,820.84			
Total Operations -- Excluded from "CAPS"	980,156.74	1,223,493.63	1,209,528.70	$ 1,448.05	$ 12,516.88	
Detail:						
Salaries and Wages	545,581.79	576,327.90	576,129.28		198.62	
Other Expenses	434,574.95	647,165.73	633,399.42	1,448.05	12,318.26	
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
Total Capital Improvements Excluded from "CAPS"	50,000.00	50,000.00	50,000.00			
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment on Bond Principal	585,000.00	585,000.00	585,000.00			
NJIB Loan Principal	200,000.00	200,000.00	199,870.44			$ 129.56
Interest on Bonds	162,000.00	162,000.00	161,362.50			637.50
Bond Anticipation Notes	15,000.00	15,000.00	15,000.00			
Interest on Notes	83,000.00	83,000.00	80,678.75			2,321.25
NJIB Loan Interest	25,000.00	25,000.00	24,338.38			661.62
Total Municipal Debt Service -- Excluded from "CAPS"	1,070,000.00	1,070,000.00	1,066,250.07			3,749.93
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,100,156.74	2,343,493.63	2,325,778.77	1,448.05	12,516.88	3,749.93

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
Subtotal General Appropriations	$ 8,051,959.95	$ 8,295,296.84	$ 7,883,383.92	$ 158,752.94	$ 249,410.05	$ 3,749.93
Reserve for Uncollected Taxes	290,000.00	290,000.00	290,000.00			
Total General Appropriations	$ 8,341,959.95	$ 8,585,296.84	$ 8,173,383.92	$ 158,752.94	$ 249,410.05	$ 3,749.93
Reference	A-2			A	A	

	Ref.	
Appropriation by 40A:4-87	A-2	$ 243,336.89
Budget	A-2	8,341,959.95
		$ 8,585,296.84

Refunds	A-3	$ (176,662.71)
Reserve for Federal and State Grants -- Appropriated	SA-24	489,820.84
Reserve for Uncollected Taxes	A-2	290,000.00
Disbursements	A-3	7,570,225.79
		$ 8,173,383.92

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

BOROUGH OF SOMERDALE
TRUST FUNDS
Balance Sheets -- Regulatory Basis
As of December 31, 2025 and 2024

ASSETS:	Ref.	2025	2024
Animal Control Fund:			
Cash	SB-1	$ 2,366.53	$ 5,512.87
Total Animal Control Fund		2,366.53	5,512.87
Other Funds:			
Cash	SB-1	721,628.69	706,516.56
Accounts Receivable	SB-7	400.00	
Total Other Funds		722,028.69	706,516.56
Total Assets		$ 724,395.22	$ 712,029.43

(Continued)

BOROUGH OF SOMERDALE
TRUST FUNDS
Balance Sheets -- Regulatory Basis
As of December 31, 2025 and 2024

LIABILITIES AND RESERVES:	Ref.	2025	2024
Animal Control Fund:			
Due to Current Fund	B	$ 588.47	588.47
Reserve for Animal Control Fund Expenditures	SB-2	1,778.06	$ 4,324.40
Accounts Payable	SB-1		600.00
Total Animal Control Fund		2,366.53	5,512.87
Other Funds:			
Due to Current Fund	SB-4	250.00	250.00
Due to State of New Jersey -- Division of Youth and Family Services	SB-5	125.00	200.00
Due to State of New Jersey -- New Construction Surcharge	SB-6	8,784.00	1,633.00
Miscellaneous Trust Reserves:			
Accumulated Absences	SB-7	12,299.37	2,299.37
Beautification Programs	SB-7	53,024.53	48,280.76
Developer's Escrow Fund	SB-7	361,106.38	336,381.36
Disposal of Forfeited Property	SB-7	39,988.62	39,610.19
Municipal Public Defender	SB-7	1,058.89	876.65
New Jersey Unemployment Compensation	SB-7	22,582.56	23,810.81
Outside Employment of Off-Duty Police Officers	SB-7		17,282.37
Parking Offense Adjudication Act	SB-7	2,128.05	2,096.05
Board of Recreation Commission	SB-7	24,124.27	21,223.31
Recycling Program	SB-7	15.05	15.05
Storm Recovery	SB-7	4,000.00	2,000.00
Tax Title Lien Premiums	SB-7	140,300.00	164,800.00
Tax Title Lien Redemption	SB-7	1,485.64	127.40
Uniform Fire Safety Act Penalty Monies	SB-7	50,756.33	45,630.24
Total Other Funds		722,028.69	706,516.56
Total Liabilities and Reserves		$ 724,395.22	$ 712,029.43

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

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Balance Sheets - Regulatory Basis
As of December 31, 2025 and 2024

ASSETS:	Ref.	2025	2024
Cash	SC-1	$ 1,600,088.74	$ 768,716.00
Deferred Charges to Future Taxation:			
Funded	SC-3	6,033,330.55	6,818,200.99
Unfunded	SC-4	1,900,000.00	1,895,000.00
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		550.00
Total Assets		$ 9,591,518.63	$ 9,540,566.33
LIABILITIES, RESERVES, AND FUND BALANCE:			
Improvement Authorizations:			
Funded	SC-8	$ 175,375.89	$ 205,891.30
Unfunded	SC-8	554,352.86	477,874.11
Capital Improvement Fund	SC-9	19,679.00	19,679.00
Reserve for Encumbrances	SC-10	845,563.99	650.00
Contracts Payable	SC-11	63,216.34	123,270.93
Bond Anticipation Notes	SC-13	1,900,000.00	1,895,000.00
General Obligation Bonds	SC-14	4,555,000.00	5,140,000.00
New Jersey Infrastructure Bank Loan Payable	SC-15	1,478,330.55	1,678,200.99
Total Liabilities and Reserves		$ 9,591,518.63	$ 9,540,566.33

There were Bonds and Notes Authorized But Not Issued of $-0- and $-0- at December 31, 2025 and 2024, respectively (Statement SC-16).

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

BOROUGH OF SOMERDALE
SEWER UTILITY FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

ASSETS:	Ref.	2025	2024
Operating Fund:			
Cash	SD-1	$ 240,239.05	$ 155,811.25
		240,239.05	155,811.25
Receivables with Full Reserves:			
Consumer Accounts Receivable	SD-3	36,473.50	37,814.44
Sewer Utility Liens	SD-4	2,305.79	2,035.79
		38,779.29	39,850.23
Total Operating Fund		279,018.34	195,661.48
Capital Fund:			
Fixed Capital	SD-5	7,454,465.16	7,451,965.16
Total Capital Fund		7,454,465.16	7,451,965.16
Total Assets		$ 7,733,483.50	$ 7,647,626.64

(Continued)

Exhibit D

BOROUGH OF SOMERDALE
SEWER UTILITY FUND
Balance Sheets--Regulatory Basis
As of December 31, 2025 and 2024

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2025	2024
Operating Fund:			
Appropriation Reserves	D-3, SD-6	$ 31,625.54	$ 36,653.38
Reserve for Encumbrances	D-3, SD-6	53,110.31	5,003.00
Sewer Rent Overpayments	SD-7	4,464.01	6,328.30
Accrued Interest on Bonds and Notes	SD-8	1,609.51	1,647.53
		90,809.37	49,632.21
Reserve for Receivables		38,779.29	39,850.23
Fund Balance	D-1	149,429.68	106,179.04
Total Operating Fund		279,018.34	195,661.48
Capital Fund:			
Reserve for Amortization	SD-9	4,606,112.64	4,536,328.90
United States Department of Agriculture (USDA) Loans Payable	SD-10	2,848,352.52	2,915,636.26
Total Capital Fund		7,454,465.16	7,451,965.16
Total Liabilities, Reserves and Fund Balance		$ 7,733,483.50	$ 7,647,626.64

There were Bonds and Notes Authorized But Not Issued of $-0- and $-0- at December 31, 2025 and 2024, respectively.

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, 2025 and 2024

	Ref.	2025	2024
Revenue and Other Income Realized			
Surplus Utilized	D-2	$ 34,350.00	$ 151,882.99
Rents	D-2	574,219.02	561,858.67
Interest and Costs on Rents	D-2	4,791.74	4,532.63
Miscellaneous	D-2	20,959.44	24,647.22
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	SD-6	35,730.42	5,019.22
Total Income		670,050.62	747,940.73
Expenditures			
Operating	D-3	363,850.00	474,100.00
Debt Service	D-3	121,599.98	121,600.68
Capital Improvements	D-3	55,000.00	40,000.00
Regulatory Expenditures	D-3	52,000.00	67,500.00
Total Expenditures		592,449.98	703,200.68
Excess (Deficit) in Revenue		77,600.64	44,740.05
Balance January 1	D	106,179.04	213,321.98
		183,779.68	258,062.03
Decreased by:			
Utilized as Revenue in Sewer Utility Operating Budget	D-1	34,350.00	151,882.99
Balance December 31	D	$ 149,429.68	$ 106,179.04

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, 2025

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Operating Surplus Anticipated	D-1	$ 34,350.00	$ 34,350.00	
Rents		555,000.00	574,219.02	$ 19,219.02
Interest and Costs on Rents		4,500.00	4,791.74	291.74
Miscellaneous			20,959.44	20,959.44
		$ 593,850.00	$ 634,320.20	$ 40,470.20
Analysis of Realized Revenues:	Ref.	D-3		
Rents:				
Consumer Accounts Receivable:				
Receipts -- Collector:				
Rents	SD-3		$ 562,062.72	
Overpayments Applied	SD-7		12,156.30	
				$ 574,219.02
Interest and Costs on Rents - Collector Receipts				$ 4,791.74
Miscellaneous:				
Collector - Receipts:				
Sewer Connections			$ 3,000.00	
Special Sewer Charges			15,000.00	
				$ 18,000.00
Treasurer:				
Receipts:				
Interest Earned on Deposits				2,959.44
		D-1,SD-1		$ 20,959.44

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, 2025

	Appropriations		Paid or Charged			Unexpended Balance
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Canceled
Sewer Operating:						
Salaries and Wages	$ 210,000.00	$ 210,000.00	$ 203,794.80		$ 6,205.20	
Other Expenses	153,850.00	153,850.00	129,994.48	$ 23,140.31	715.21	
Total Operating	363,850.00	363,850.00	333,789.28	23,140.31	6,920.41	
Capital Improvements						
Capital Outlay	55,000.00	55,000.00	2,500.00	29,970.00	22,530.00	
Debt Service:						
Payment of Bond Principal	68,000.00	68,000.00	67,283.74			$ 716.26
Interest on Bonds	55,000.00	55,000.00	54,316.24			683.76
Total Debt Service	123,000.00	123,000.00	121,599.98			1,400.02
Regulatory Expenditures:						
Contribution to:						
Public Employees' Retirement System	35,000.00	35,000.00	35,000.00			
Social Security System (O.A.S.I.)	17,000.00	17,000.00	14,824.87		2,175.13	
Total Regulatory Expenditures	52,000.00	52,000.00	49,824.87		2,175.13	
Total Appropriations	$ 593,850.00	$ 593,850.00	$ 507,714.13	$ 53,110.31	$ 31,625.54	$ 1,400.02
Reference	D-2					

	Ref.	
Accrued Interest on Bonds and Notes	SD-8	$ 54,316.24
Disbursements	SD-1	453,397.89
		$ 507,714.13

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

BOROUGH OF SOMERDALE
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
General Fixed Assets:				
Land and Buildings	$ 5,984,603.80	$ 772,416.47		$ 6,757,020.27
Construction in Progress	815,294.64		$ 772,416.47	42,878.17
Public Works Equipment	908,021.05			908,021.05
Police Equipment	149,376.29			149,376.29
Office Equipment	44,835.32			44,835.32
Fire Equipment	114,770.40	196,440.66		311,211.06
Vehicles	4,363,821.63	88,480.00	85,007.09	4,367,294.54
Total General Fixed Assets	$ 12,380,723.13	$ 1,057,337.13	$ 857,423.56	$ 12,580,636.70
Total Investment in General Fixed Assets	$ 12,380,723.13	$ 1,057,337.13	$ 857,423.56	$ 12,580,636.70

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

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 Townships of Cherry Hill, Gloucester and Voorhees and the Boroughs of Hi-Nella, Lawnside, Lindenwold, Magnolia, and Stratford. According to the 2020 census, the population was 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 200), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of $10,000.00, the maximum amount allowed by the Uniform Guidance. 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, 2024 and decreased by the amount deferred at December 31, 2025.

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 paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical 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 statements that have an effective date that may affect future financial presentations:

Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve financial reporting requirements for subsequent events. The purposes of the improvements are to (a) clarify the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (b) specifying the information items that are required to be disclosed about subsequent events. The Statement will become effective for the Borough in the year ending December 31, 2027. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements 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, 2025, the Borough's bank balances of $4,669,618.98 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 4,065,938.83
Uninsured and Uncollateralized	603,680.15
Total	$ 4,669,618.98

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

	Year Ended				
	2025	**2024**	**2023**	**2022**	**2021**
Tax Rate	$ 4.798	$ 4.661	$ 4.461	$ 4.271	$ 4.389
Apportionment of Tax Rate:					
Municipal	$ 1.406	$ 1.378	$ 1.200	$ 1.133	$ 1.129
County	1.002	1.012	.982	.942	.986
Local School	1.619	1.512	1.504	1.497	1.485
Regional High School	.771	.759	.775	.699	.789

Assessed Valuation

Year	Amount
2025	$ 340,138,100.00
2024	340,746,300.00
2023	339,725,100.00
2022	338,512,100.00
2021	337,834,000.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2025	$ 16,354,113.24	$ 16,017,167.32	97.94%
2024	15,889,035.88	15,618,034.68	98.29%
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%

Note 3: PROPERTY TAXES (CONT'D)

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 65,499.12	$ 314,369.42	$ 379,868.54	2.32%
2024	61,416.03	251,984.67	313,400.70	1.97%
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%

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

Year	Number
2025	6
2024	6
2023	6
2022	7
2021	8

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:

Year	Amount
2025	$ 170,015.00
2024	170,015.00
2023	216,690.43
2022	170,015.00
2021	170,015.00

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:

	Balance Beginning of Year				Cash
Year	Receivable	Liens	Levy	Total	Collections
2025	$ 37,814.44	$ 2,035.79	$ 573,148.08	$ 612,998.31	$ 574,219.02
2024	50,742.86	1,855.79	549,290.25	601,888.90	561,858.67
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

Note 6: LEASES RECEIVABLE

The Borough, as lessor, has the following lessor agreement which meets 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 monthly through December 31, 2025.

Under the provisions of GASB 87, as of December 31, 2025, there is no balance of lease receivable since the lease has ended. At the time of this report, the Borough's agreement with a new lessee is pending as FSD Enterprises LLC will be installing new towers. Until the existing towers are removed, American Tower continues to make payments of $2,439.36 on a month-to-month basis. The new lessee is expected to be in place during 2026.

The following is a summary of the lease as of December 31, 2025:

Lease Description	Lease Receivable	Lease Revenue	Lease Interest Revenue
Cell Tower	$ -	$ 10,303.51	$ 773.31

Under the provisions of GASB 87, for the year ended December 31, 2025, the Borough would have recognized $28,141.47 in a reduction of lease receivable and $773.31 in interest revenue related to the leases. In addition, $10,303.51 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 $28,914.78 were reported as revenue in the current fund.

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

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 1,400,077.19	$ 750,000.00	53.57%
2024	822,343.50	600,000.00	72.96%
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%

Note 7: FUND BALANCES APPROPRIATED (CONT'D)

Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 149,429.68	$ 48,500.00	32.46%
2024	106,179.04	34,350.00	32.35%
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%

Note 8: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various balance sheets as of December 31, 2025:

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 838.47	
Trust - Animal Control		$ 588.47
Trust - Other		250.00
	$ 838.47	$ 838.47

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2026, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 9: PENSION PLANS

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. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Borough is referred to as "Employer" throughout this Note. 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

Note 9: PENSION PLANS (CONT'D)

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, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, 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, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of 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 state or local officials who are elected or appointed on or after July 1, 2007; 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

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

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

The following represents the membership tiers for PFRS:

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

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

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. 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.

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* - 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 legislation, which legally obligates 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.

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 Employer's contractually required contribution rate for the year ended December 31, 2025, was 18.23% of the Employer'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, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025, is $245,285.00, and is payable by April 1, 2026. 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, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024, was $271,934.00, which was paid on April 1, 2025.

Employee contributions to the Plan during the year ended December 31, 2025, were $101,161.81.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2025, was 0.56% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2025, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025, was $7,584.00. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024, was $8,755.00.

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.

Note 9: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2025, was 32.29% of the Employer'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, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025, is $507,198.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024, was $499,719.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025, were $157,488.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2025, was 5.45% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2025, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025, was $85,662.00, and is payable by April 1, 2026. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024, was $84,612.00, which was paid on April 1, 2025.

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 Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2025, employee contributions totaled $2,120.34, and the Employer's contributions were $1,108.01. There were no forfeitures during the year.

Note 9: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees' Retirement System

Pension Liability - As of December 31, 2025, 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 Employer's proportionate share of the PERS net pension liability was $2,207,312.00. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer'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, 2025, measurement date, the Employer's proportion was .0179475953%, which was a decrease of (.0020369648%) from its proportion measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2025, measurement date was $49,216.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PERS was $271,934.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2025, measurement date, was $7,584.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Police and Firemen's Retirement System

Pension Liability - At December 31, 2025, the Employer's, and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Employer's Proportionate Share of Net Pension Liability	$ 3,560,164.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	722,704.00
	$ 4,282,868.00

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer'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.

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)

Pension Liability (Cont'd) - For the June 30, 2025 measurement date, the Employer's proportion was .0354985800%, which was a decrease of (.0006281400%) from its proportion measured as of June 30, 2024. Likewise, at June 30, 2025, the State of New Jersey's proportion, on-behalf of the Employer, was .0354987400%, which was a decrease of (.0006278100%) from its proportion, on-behalf of the Employer, measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was $171,168.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PFRS was $499,719.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2025 measurement date, was $85,612.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2025, the Employer 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	$ 62,935.00	$ 291,672.00	$ 354,607.00	$ 2,359.00	$ 67,664.00	$ 70,023.00
Changes of Assumptions	349.00	178,079.00	178,428.00	25,430.00	45,007.00	70,437.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	184,061.00	174,404.00	358,465.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	47,260.00	372,977.00	420,237.00	257,436.00	369,215.00	626,651.00
Employer's Contributions Subsequent to the Measurement Date	122,643.00	253,599.00	376,242.00	-	-	-
	$ 233,187.00	$ 1,096,327.00	$ 1,329,514.00	$ 469,286.00	$ 656,290.00	$ 1,125,576.00

Deferred outflows of resources in the amounts of $122,643.00 and $253,599.00 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, 2026. These amounts were based on an estimated April 1, 2027, contractually required contribution, prorated from the pension plans' measurement date of June 30, 2025, to the Employer's year end of December 31, 2025.

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

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
June 30, 2025	5.15	-	5.86	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
June 30, 2025	-	5.15	5.86	-
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
June 30, 2025	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
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
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09
June 30, 2025	5.15	5.15	5.86	5.86

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,	PERS	PFRS	Total
2026	$ (16,148.00)	$ 200,823.00	$ 184,675.00
2027	(123,084.00)	(46,233.00)	(169,317.00)
2028	(117,265.00)	17,899.00	(99,366.00)
2029	(94,141.00)	(26,374.00)	(120,515.00)
2030	(8,104.00)	40,323.00	32,219.00
	$ (358,742.00)	$ 186,438.00	$ (172,304.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. 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, 2025. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.50%
Wage	3.25%	3.00%
Salary Increases:	3.25% - 7.75% Based on Years of Service	4.00% - 17.50% 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, 2021 - June 30, 2024	July 1, 2021 - June 30, 2024

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

Pre-retirement mortality rates were based on the Pub-2016 General Below-Median Income Employee mortality table with an 86.3% adjustment for males and 97.6% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Post-retirement mortality rates were based on the Pub-2016 General Below-Median Income Healthy Retiree mortality table with a 93.3% adjustment for males and 99.5% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2016 Non-Safety Disabled Retiree mortality table with a 156.9% adjustment for males and 139.0% adjustment for females, and with future improvement from the base year of 2016 on a generational basis. Mortality improvement is based on Scale MP-2021.

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2016 Safety Employee mortality tables projected generationally from 2016 with Scale MP-2021. 5% of deaths are assumed to be accidental. Healthy annuitants, mortality rates were 100% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for males and 98% of the Pub-2016 Safety Retiree Below Median amount-weighted mortality tables for females, projected generationally from 2016 with Scale MP-2021 mortality projection. For contingent annuitants, mortality rates were 100% of the Pub-2016 Contingent Survivor Below Median amount-weighted mortality tables for males and 102% Pub-2016 Contingent Survivor Below Median amount-weighted tables for females, projected generationally from 2016 with Scale MP-2021. Disability mortality rates were 134% of the Pub-2016 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2016 Safety Disabled Retiree amount-weighted table for females, projected generationally from 2016 with Scale MP-2021 mortality projection.

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, 2025) 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.

Note 9: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

PERS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%
Non-U.S. Developed Markets Equity	12.75%	8.77%
International Small Cap Equity	1.25%	8.77%
Emerging Markets Equity	5.50%	10.30%
Private Equity	13.00%	12.00%
Real Estate	8.00%	10.78%
Real Assets	3.00%	7.90%
High Yield	4.50%	6.63%
Private Credit	8.00%	9.00%
Investment Grade Credit	7.00%	5.47%
Cash Equivalents	2.00%	3.61%
U.S. Treasuries	4.00%	3.61%
Risk Mitigation Strategies	3.00%	7.26%
	100.00%	

PFRS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large-Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small-Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. 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 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 Employer's proportionate share of the net pension liability as of the June 30, 2025 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer'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 rate used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 3,021,679.00	$ 2,207,312.00	$ 1,513,255.00

Note 9: PENSION PLANS (CONT'D)

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate (Cont'd)

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2025, measurement date, for the Employer 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 rate used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 5,179,133.00	$ 3,560,164.00	$ 2,209,434.00
State of New Jersey's Proportionate Share of Net Pension Liability	1,051,350.00	722,704.00	448,509.00
	$ 6,230,483.00	$ 4,282,868.00	$ 2,657,943.00

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 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1(c) allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The information for the measurement period ended June 30, 2025, was not available; therefore, the information from the measurement period June 30, 2024, 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. As a local participating employer of the Plan, the Borough is referred to as "Employer" throughout this Note.

The Plan provides medical and prescription drug coverage 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 Employer is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer is ($459,732.00) for the year ended December 31, 2024, representing (32.87%) of the Employer's covered payroll.

OPEB Liability

At December 31, 2024, the State's proportionate share of the net OPEB liability associated with the Employer was $4,745,219.00. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The State's proportion of the net OPEB liability, associated with the Employer, 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, 2023, through June 30, 2024. For the June 30, 2024, measurement date, the State's proportion on-behalf of the Employer was 0.097305%, which was a decrease of (0.004280%) from its proportion measured as of the June 30, 2023, measurement date.

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

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, 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	
Pre-Retirement Healthy – PFRS	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Post-Retirement Healthy – Chapter 330 Retirees	
Disabled Retiree – PFRS Future Retirees	
Disabled Retiree – Chapter 330 Retirees	

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

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, 2024, was 3.93%. 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:

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2033	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	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 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 5,527,669.00	$ 4,745,219.00	$ 4,118,546.00

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 4,013,487.00	$ 4,745,219.00	$ 5,686,021.00

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.

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 or retirement. Vacation and personal days not used during the year do not carry forward to the subsequent year. Part-time Borough employees are not entitled to be compensated for absences.

Under the terms of the Borough's contract with the Police Benevolent Association Local No. 30, contracted employees are entitled to compensation for unused sick days upon retirement:

Hired Date	Benefit
Before May 10, 2010	$100 per day, up to a maximum of $20,000.00
May 10, 2010 – December 31, 2017	$100 per day, up to a maximum of $15,000.00
On or after January 1, 2018	$100 per day, up to a maximum of $10,000.00

Members of the police department earn comp days that may be carried over at year end.

The Borough has established a compensated absences trust fund to allocate funds for future payments of compensated absences. As of December 31, 2025, the fund's balance was $12,299.37. Despite the limitations disclosed above, and in accordance with Governmental Accounting Standards Board Statement 101 (*Compensated Absences*), the accrued benefits for compensated absences at December 31, 2025, are estimated to be valued at $1,879,656.23.

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 PURCHASE OBLIGATION

The Borough has the following agreement which meets the requirements of financed purchases under the provisions of GASB 87, *Leases*.

Fire Department Vehicle - As of December 31, 2025, 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.

The following is an analysis of the financed purchase obligation liability at December 31, 2025:

Description	
Fire Department Vehicle	$ 428,597.47

Note 13: FINANCED PURCHASE OBLIGATION (CONT'D)

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, 2025:

Year	Principal	Interest	Total
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	72,280.69	5,744.42	78,025.11
2030	74,146.89	3,878.22	78,025.11
2031	76,061.29	1,963.82	78,025.11
	$ 428,597.47	$ 39,553.19	$ 468,150.66

Under the provisions of GASB 87, for the year ended December 31, 2025, the Borough would have reported assets in the amount of $680,000.00 and a financed purchase obligation in the amount of $428,597.47. In addition, for the year ended December 31, 2025, the Borough would have recognized a reduction of the financed purchase obligation of $65,273.87 and interest expense of $12,751.24.

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 Fund, instead, the annual payment of the financed purchase obligation of $78,025.11 was budgeted and paid from the Current Fund. In addition, the asset has been recorded in the general fixed asset group of accounts at historical cost at the inception of the financed purchase agreement.

Note 14: LEASE LIABILITY AND LEASE ASSETS

The Borough, as lessee, has the following lease agreements 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, 2025, which were budgeted and paid from the current fund.

Postage Machine

The Borough is leasing a postage machine with a total lease liability of $3,825.87. The lease began on February 20, 2024, for a term of five years. The implied interest rate is based on the Borough's estimated incremental borrowing rate of 4.24%. Based on this lease, the Borough will make semiannual payments through August 30, 2028. The Borough paid $839.40 of lease payments during the year ended December 31, 2025, which were budgeted and paid from the current fund.

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

Vehicles

The Borough is leasing a 2021 Ford Inceptor with a total lease liability of $46,875.64. The lease began on November 12, 2021, for a term of sixty 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, 2026. The Borough paid $9,539.32 of lease payments during the year ended December 31, 2025, which were budgeted and paid from the current fund.

The Borough is leasing a 2021 Ford Explorer with a total lease liability of $29,448.87. The lease began on November 30, 2021, for a term of sixty 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, 2026. The Borough paid $5,952.24 of lease payments during the year ended December 31, 2025, which were budgeted and paid from the current fund.

The Borough is leasing a 2022 Ford Interceptor with a total lease liability of $44,956.96. The lease began on June 8, 2022, for a term of sixty 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, 2027. The Borough paid $9,450.84 of lease payments during the year ended December 31, 2025, which were budgeted and paid from the current fund.

Under the provisions of GASB 87, as of December 31, 2025, the balance of the lease liability is $30,093.90 and balance of the related right to use leased assets have a balance of $29,750.85. The leases are summarized as follows:

Description	Lease Liability	Lease Asset
Copiers	$ 2,037.31	$ 1,996.41
Postage Machine	2,341.44	2,295.51
Vehicles	25,715.15	25,458.93
	$ 30,093.90	$ 29,750.85

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:

Year	Principal	Interest	Total
2026	$ 24,706.59	$ 234.18	$ 24,940.77
2027	4,573.86	71.19	4,645.05
2028	813.45	25.95	839.40
Total	$ 30,093.90	$ 331.32	$ 30,425.22

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:

Year	Principal	Interest	Total
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	450,000.00	96,750.00	546,750.00
2030	450,000.00	81,000.00	531,000.00
2031-2034	1,800,000.00	144,000.00	1,944,000.00
	$ 4,555,000.00	$ 710,650.00	$ 5,265,650.00

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:

Year	Principal	Interest	Total
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	210,898.16	13,310.68	224,208.84
2030	214,056.48	10,152.36	224,208.84
2031-2032	438,035.96	10,381.68	448,417.64
	$ 1,478,330.55	$ 91,131.28	$ 1,569,461.83

Note 15: CAPITAL DEBT (CONT'D)

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:

	Sewer Utility		
Year	Principal	Interest	Total
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	72,498.75	49,139.25	121,638.00
2030	73,864.47	47,773.53	121,638.00
2031-2035	390,725.79	217,464.21	608,190.00
2036-2040	428,940.96	179,249.04	608,190.00
2041-2045	470,893.80	137,296.20	608,190.00
2046-2050	516,949.86	91,240.14	608,190.00
2051-2055	567,510.41	40,679.59	608,190.00
2056	117,416.41	1,641.70	119,058.11
	$ 2,848,352.52	$ 919,845.59	$ 3,768,198.11

Note 15: CAPITAL DEBT (CONT'D)

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

	2025	2024	2023
Issued			
General:			
Bonds, Loans and Notes	$ 7,933,330.55	$ 8,713,200.99	$ 8,550,581.50
Sewer Utility:			
Notes and Loans	2,848,352.52	2,915,636.26	2,981,675.96
Total Issued	10,781,683.07	11,628,837.25	11,532,257.46
Deductions			
General:			
Reserve for Payment of Debt			112,994.50
Sewer Utility:			
Self-Liquidating	2,848,352.52	2,915,636.26	2,981,675.96
Total Deductions	2,848,352.52	2,915,636.26	3,094,670.46
Net Debt	$ 7,933,330.55	$ 8,713,200.99	$ 8,437,587.00

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 1.410%.

	Gross Debt	Deductions	Net Debt
Regional High School District	$ 689,343.43	$ 689,343.43	
Local School District	2,262,000.00	2,262,000.00	
Self-Liquidating	2,848,352.52	2,848,352.52	
General	7,933,330.55		$ 7,933,330.55
	$ 13,733,026.50	$ 5,799,695.95	$ 7,933,330.55

Net debt $7,933,330.55 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, $562,826,344.33, equals 1.410%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 19,698,922.05
Less: Net Debt	7,933,330.55
Remaining Borrowing Power	$ 11,765,591.50

Note 15: CAPITAL DEBT (CONT'D)

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 634,320.20
Deductions:		
Operating and Maintenance Costs	$ 415,850.00	
Debt Service	121,599.98	
Total Deductions		537,449.98
Excess in Revenue		$ 96,870.22

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/(prepaid) set forth in the current fund liabilities as follows:

	Balance December 31, 2025	Balance December 31, 2024
Balance of Tax	$ 1,293,906.50	$ 1,293,906.50
Deferred	1,311,852.50	1,293,906.50
Prepaid Taxes	$ (17,946.00)	$ -

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 the activity and the ending balance of the Borough's trust fund for the current and previous two years:

Year	Borough Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025	$ 12,000.00	$ 6,076.53	$ 61.00	$ 19,365.78	$ 22,582.56
2024	508.22	6,046.85	190.81	7,393.42 (a)	23,810.81
2023	460.49	6,174.04	247.35	16,677.53 (a)	24,458.35

(a) Includes amounts paid by the Current Fund Budget

It is estimated that unreimbursed payments on behalf of the Borough at December 31, 2025, are $2,476.73.

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.

Note 17: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd)- 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.

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, 2025, which can be obtained from:

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

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

Note 18: CONTINGENCIES

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

Pending Tax Appeals - As of December 31, 2025, a tax appeal was on file against the Borough. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until the case has been adjudicated. 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 appeal could be material to the financial statements. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Note 19: SUBSEQUENT EVENTS

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

Purpose	Adoption	Authorization
Sewer Utility Improvements:		
Various Improvements	May 13, 2026	$ 3,070,600.00
General Improvements:		
Various Capital Improvements and the Acquisition of Various Capital Equipment	June 10, 2026	$ 560,144.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Current Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2025

		Current Fund		Federal and State Grant Fund
Balance December 31, 2024		$ 1,336,266.54		
Increased by Receipts:				
Miscellaneous Revenue not Anticipated	$ 381,732.69			
2025 Budget Appropriation Refunds	176,662.71			
Collector	16,306,215.44			
Petty Cash Funds	50.00			
Revenue Accounts Receivable	2,897,963.09			
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	36,000.00			
Due County for Payment in Lieu of Taxes	29,992.52			
Reserve for Payroll Deductions Payable	4,039,683.32			
Due Federal and State Grant Fund	96,187.62			
Federal and State Grants Receivable			$ 871,013.69	
		23,964,487.39		$ 871,013.69
		25,300,753.93		871,013.69
Decreased by Disbursements:				
Refund of Prior Year Revenue				
Petty Cash Funds	50.00			
2025 Appropriations	7,570,225.79			
2024 Appropriation Reserves	127,042.82			
Tax Overpayments	3,568.00			
County Taxes Payable	3,407,031.58			
Due County for Added and Omitted Taxes	1,487.42			
Due County for Share of PILOT	52,365.32			
Local School District Taxes Payable	5,504,885.00			
Regional High School Tax	2,623,705.00			
Reserve for Payroll Deductions Payable	4,039,683.32			
Due Current Fund			96,187.62	
Due Trust -- Other Fund	671.57			
Due General Capital Fund	550.00			
Reserve for Federal and State Grants -- Appropriated			426,542.38	
Contracts Payable			289,138.50	
		23,331,265.82		811,868.50
Balance December 31, 2025		$ 1,969,488.11		$ 59,145.19

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Current Fund Cash
Per N.J.S. 40A:5-5 - Collector
For the Year Ended December 31, 2025

Increased by:		
Maintenance Liens		$ 671.57
Taxes Receivable		16,116,099.35
Tax Title Liens		392.44
Prepaid Taxes		123,440.85
Tax Overpayments		18,833.61
Revenue Accounts Receivable:		
Interest and Costs on Taxes	$ 41,742.51	
Miscellaneous	5,035.11	
		46,777.62
		16,306,215.44
Decreased by:		
Payments to Treasurer		$ 16,306,215.44

Exhibit SA-3

BOROUGH OF SOMERDALE
CURRENT FUND
Schedule of Change Funds
As of December 31, 2025

Office	Amount
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, 2025

Office	Received from Treasurer	Returned to Treasurer
Treasurer	$ 50.00	$ 50.00

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Maintenance Liens Receivable
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 781.67
Increased by:		
2025 Charges		400.00
		1,181.67
Decreased by:		
Cancelled	$ 40.00	
Receipts:		
Paid to Trust Other Fund	671.57	
		711.57
Balance December 31, 2025		$ 470.10

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2025

Year	Balance Dec. 31, 2024	2025 Levy	Added Taxes	Collections 2024	Collections 2025	Due from State of New Jersey	Transferred to Tax Title Liens	Over-Payments Applied	Canceled	Balance Dec. 31, 2025
2023	$ 250.13				250.13					
2024	251,734.54		$ 1,000.00		251,910.15		172.56		$ 646.21	$ 5.62
	251,984.67		1,000.00		252,160.28		172.56	-	646.21	5.62
2025		$ 16,354,113.24		$ 116,433.17	15,863,939.07	$ 35,750.00	4,248.56	$ 1,045.08	$ 18,333.56	314,363.80
	$ 251,984.67	$ 16,354,113.24	$ 1,000.00	$ 116,433.17	$ 16,116,099.35	$ 35,750.00	$ 4,421.12	$ 1,045.08	$ 18,979.77	$ 314,369.42

Senior Citizens Disallowed by Collector $ 1,000.00

Analysis of Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 16,319,825.91
Added Taxes (54:4-63.1 et seq.)		34,287.33
		$ 16,354,113.24
Tax Levy:		
Regional High School Tax		$ 2,623,705.00
Local District School Tax		5,504,885.00
County Taxes:		
Net County Taxes	$ 3,097,337.77	
County Library Tax	196,178.76	
County Open Space Taxes	113,515.05	
Due County for Added and Omitted Taxes	7,171.14	
Total County Taxes		3,414,202.72
Local Tax for Municipal Purposes	4,783,124.14	
Add: Additional Tax Levied	28,196.38	
		4,811,320.52
		$ 16,354,113.24

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Tax Title Liens Receivable
For the Year Ended December 31, 2025

Balance December 31, 2024			$ 61,416.03
Increased by:			
Interest and Costs Accrued by Sale		$ 54.41	
Transfers from Taxes Receivable:			
2024 Taxes	$ 172.56		
2025 Taxes	4,248.56		
		4,421.12	
2025 Taxes			4,475.53
			65,891.56
Decreased by:			
Receipts -- Collector			392.44
Balance December 31, 2025			$ 65,499.12

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Accrued in 2025	Collections Collector	Collections Treasurer	Balance Dec. 31, 2025
Clerk:					
Licenses:					
Alcohol Beverages		$ 18,831.80		$ 18,831.80	
Other		12,325.00		12,325.00	
Fees and Permits		253,528.00		253,528.00	
Non Budgeted Revenue		10.00		10.00	
Municipal Court:					
Fines and Costs	$ 3,214.91	62,936.83		57,360.46	$ 8,791.28
Tax Collector:					
Interest and Costs on Taxes		41,742.51	$ 41,742.51		
Non Budgeted Revenue		5,035.11	5,035.11		
Board of Health:					
Licenses Other		90.00		90.00	
Fees and Permits		1,395.00		1,395.00	
Police:					
Fees and Permits		7,067.00		7,067.00	
Treasurer:					
Interest on Investments and Deposits		31,162.57		31,162.57	
Energy Receipts Tax		527,691.64		527,691.64	
Interlocal Service Agreements		726,929.79		726,929.79	
Cable Television Franchise Tax	17,785.13	16,603.72		17,785.13	16,603.72
Payment in Lieu of Taxes - National Realty		437,577.60		437,577.60	
Payment in Lieu of Taxes - CICI Partners		9,578.88		9,578.88	
Payment in Lieu of Taxes - Our Lady of Grace		63,802.60		63,802.60	
Delaware River Port Authority Fees		15,000.00		15,000.00	
Debt Service Agreement - Our Lady of Grace		136,961.00		136,961.00	
NJDCA Local Enforcing Agency Fees		20,793.84		20,793.84	
American Tower Lease		28,914.78		28,914.78	
Code Enforcement:					
Uniform Construction Code Fees		423,106.00		423,106.00	
Fees and Permits - Non UCC		6,599.00		6,599.00	
Uniform Fire Code:					
Fees and Permits		20,723.00		20,723.00	
Fire Inspection Revenue		80,730.00		80,730.00	
	$ 21,000.04	$ 2,949,135.67	$ 46,777.62	$ 2,897,963.09	$ 25,395.00

BOROUGH OF SOMERDALE
CURRENT FUND
Schedule of Property Acquired for Taxes - Assessed Valuation
As of December 31, 2025

Balance December 31, 2025 and 2024	$ 170,015.00

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Regional High School Taxes
For the Year Ended December 31, 2025

Balance December 31, 2024		
School Tax Deferred		$ 1,293,906.50
Increased by:		
Levy School Year July 1, 2025 to June 30, 2026		2,623,705.00
		3,917,611.50
Decreased by:		
Disbursements		2,623,705.00
Balance December 31, 2025		
School Tax Deferred	$ 1,311,852.50	
Prepaid Tax	(17,946.00)	
School Tax Deferred		$ 1,293,906.50
2025 Regional High School Tax		
Amount Charged to 2025 Operations		$ 2,623,705.00

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 112,449.67
Increased by:		
2025 Budget Appropriations	$ 158,752.94	
Refund of Uniform Construction Code Fees	10.00	
Tax Overpayments	1,979.18	
		160,742.12
		273,191.79
Decreased by:		
Transfer to 2024 Appropriation Reserves		112,449.67
Balance December 31, 2025		$ 160,742.12

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2025

	Balance December 31, 2024 Encumbered	Balance December 31, 2024 Reserved	Balance After Modification	Paid or Charged	Lapsed to Fund Balance
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages		$ 368.36	$ 368.36		$ 368.36
Other Expenses	$ 4,446.12	8,051.29	12,073.43	$ 4,446.12	7,627.31
Mayor and Council					
Salaries and Wages		1,464.38	1,464.38		1,464.38
Other Expenses		364.69	364.69		364.69
Municipal Clerk					
Salaries and Wages		287.94	287.94		287.94
Other Expenses	606.70	4,738.59	5,345.29	798.65	4,546.64
Financial Administration					
Salaries and Wages		149.88	149.88		149.88
Other Expenses	254.45	1,722.00	1,976.45	254.45	1,722.00
Computerized Data Processing					
Other Expenses	544.60	5,580.00	6,124.60	544.60	5,580.00
Collection of Taxes					
Salaries and Wages		3,469.21	3,469.21		3,469.21
Other Expenses	32.23	843.15	875.38	32.23	843.15
Assessment of Taxes					
Salaries and Wages		114.90	114.90		114.90
Other Expenses		942.00	942.00		942.00
Legal Services and Costs					
Other Expenses		6,850.73	6,850.73		6,850.73
Engineering Services					
Other Expenses	9,500.00	10,683.08	20,183.08	9,412.50	10,770.58
Municipal Court					
Salaries and Wages		50.59	50.59		50.59
Other Expenses		450.00	873.98	873.98	
Planning Board					
Salaries and Wages		10.00	10.00		10.00
Other Expenses		1,186.65	1,186.65		1,186.65
Code Enforcement and Administration:					
Construction Code Official					
Salaries and Wages		629.69	629.69		629.69
Other Expenses	284.95	3,725.27	4,010.22	284.95	3,725.27
Code Enforcement Officer					
Salaries and Wages		318.80	318.80		318.80
Other Expenses	355.83	594.10	949.93	355.83	594.10
Insurance:					
Workers Compensation Insurance					
Employee Group Insurance	32,095.14	33,996.25	66,091.39	32,095.14	33,996.25
Health Benefits Waiver		2,041.67	2,041.67		2,041.67
Public Safety Functions:					
Police Department					
Salaries and Wages		22,798.08	18,542.99		18,542.99
Other Expenses	5,619.95	10,216.83	15,836.78	5,762.15	10,074.63
Office of Emergency Management					
Salaries and Wages		106.90	106.90		106.90
Other Expenses	7,481.26	1,881.30	9,362.56	5,641.26	3,721.30
Aid to Volunteer Fire Companies	7,740.08	11,263.97	19,004.05	6,970.03	12,034.02
Fire Department					
Fire Hydrant Other Expenses		1,954.98	1,954.98		1,954.98
Fire Prevention					
Salaries and Wages		3,634.46	3,634.46		3,634.46
Other Expenses	300.00	2,138.91	2,438.91	350.00	2,088.91
Public Work Functions:					
Streets and Road Maintenance					
Salaries and Wages		6,861.49	6,861.49		6,861.49
Other Expenses	2,441.16	23,441.27	25,882.43	3,706.57	22,175.86
Solid Waste Collection					
Salaries and Wages		8,308.36	8,308.36		8,308.36
Other Expenses	5,150.00	8,226.11	13,376.11	5,270.74	8,105.37
Public Buildings and Grounds					
Other Expenses	10,826.99	7,611.68	18,438.67	10,826.99	7,611.68

(Continued)

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2025

	Balance December 31, 2024 Encumbered	Balance December 31, 2024 Reserved	Balance After Modification	Paid or Charged	Lapsed to Fund Balance
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Health and Human Services Functions:					
Animal Control Services					
Other Expenses		$ 1,919.27	$ 1,919.27		$ 1,919.27
Human Relations Commission					
Other Expenses		3,596.46	3,596.46		3,596.46
Park and Recreation Functions:					
Board of Recreation Commissioners					
Other Expenses		4,889.75	4,889.75		4,889.75
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	$ 17,742.83	1,495.83	19,817.70	$ 19,817.70	
Utility Expenses and Bulk Purchases:					
Electricity	139.51	6,918.61	7,058.12	1,573.89	5,484.23
Street Lighting		491.95	4,168.00	4,168.00	
Telephone	591.73	2,000.77	2,592.50	591.73	2,000.77
Water	189.54	877.99	1,067.53	388.93	678.60
Gas (Natural or Propane)		7.36	7.36		7.36
Sewerage Processing and Disposal		16.00	16.00		16.00
Gasoline		12,729.06	12,729.06	1,769.78	10,959.28
Unclassified:					
Accumulated Leave Compensation		5,000.00	5,000.00	5,000.00	
Total Operations - within "CAPS"	106,343.07	237,020.61	343,363.68	120,936.22	222,427.46
DEFERRED CHARGES AND REGULATORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"					
Regulatory Expenditures:					
Contribution to:					
New Jersey Supplemental Disability Insurance (SDI)		375.88	375.88		375.88
Unemployment Insurance		4,491.78	4,491.78		4,491.78
Defined Contribution Retirement Program		204.04	204.04		204.04
Social Security System (O.A.S.I.)		952.15	952.15		952.15
Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"		6,023.85	6,023.85		6,023.85
Total General Appropriations for Municipal Purposes -- Within "CAPS"	106,343.07	243,044.46	349,387.53	120,936.22	228,451.31
Interlocal Municipal Service Agreements:					
Sterling High School -- COPS in Schools:					
Other Expenses	895.05	769.95	1,665.00	895.05	769.95
Park School Shared Services					
Other Expenses	5,211.55		5,211.55	5,211.55	
Laurel Springs/ Pine Hill Municipal Court Share Services					
Salaries and Wages		733.56	733.56		733.56
Other Expenses		926.60	926.60		926.60
Total Interlocal Municipal Service Agreements -- Excluded from "CAPS"	6,106.60	2,430.11	8,536.71	6,106.60	2,430.11
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	6,106.60	2,430.11	8,536.71	6,106.60	2,430.11
	$ 112,449.67	$ 245,474.57	$ 357,924.24	$ 127,042.82	$ 230,881.42
Disbursements				$ 127,042.82	

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Due to State of New Jersey --
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 1,720.89
Increased by:		
Receipts	$ 36,000.00	
Prior Year Deductions Disallowed by Tax Collector	1,000.00	
		37,000.00
		38,720.89
Decreased by:		
Accrued in 2025:		
Deductions per Tax Billing	36,500.00	
Less:		
Deductions Disallowed by Tax Collector	750.00	
		35,750.00
Balance December 31, 2025		$ 2,970.89

Exhibit SA-14

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2025

Balance December 31, 2024 (2025 Taxes)		$ 116,433.17
Increased by:		
Overpayments Applied	$ 14,850.18	
Receipts -- Collector	123,440.85	
		138,291.03
		254,724.20
Decreased by:		
Application to Taxes Receivable		116,433.17
Balance December 31, 2025 (2026 Taxes)		$ 138,291.03

Exhibit SA-15

BOROUGH OF SOMERDALE
Statement of Tax Overpayments
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 13,649.52
Increased by:		
Receipts -- Collector		18,833.61
		32,483.13
Decreased by:		
Refunded -- Disbursements	$ 3,568.00	
Reserve for Encumbrances	1,979.18	
Application to Prepaid Taxes	14,850.18	
Application to Taxes Receivable:		
2025	1,045.08	
		21,442.44
Balance December 31, 2025		$ 11,040.69

Exhibit SA-16

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2025

2025 Levy:		
Net County Taxes	$ 3,097,337.77	
County Library Tax	196,178.76	
County Open Space Tax	113,515.05	
		$ 3,407,031.58
Decreased by:		
Disbursements		$ 3,407,031.58

Exhibit SA-17

BOROUGH OF SOMERDALE
Statement of Due County for Added and Omitted Taxes
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 1,487.42
Increased by:		
County Share of 2025 Levy (R.S. 54:4-63.1 and seq.):		
2024 Added Assessments	$ 280.75	
2025 Added Assessments	6,890.39	
		7,171.14
		8,658.56
Decreased by:		
Disbursements		1,487.42
Balance December 31, 2025		$ 7,171.14

Exhibit SA-18

BOROUGH OF SOMERDALE
Statement of Due County for Payment In Lieu of Taxes
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 22,372.80
Increased by:	
Receipts	29,992.52
	52,365.32
Decreased by:	
Disbursements	$ 52,365.32

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Local School District Taxes
For the Year Ended December 31, 2025

2025 Levy -- Calendar Year	$ 5,504,885.00
Decreased by:	
Disbursements	$ 5,504,885.00

BOROUGH OF SOMERDALE
CURRENT FUND
Statement of Reserve for Payroll Deductions Payable
For the Year Ended December 31, 2025

Increased by:		
Receipts:		
Net Pay	$ 2,310,139.81	
Payroll Deductions and Withholdings	1,729,543.51	
		$ 4,039,683.32
Decreased by:		
Disbursements		$ 4,039,683.32

BOROUGH OF SOMERDALE
FEDERAL AND STATE GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Anticipated Revenue	Received	Balance Dec. 31, 2025
Federal Grants:				
FY 2023 Assistance to Firefighters Grant	$ 245,157.14		$ 245,157.14	
Click It Or Ticket	3,290.00			$ 3,290.00
Distracted Driving Statewide Crackdown Grant	3,920.00			3,920.00
FY 2024 COPS Hiring Program	232,638.89		81,597.23	151,041.66
FY 2024 Federal Pedestrian Safety Grant	720.00			720.00
ARP Firefighter Grant	250.95			250.95
ARP Firefighter Grant - 2024	74,000.00		73,998.66	1.34
Total Federal Grants	559,976.98		400,753.03	159,223.95
State Grants:				
Body Armor Replacement Fund		$ 1,573.95	1,573.95	
Clean Communities Program		15,823.01	15,823.01	
FY2022 Somerdale Pedestrian Safety Grant	720.00			720.00
Department of Community Affairs LEAP Grant		187,500.00	43,863.88	143,636.12
Drunk Driving Enforcement		13,201.11		13,201.11
Local Recreation Improvements 2023	100,000.00		100,000.00	
New Jersey Department of Transportation;				
2023 Grace Street	53,287.50		53,287.50	
2024 Oak Drive	208,558.00		156,418.50	52,139.50
2025 Juniper		244,910.00		244,910.00
Recycling Tonnage Grant		9,267.77	9,267.77	
Safe and Secure Communities Program		17,545.00	17,545.00	
2023 Stormwater Assistance Grant	10,000.00			10,000.00
SFY 21 Body Worn Camera Grant Program	4,076.00		4,076.00	
Total State Grants	376,641.50	489,820.84	401,855.61	464,606.73
Total Federal & State Grants	936,618.48	489,820.84	802,608.64	623,830.68
Other Grants:				
Camden County Recreation Grant 2020	3,468.70			3,468.70
Camden County Recreation Grant 2022	25,000.00		25,000.00	
Camden County Recreation Grant 2023	25,000.00		19,979.00	5,021.00
Camden County Recreation Grant 2024	25,000.00		25,000.00	
Camden County Historical Preservation	50,000.00			50,000.00
Total Other Grants	128,468.70		69,979.00	58,489.70
Total All Grants	$ 1,065,087.18	$ 489,820.84	$ 872,587.64	$ 682,320.38
Appropriation Current Fund Budget		$ 246,483.95		
Appropriation by NJS 40A:4-87 (Chapter 159's)		243,336.89		
Transferred from Reserve for Federal and State Grants Unappropriated			$ 1,573.95	
Cash Receipts			871,013.69	
		$ 489,820.84	$ 872,587.64	

BOROUGH OF SOMERDALE
FEDERAL AND STATE GRANT FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 96,187.62
Increased by:		
Realized Revenue for Grants in the Current Fund		489,820.84
		586,008.46
Decreased by:		
Disbursements	$ 96,187.62	
Grants Appropriated in the Current Fund	489,820.84	
		$ 586,008.46

BOROUGH OF SOMERDALE
FEDERAL AND STATE GRANT FUND
Statement of Reserves for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2025

Grant	Balance Dec. 31, 2024	Grants Receipts	Realized as Revenue in 2025	Balance Dec. 31, 2025
State Grants:				
Body Armor Replacement Fund	$ 1,573.95		$ 1,573.95	$ -
Total State Grants	1,573.95	-	1,573.95	-
Total All Grants	$ 1,573.95	$ -	$ 1,573.95	$ -

BOROUGH OF SOMERDALE
FEDERAL AND STATE GRANT FUND
Statement of Reserves for Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2025

Grant	Balance Dec. 31, 2024 Appropriated	Balance Dec. 31, 2024 Reserve for Encumbrances	Transferred - 2025 Budget Appropriations	Expenditures	Encumbered	Balance Dec. 31, 2025
Federal Grants:						
FY 2023 Assistance to Firefighters Grant	245,157.14			$ 245,157.14		
Bullet Proof Vest Partnership	$ 2,746.62					2,746.62
Click It Or Ticket	3,290.00					3,290.00
Distracted Driving Statewide Crackdown Grant	3,920.00					3,920.00
FY 2024 COPS Hiring Program	232,638.89			81,597.24		151,041.65
FY 2024 Federal Pedestrian Safety Grant	720.00					720.00
ARP Firefighter Grant	250.95					250.95
ARP Firefighter Grant - 2024	104.20	$ 3,530.80		3,633.66		1.34
Total Federal Grants	488,827.80	3,530.80		330,388.04		161,970.56
State Grants:						
Body Armor Replacement Fund	11,313.48		$ 1,573.95	4,585.52		8,301.91
Clean Communities Program	40,729.55	5,249.17	15,823.01	11,009.73		50,792.00
FY2022 Somerdale Pedestrian Safety Grant	1,594.35					1,594.35
Department of Community Affairs LEAP Grant			187,500.00	43,863.88		143,636.12
Drunk Driving Enforcement			13,201.11		$ 10,242.24	2,958.87
New Jersey Department of Transportation:						
FY 2025 - Juniper			244,910.00			244,910.00
Recycling Tonnage Grant	17,353.99		9,267.77	17,237.71	808.83	8,575.22
Safe and Secure Communities Program			17,545.00	17,545.00		
2023 Stormwater Assistance Grant	13,222.50					13,222.50
Total State Grants	84,213.87	5,249.17	489,820.84	94,241.84	11,051.07	473,990.97
Other Grants:						
Camden County Recreation Grant 2020	1,764.21					1,764.21
Camden County Recreation Grant 2022	117.36					117.36
Camden County Recreation Grant 2023	4,903.64					4,903.64
Camden County Recreation Grant 2024	25,000.00					25,000.00
Camden County Historical Preservation Grant	50,000.00					50,000.00
Sustainable Jersey Small Grant Program	500.00	1,500.00		1,912.50		87.50
Camden County DWI Task Force	12,580.26				12,580.26	
	94,865.47	1,500.00		1,912.50	12,580.26	81,872.71
Total All Grants	$ 667,907.14	$ 10,279.97	$ 489,820.84	$ 426,542.38	$ 23,631.33	$ 717,834.24
Appropriation Current Fund Budget			$ 246,483.95			
Appropriation by NJS 40A:4-87 (Chapter 159's)			243,336.89			
Disbursements				$ 426,542.38		
			$ 489,820.84	$ 426,542.38		

BOROUGH OF SOMERDALE
FEDERAL AND STATE GRANT FUND
Statement of Contracts Payable
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 289,138.50
Decreased by:	
Disbursements	$ 289,138.50

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, 2025

	Animal Control		Other	
Balance December 31, 2024		$ 5,512.87		$ 706,516.56
Increased by Receipts:				
Due Current Fund			$ 72,096.32	
Reserve for Animal Control Fund Expenditures	14,539.60			
State Registration Fees	155.40			
Due State of New Jersey -- Division of Youth and Family Services			750.00	
Due State of New Jersey -- New Construction Surcharge			20,615.00	
Miscellaneous Trust Reserves:				
Accumulated Absences			10,000.00	
Beautification Program			4,500.00	
Developer's Escrow Fund			98,346.18	
Disposal of Forfeited Property			378.43	
Municipal Public Defender			2,855.50	
New Jersey Unemployment Compensation			18,137.53	
Outside Employment of Off-Duty Police Officers			199,885.36	
Parking Offense Adjudication Act			32.00	
Board of Recreation Commission			10,950.00	
Storm Recovery			2,000.00	
Tax Title Liens:				
Premiums			265,300.00	
Redemption			441,871.37	
Uniform Fire Safety Act Penalty Monies			8,000.00	
		14,695.00		1,155,717.69
		20,207.87		1,862,234.25
Decreased by Disbursements:				
Due Current Fund			71,424.75	
Reserve for Animal Control Fund Expenditures	17,085.94			
State Registration Fees	155.40			
Accounts Payable	600.00			
Due State of New Jersey -- Division of Youth and Family Services			825.00	
Due State of New Jersey -- New Construction Surcharge			13,464.00	
Miscellaneous Trust Reserves:				
Beautification Program			427.80	
Developer's Escrow Fund			73,621.16	
Municipal Public Defender			2,673.26	
New Jersey Unemployment Compensation			19,365.78	
Outside Employment of Off-Duty Police Officers			217,567.73	
Board of Recreation Commission			8,049.04	
Tax Title Liens:				
Premiums			289,800.00	
Redemption			440,513.13	
Uniform Fire Safety Act Penalty Monies			2,873.91	
		17,841.34		1,140,605.56
Balance December 31, 2025		$ 2,366.53		$ 721,628.69

BOROUGH OF SOMERDALE
TRUST - ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2025

Balance December 31, 2024			$ 4,324.40
Increased by:			
Receipts:			
Dog License Fees Collected	$ 1,314.60		
Late Fees	225.00		
		$ 1,539.60	
2025 Budget Appropriation		13,000.00	
			14,539.60
			18,864.00
Decreased by:			
Expenditures under R.S. 4:19-15.11:			
Disbursements			17,085.94
Balance December 31, 2025			$ 1,778.06

Fees Collected:

Year	
2023	$ 2,163.00
2024	1,647.00
	$ 3,810.00

BOROUGH OF SOMERDALE
TRUST - ANIMAL CONTROL FUND
Statement of Due to State of New Jersey -- Registration Fees
For the Year Ended December 31, 2025

Increased by:		
Receipts	$	155.40
Decreased by:		
Disbursements	$	155.40

BOROUGH OF SOMERDALE
TRUST - OTHER FUNDS
Statement of Due to Current Fund
For the Year Ended December 31, 2025

	Total	Trust Account	Tax Title Lien Redemption	Escrow Direct	Off-Duty Police	Unemployment Trust Fund
Balance December 31, 2024 (Due to)/From	$ (250.00)		$ 4.85	(250.00)	$ (6,383.73)	$ 6,378.88
Increased by:						
Receipts:						
Interfunds Received	671.57	$ 671.57				
Revenues Collected on Behalf of the Current Fund -						
Miscellaneous Revenue Not Anticipated	71,424.75				71,424.75	
	72,096.32	671.57			71,424.75	
	(72,346.32)	(671.57)	4.85	(250.00)	(77,808.48)	6,378.88
Decreased by:						
Disbursements:						
Interfunds Liquidated	71,424.75				71,424.75	
Reserve for Maintenance Liens Receivable -						
Reserve for Beautification Program Donations	671.57	671.57				
	72,096.32	671.57			71,424.75	
Balance December 31, 2025 (Due to)/From	$ (250.00)	$ -	$ 4.85	$ (250.00)	$ (6,383.73)	$ 6,378.88

Exhibit SB-5

BOROUGH OF SOMERDALE
TRUST - OTHER FUNDS
Statement of Due to State of New Jersey -- Division of Youth and Family Services
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 200.00
Increased by:	
Receipts	750.00
	950.00
Decreased by:	
Disbursements	825.00
Balance December 31, 2025	$ 125.00

Exhibit SB-6

BOROUGH OF SOMERDALE
TRUST - OTHER FUNDS
Statement of Due to State of New Jersey -- New Construction Surcharge
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 1,633.00
Increased by:	
Receipts	20,615.00
	22,248.00
Decreased by:	
Disbursements	13,464.00
Balance December 31, 2025	$ 8,784.00

BOROUGH OF SOMERDALE
TRUST - OTHER FUNDS
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2025

	Balance Dec. 31, 2024	Increased by: Receipts	Increased by: Other	Decreased by: Disbursements	Balance Dec. 31, 2025
Accumulated Absences	$ 2,299.37	$ 10,000.00			$ 12,299.37
Beautification Program Donations	48,280.76	4,500.00	$ 671.57	$ 427.80	53,024.53
Developer's Escrow Fund	336,381.36	98,346.18		73,621.16	361,106.38
Disposal of Forfeited Property	39,610.19	378.43			39,988.62
Municipal Public Defender	876.65	2,855.50		2,673.26	1,058.89
New Jersey Unemployment Compensation	23,810.81	18,137.53		19,365.78	22,582.56
Outside Employment of Off-Duty Municipal Police Officers	17,282.37	199,885.36	400.00	217,567.73	
Parking Offense Adjudication Act	2,096.05	32.00			2,128.05
Board of Recreation Commission	21,223.31	10,950.00		8,049.04	24,124.27
Recycling Program	15.05				15.05
Storm Recovery	2,000.00	2,000.00			4,000.00
Tax Title Liens:					
Premiums	164,800.00	265,300.00		289,800.00	140,300.00
Redemption	127.40	441,871.37		440,513.13	1,485.64
Uniform Fire Safety Act Penalty Monies	45,630.24	8,000.00		2,873.91	50,756.33
	$ 704,433.56	$ 1,062,256.37	$ 1,071.57	$ 1,054,891.81	$ 712,869.69

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, 2025

Balance December 31, 2024		$ 768,716.00
Increased by Receipts:		
Improvement Authorizations	$ 4,650.00	
Due Current Fund	550.00	
Bond Anticipation Notes	1,900,000.00	
Capital Improvement Fund	50,000.00	
Reserve for Payment of Debt	930,000.00	
		2,885,200.00
		3,653,916.00
Decreased by Disbursements:		
Improvement Authorizations	140,658.97	
Contracts Payable	33,168.29	
Bond Anticipation Notes	1,880,000.00	
		2,053,827.26
Balance December 31, 2025		$ 1,600,088.74

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2025

		Balance (Deficit) Dec. 31, 2024	Receipts: Improvement Authorizations	Receipts: Miscellaneous	Receipts: Bond Anticipation Notes	Disbursements: Improvement Authorizations	Disbursements: Bond Anticipation Notes	Disbursements: Miscellaneous	Transfers: From	Transfers: To	Balance (Deficit) Dec. 31, 2025
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		(550.00)		$ 550.00					$ 15,000.00	$ 15,000.00	
Capital Improvement Fund		19,679.00		50,000.00					50,000.00		19,679.00
Reserve for Encumbrances		650.00							650.00	845,563.99	845,563.99
Contracts Payable		123,270.93						$ 33,168.29	26,886.30		63,216.34
Reserve for the Payment of Debt				930,000.00			$ 930,000.00				
Note Renewals					$ 950,000.00		950,000.00				
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				$ 2,224.02					1,144.12
15-02; 15-10	Completion of Various Capital Improvements	88,605.93									88,605.93
16-06	Acquisition of Garbage Containers	13,395.34	$ 4,650.00			12,575.00					5,470.34
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	850.10				759.49					90.61
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									3,999.63
21-06; 22-15; 23-05	Completion of Various Capital Improvements	34,561.73				20,560.00			7,150.00	5,353.10	12,204.83
24-05; 25-07	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	483,624.11				104,496.42			24,820.00	22,183.20	376,490.89
25-12	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment				950,000.00	44.04			813,593.99	50,000.00	186,361.97
		$ 768,716.00	$ 4,650.00	$ 980,550.00	$ 1,900,000.00	$ 140,658.97	$ 1,880,000.00	$ 33,168.29	$ 938,100.29	$ 938,100.29	$ 1,600,088.74

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 6,818,200.99
Decreased by:		
2025 Budget Appropriation to Pay Debt:		
General Obligation Bonds	$ 585,000.00	
New Jersey Infrastructure Bank Loan	199,870.44	
		784,870.44
Balance December 31, 2025		$ 6,033,330.55

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	2025 Authorizations	Notes Paid by Budget Appropriation	Notes Paid from Reserve For Payment of Debt	Balance Dec. 31, 2025	Analysis of Balance December 31, 2025 Bond Anticipation Notes	Analysis of Balance December 31, 2025 Expenditures	Analysis of Balance December 31, 2025 Unexpended Improvement Authorizations
	General Improvements:								
17-09	Acquisition of Certain Real Property in the Borough	$ 945,000.00		$ 15,000.00	$ 930,000.00				
24-05; 25-07	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	950,000.00				$ 950,000.00	$ 950,000.00		
25-12	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment		$ 950,000.00			950,000.00	950,000.00		
		$ 1,895,000.00	950,000.00	$ 15,000.00	$ 930,000.00	$ 1,900,000.00	$ 1,900,000.00	$ -	$ -
Improvement Authorizations - Unfunded									$ 554,352.86
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:									
	Ordinance 24-05							$ 376,490.89	
	Ordinance 25-12							177,861.97	
									$ 554,352.86

Exhibit SC-5

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Schedule of New Jersey Transportation Trust Fund Authority Act Receivable
As of December 31, 2025

Balance December 31, 2025 and 2024	$ 33,099.34

Exhibit SC-6

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Schedule of Camden County Open Space Grant Receivable
As of December 31, 2025

Balance December 31, 2025 and 2024	$ 25,000.00

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 550.00
Increased by:		
2025 Budget Appropriations:		
Payment of Bond Anticipation Notes		15,000.00
		15,550.00
Decreased by:		
Interfunds Received - Receipts	$ 550.00	
Notes paid by the Current Fund	15,000.00	
		$ 15,550.00

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Descriptions	Ordinance Date	Ordinance Amount	Balance December 31, 2024 Funded	Balance December 31, 2024 Unfunded	2025 Authorizations Down Payment	2025 Authorizations Deferred Charge to Future Taxation - Unfunded	Contracts Payable Canceled	Transferred from Reserve for Encumbrances	Paid or Charged	Refunds	Balance December 31, 2025 Funded	Balance December 31, 2025 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						$ 2,224.02		1,144.12	
15-02; 15-02;15-10	Completion of Various Capital Improvements	3/12/15	696,754.00	88,605.93								88,605.93	
16-06	Acquisition of Garbage Containers	7/14/16	104,000.00	13,395.34						12,575.00	$ 4,650.00	5,470.34	
18-02; 20-02	Acquisition of Various Equipment and the Completion of Various Capital Improvements	3/8/18	1,400,000.00	850.10						759.49		90.61	
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	34,561.73				$ 4,703.10	$ 650.00	27,710.00		12,204.83	
24-05; 25-07	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	6/12/24	1,000,000.00	5,750.00	$ 477,874.11			22,183.20		129,316.42			$ 376,490.89
25-12	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment	6/16/25	1,000,000.00			$ 50,000.00	$ 950,000.00			813,638.03		8,500.00	177,861.97
				$ 205,891.30	$ 477,874.11	$ 50,000.00	$ 950,000.00	$ 26,886.30	$ 650.00	$ 986,222.96	$ 4,650.00	$ 175,375.89	$ 554,352.86
	Reserve for Encumbrances									$ 845,563.99			
	Disbursements									140,658.97			
										$ 986,222.96			

Exhibit SC-9

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2025

Balance December 31, 2024	$	19,679.00
Increased by:		
Receipts:		
2025 Budget Appropriation -- Due Current Fund		50,000.00
		69,679.00
Decreased by:		
Appropriation to Fund Improvement Authorizations		50,000.00
Balance December 31, 2025	$	19,679.00

Exhibit SC-10

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Balance December 31, 2024	$	650.00
Increased by:		
2025 Encumbrances Charged to Improvement Authorizations		845,563.99
		846,213.99
Decreased by:		
Transferred to Improvement Authorizations		650.00
Balance December 31, 2025	$	845,563.99

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Contracts Payable
For the Year Ended December 31, 2025

Balance December 31, 2024			$ 123,270.93
Decreased by:			
Cancellations - Improvement Authorizations	$ 26,886.30		
Disbursements	33,168.29		
			60,054.59
Balance December 31, 2025			$ 63,216.34

Analysis of Balance December 31, 2025

Charles Marandino, LLC	Ordinance 2013:6; 2015:2	$ 7.10
Gerald Barrett, LLC	Ordinance 2018:2	11,560.41
Lexa Concrete	Ordinance 2017:1/6	23,888.65
Richard T. Barrett Paving Inc.	Ordinance 2015:2	8,174.20
Think Pavers Hardscaping	Ordinance 2018:13; 2019:5	98.00
Whirl Construction	Ordinance 2021:6	2,551.44
Earle Asphalt	Ordinance 2021:6	16,936.54
		$ 63,216.34

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt
For the Year Ended December 31, 2025

Increased by:		
Receipts - Developer Contribution	$	930,000.00
Decreased by:		
Payment of Bond Anticipation Notes	$	930,000.00

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2025

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, 2024	Increased	Disbursed	Paid by Current Fund	Balance Dec. 31, 2025
General Improvements:												
17-09	Acquisition of Certain Real Property in the Borough	*	$ 1,140,000.00	12/1/2017	10/31/2024	10/30/2025	4.275%	$ 945,000.00		$ 930,000.00	$ 15,000.00	
24-05;25-07	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment		950,000.00	7/31/2024	7/31/2024	7/30/2025	4.240%	950,000.00		950,000.00		
					7/29/2025	7/28/2026	3.850%		$ 950,000.00			$ 950,000.00
25-12	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment		950,000.00	7/29/2025	7/29/2025	7/28/2026	3.850%		950,000.00			950,000.00
								$ 1,895,000.00	$ 1,900,000.00	$ 1,880,000.00	$ 15,000.00	$ 1,900,000.00
						Renewals			$ 950,000.00	$ 950,000.00		
						Paid by Budget Appropriation					$ 15,000.00	
						Reserve for Payment of Debt				930,000.00		
						Issued for Cash			950,000.00			
									$ 1,900,000.00	$ 1,880,000.00	$ 15,000.00	

* Taxable

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of General Obligation Bonds
For the Year Ended December 31, 2025

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2025 Date	Amount	Interest Rate	Balance Dec. 31, 2024	Issued	Decreased	Balance Dec. 31, 2025
General Obligation Bonds of 2017	10/24/2017	$ 3,180,000.00	5/1/2026	$ 350,000.00	2.25%				
			5/1/2027	350,000.00	2.50%				
			5/1/2028	350,000.00	2.75%	$ 1,400,000.00		$ 350,000.00	$ 1,050,000.00
General Obligation Bonds of 2023	4/4/2023	3,965,000.00	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%	$ 3,740,000.00		235,000.00	3,505,000.00
						$ 5,140,000.00	$ -	$ 585,000.00	$ 4,555,000.00
Paid by Budget Appropriation								$ 585,000.00	

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of New Jersey Infrastructure Bank Loan Payable
For the Year Ended December 31, 2025

Purpose	Loan Amount	Date of Loan	Interest Rate	Maturity of Loan Outstanding Dec. 31, 2025 Date	Maturity of Loan Outstanding Dec. 31, 2025 Amount	Balance Dec. 31, 2024	Paid by Budget Appropriation	Balance Dec. 31, 2025
New Jersey Infrastructure Bank Loan - 2022	$ 2,053,550.00	12/06/22	1.479%	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	$ 1,678,200.99	$ 199,870.44	$ 1,478,330.55
						$ 1,678,200.99	$ 199,870.44	$ 1,478,330.55

BOROUGH OF SOMERDALE
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized but not Issued
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	Increased by 2025 Authorizations	Decreased by Notes Issued	Balance Dec. 31, 2025
General Improvements:					
25-12	Completion of Various Capital Improvements and the Acquisition of Various Capital Equipment		$ 950,000.00	$ 950,000.00	
		$ -	$ 950,000.00	$ 950,000.00	$ -

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF SOMERDALE
SEWER UTILITY FUND
Statement of Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2025

		Operating
Balance December 31, 2024		$ 155,811.25
Increased by Receipts:		
Treasurer - Interest Earned on Deposits	$ 2,959.44	
Collector	595,146.47	
		598,105.91
		753,917.16
Decreased by Disbursements:		
2025 Appropriations	453,397.89	
2024 Appropriation Reserves	5,925.96	
Accrued Interest on Bonds and Notes	54,354.26	
		513,678.11
Balance December 31, 2025		$ 240,239.05

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, 2025

Receipts:		
Consumer Accounts Receivable	$ 562,062.72	
Sewer Rent Overpayments	10,292.01	
Interest and Costs on Delinquent Rents	4,791.74	
Miscellaneous Revenue:		
Sewer Connection Fees	3,000.00	
Special Sewer Charges	15,000.00	
		$ 595,146.47
Decreased by:		
Payments to Treasurer		$ 595,146.47

Exhibit SD-3

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Consumer Accounts Receivable
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 37,814.44
Increased by:		
Sewer Rents Levied		573,148.08
		610,962.52
Decreased by:		
Transferred to Lien	$ 270.00	
Receipts -- Collector	562,062.72	
Overpayments Applied	12,156.30	
		574,489.02
Balance December 31, 2025		$ 36,473.50

Exhibit SD-4

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Liens
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 2,035.79
Increased by:	
Transferred from Consumer Accounts Receivable	270.00
Balance December 31, 2025	$ 2,305.79

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital
For the Year Ended December 31, 2025

Description	Balance Dec. 31, 2024	Additions Capital Outlay	Balance Dec. 31, 2025
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 Plant	195,294.24		195,294.24
Miscellaneous	156.16		156.16
Improvements	6,894,121.36	$ 2,500.00	6,896,621.36
	$ 7,451,965.16	$ 2,500.00	$ 7,454,465.16
Operating Fund:			
2025 Appropriations		$ 2,500.00	

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2025

	Balance December 31, 2024 Encumbered	Balance December 31, 2024 Reserved	Balance After Transfers	Paid or Charged	Lapsed to Fund Balance
Sewer Operating:					
Salaries and Wages		$ 3,268.18	$ 3,268.18		$ 3,268.18
Other Expenses	$ 5,003.00	25,284.13	30,287.13	$ 5,925.96	24,361.17
Total Operating	5,003.00	28,552.31	33,555.31	5,925.96	27,629.35
Capital Improvements					
Capital Outlay		6,330.00	6,330.00		6,330.00
Total Capital Improvements		6,330.00	6,330.00		6,330.00
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,771.07	1,771.07		1,771.07
Total Regulatory Expenditures		1,771.07	1,771.07		1,771.07
Total Appropriations	$ 5,003.00	$ 36,653.38	$ 41,656.38	$ 5,925.96	$ 35,730.42
Disbursed				$ 5,925.96	

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Sewer Rent Overpayments
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 6,328.30
Increased by:	
Receipts -- Collector	10,292.01
	16,620.31
Decreased by:	
Applied to Consumer Accounts Receivable	12,156.30
Balance December 31, 2025	$ 4,464.01

BOROUGH OF SOMERDALE
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Bonds and Notes
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 1,647.53
Increased by:		
Charged to Budget Appropriation - Interest on Notes and Loans		54,316.24
		55,963.77
Decreased by:		
Interest Paid:		
Cash Disbursements		54,354.26
Balance December 31, 2025		$ 1,609.51

Analysis of Accrued Interest December 31, 2025

Principal Outstanding December 31, 2025	Interest Rate	From	To	Period (Days)	Amount
United States Department of Agriculture Loans:					
$ 2,848,352.52	1.875%	12-20-25	12-31-25	11 Days	$ 1,609.51

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of Reserve for Amortization
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 4,536,328.90
Increased by:		
Capital Outlay -- Operating Budget	$ 2,500.00	
Loans Paid by:		
Budget Appropriation	67,283.74	
		69,783.74
Balance December 31, 2025		$ 4,606,112.64

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2025

Balance December 31, 2024	$	2,915,636.26
Decreased by:		
Principal Paid by Operating Fund		67,283.74
Balance December 31, 2025	$	2,848,352.52

Schedule of United States Department of Agriculture (USDA) Loans Payable December 31, 2025

Interest Rate: 1.875%

Due Date	Phase 1	Phase 2	Phase 3	Balance Dec. 31, 2025
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
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

(Continued)

BOROUGH OF SOMERDALE
SEWER UTILITY CAPITAL FUND
Statement of United States Department of Agriculture (USDA) Loans Payable
For the Year Ended December 31, 2025

Schedule of United States Department of Agriculture Loans Payable December 31, 2025 (Cont'd)

Interest Rate: 1.875%

Due Date	Phase 1	Phase 2	Phase 3	Balance Dec. 31, 2025
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
	$ 1,027,114.59	$ 1,154,877.66	$ 666,360.27	$ 2,848,352.52

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

BOROUGH OF SOMERDALE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2025

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, require.

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

BOROUGH OF SOMERDALE
Officials in Office and Surety Bonds

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

Name	Title	Amount of Surety Bonds
George Badey	Mayor	
Larry Sefchick	Council President	
Dave Alexander	Councilman	
George Ehrmann	Councilman	
Ed Kain	Councilman (until April 30, 2025)	
Barbara Kane	Councilwoman	
Thomas Leakan	Councilman (from 5/14/2025)	
Nicholas Loberto	Councilman	
Valerie Ciminera	Chief Financial Officer	(A)
Laura Zappone	Tax Collector, Collector of Utilities	(A)
Jacquelyn Vicari	Court Administrator, Violations Clerk	(A)
Michele 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	
Greg Fusco	Engineer	
Karen Wharton	Zoning Officer	(A)
Michael DePalma	Construction Code Official	(A)

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

APPRECIATION

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

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant