

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

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BOROUGH OF STRATFORD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Stratford
Stratford, New Jersey 08084

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Stratford, in the County of Camden, State of New Jersey, as of December 31, 2023 and 2022, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of Stratford, in the County of Camden, State of New Jersey, as of December 31, 2023 and 2022, and the results of its operations and changes in reserve for future use and fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2023, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough of Stratford, in the County of Camden, State of New Jersey, as of December 31, 2023 and 2022, or the results of its operations and changes in reserve for future use and fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental statements and schedules, and schedule of expenditures of federal awards 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 12, 2024 on our consideration of the Borough of Stratford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Stratford's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Stratford's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 12, 2024

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Stratford
Stratford, New Jersey 08084

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of Stratford, in the County of Camden, State of New Jersey, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 12, 2024. That report indicated that the Borough of Stratford's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 12, 2024

BOROUGH OF STRATFORD
CURRENT FUND

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

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Cash	SA-1	\$ 1,625,252.58	\$ 1,461,701.47
Change Funds	SA-3	<u>120.00</u>	<u>120.00</u>
		<u>1,625,372.58</u>	<u>1,461,821.47</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	341,992.53	206,549.95
Tax Title Liens Receivable	SA-6	8,673.65	7,924.88
Maintenance Liens Receivable	SA-7	1,381.37	1,643.91
Revenue Accounts Receivable	SA-8	7,181.35	8,183.90
Property Acquired for Taxes (at Assessed Valuation)	SA-9	613,700.00	613,700.00
Prepaid Regional High School Taxes	SA-18		137,495.70
Interfund Accounts Receivable:			
Due from Federal and State Grant Fund	SA-22	1.00	
Due from Animal Control Fund	SB-2		6.73
Due from Trust - Other Fund	SB-7	9,631.27	18,542.46
Due from General Capital Fund	SC-4		<u>383.64</u>
		<u>982,561.17</u>	<u>994,431.17</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	SA-10	<u>15,000.00</u>	<u>35,000.00</u>
		<u>15,000.00</u>	<u>35,000.00</u>
Total Regular Fund		<u>2,622,933.75</u>	<u>2,491,252.64</u>
Federal and State Grant Fund:			
Cash	SA-1		132,273.43
Due from Trust - Other Fund	SB-8	3,347.50	3,347.50
Federal, State and Local Grants Receivable	SA-21	<u>2,346,345.85</u>	<u>934,249.48</u>
Total Federal and State Grant Fund		<u>2,349,693.35</u>	<u>1,069,870.41</u>
Total Assets		<u>\$ 4,972,627.10</u>	<u>\$ 3,561,123.05</u>

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND

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

LIABILITIES, RESERVES AND FUND BALANCE:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	\$ 396,948.63	\$ 418,365.41
Reserve for Encumbrances	A-3, SA-11	44,696.88	32,746.34
Due to Bank	A	0.87	0.87
Due to State of New Jersey - Veterans' and Senior Citizens' Deductions	SA-12	7,484.43	6,734.43
Prepaid Taxes	SA-13	154,823.47	164,982.15
Tax Overpayments	SA-14	5,502.86	1,766.83
Due to County - Added and Omitted Taxes	SA-16	47,179.87	12,198.25
Reserve for Whitman Ave Townhouses	SA-20	7,513.00	7,536.11
Reserve for Master Plan	SA-20	4,298.80	6,093.30
Reserve for Municipal Relief Fund	SA-20	75,166.06	37,590.96
Due to State of New Jersey - Marriage and Civil Unions	SA-20	325.00	
Due to Open Space Trust Fund	SB-1		195.41
		<u>743,939.87</u>	<u>688,210.06</u>
Reserves for Receivables and Other Assets		982,561.17	994,431.17
Fund Balance	A-1	<u>896,432.71</u>	<u>808,611.41</u>
Total Regular Fund		<u>2,622,933.75</u>	<u>2,491,252.64</u>
Federal and State Grant Fund:			
Due to Current Fund	SA-22	1.00	
Due to Sewer Utility Operating Fund	SA-23	510,978.69	
Reserve for Federal and State Grants - Unappropriated	SA-22	1,587.80	366,103.90
Reserve for Encumbrances	SA-23	637,582.53	19,406.35
Reserve for Federal, State and Local Grants - Appropriated	SA-23	<u>1,199,543.33</u>	<u>684,360.16</u>
Total Federal and State Grant Fund		<u>2,349,693.35</u>	<u>1,069,870.41</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,972,627.10</u>	<u>\$ 3,561,123.05</u>

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

BOROUGH OF STRATFORD
CURRENT FUND

Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Surplus Anticipated	\$ 735,000.00	\$ 782,000.00
Miscellaneous Revenues Anticipated	3,979,844.21	2,761,578.99
Receipts from Delinquent Taxes	208,403.99	291,494.62
Receipts from Current Taxes	18,868,804.19	18,849,921.73
Non-Budget Revenues	198,221.79	91,890.38
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	290,635.18	233,028.99
Overpayments Cancelled	3,060.10	
Cancelled Federal and State Grant Fund Unappropriated	1.00	
Liquidation of Reserves for:		
Other		1,049.34
Due from Animal Control Fund	6.73	
Due from Trust - Other Fund	8,911.19	
Due from General Capital Fund	383.64	
	<u>24,293,272.02</u>	<u>23,010,964.05</u>
Total Income		
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,669,861.93	2,711,970.60
Other Expenses	2,008,600.00	2,213,274.63
Deferred Charges and Statutory Expenditures Within "CAPS"	790,291.00	792,560.14
Operations Excluded from "CAPS":		
Salaries and Wages	145,039.26	192,866.87
Other Expenses	2,211,678.23	415,684.92
Capital Improvements Excluded from "CAPS"	315,650.00	526,000.00
Municipal Debt Service Excluded from "CAPS"	675,563.18	744,341.95
Deferred Charges Excluded from "CAPS"	20,000.00	77,500.00
County Taxes Payable	3,558,568.34	3,564,781.26
County Share of Added and Omitted Taxes	47,179.87	12,198.25
Local School District Taxes Payable	8,193,770.00	8,045,127.00
Regional High School Taxes	2,774,386.80	3,007,262.70
Open Space Trust Fund Tax Payable	58,007.07	57,442.77
Deductions Disallowed by Collector -- Prior Year Taxes	1,854.04	
Creation of Reserves for:		
Due from Federal and State Grant Fund	1.00	
Due from Animal Control Fund		5.23
Due from Trust - Other Fund		1,247.97
Due from General Capital Fund		329.04
	<u>23,470,450.72</u>	<u>22,362,593.33</u>
Total Expenditures		

(Continued)

BOROUGH OF STRATFORD
CURRENT FUND
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis
 For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Excess in Revenue	\$ 822,821.30	\$ 648,370.72
<u>Fund Balance</u>		
Balance January 1	<u>808,611.41</u>	<u>942,240.69</u>
	1,631,432.71	1,590,611.41
Decreased by:		
Utilization as Anticipated Revenue	<u>735,000.00</u>	<u>782,000.00</u>
Balance December 31	<u><u>\$ 896,432.71</u></u>	<u><u>\$ 808,611.41</u></u>

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

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Surplus Anticipated	\$ 735,000.00		\$ 735,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	5,000.00		5,000.00	
Other	5,000.00		12,317.00	\$ 7,317.00
Fees and Permits	55,000.00		77,409.00	22,409.00
Fines and Costs:				
Municipal Court	173,000.00		131,561.37	(41,438.63)
Interest and Costs on Taxes	69,000.00		48,735.06	(20,264.94)
Interest on Investments and Deposits	4,800.00		28,184.93	23,384.93
Utility Operating Surplus	118,000.00		118,000.00	
Total Local Revenues	429,800.00		421,207.36	(8,592.64)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	725,613.00		725,613.26	0.26
Reserve for Municipal Relief Fund	37,590.96		37,590.96	
Total State Aid Without Offsetting Appropriations	763,203.96		763,204.22	0.26
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Interlocal Municipal Service Agreements Offset With Appropriations Shared Services School Resource Officer	75,000.00		81,317.42	6,317.42
Total Interlocal Municipal Service Agreement Offset with Appropriations	75,000.00		81,317.42	6,317.42
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Alcohol Education and Rehabilitation Grant		\$ 3,504.45	3,504.45	
COVID ARP State and Local Fiscal Recovery Funding		63,984.90	63,984.90	
Body Armor Replacement Fund	1,413.19		1,413.19	
Camden County DWI Task Force		39,900.00	39,900.00	
Camden County College History Grant	2,500.00		2,500.00	
Camden County Recreational Facility Grant		25,000.00	25,000.00	
Clean Communities Program		15,971.02	15,971.02	
Community Development Block Grant -- 2022 ADA Improvements	250,000.00		250,000.00	
2023 Coolidge, Wellington & Bryant		577,100.00	577,100.00	
Distracted Driver Statewide Crackdown	7,000.00		7,000.00	
DWI Sobriety Checkpoint	1,610.00	1,120.00	2,730.00	
FEMA Assistance to Firefighter Grant Program	33,000.00		33,000.00	
FEMA COVID Municipal Grant	11,506.77		11,506.77	
FEMA (SAFER) Fire EMS Grant	479,662.00		479,662.00	
2023 Local Recreation Improvement Grant	81,000.00		81,000.00	
Municipal Alliance Against Drug and Alcohol Abuse		13,390.00	13,390.00	
Municipal Alliance DMHAS Youth Leadership Grant		7,500.00	7,500.00	
NJDEP Stormwater Assistance		25,000.00	25,000.00	
New Jersey Department of Transportation Trust Fund 2023 Grant	284,650.00		284,650.00	
Pedestrian Safety and Education Fund	705.81		704.81	(1.00)
Recycling Tonnage Grant	9,270.00		9,270.00	
Safe and Secure Community Program - P.L. 1994, Chapter 220	16,200.00		16,200.00	
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations	1,178,517.77	772,470.37	1,950,987.14	(1.00)

(Continued)

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

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Property Maintenance	\$ 13,500.00		\$ 15,820.00	\$ 2,320.00
Library Property Maintenance	5,500.00		5,500.00	
Delaware River Port Authority	15,000.00		15,000.00	
Conrail Property Maintenance	3,300.00		3,300.00	
Cable Television Franchise Fees	25,672.46		25,672.46	
Contributions from Rowan University	50,000.00		50,000.00	
Payments In Lieu of Taxes - Jefferson Hospital	205,860.00		205,860.00	
Payments In Lieu of Taxes - Stratford Square	122,740.40		126,818.27	4,077.87
Coronavirus Local Fiscal Recovery Funds	300,000.00		300,000.00	
Uniform Fire Safety Act	1,400.00		15,157.34	13,757.34
	<u>742,972.86</u>		<u>763,128.07</u>	<u>20,155.21</u>
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items				
	<u>742,972.86</u>		<u>763,128.07</u>	<u>20,155.21</u>
Total Miscellaneous Revenues Anticipated	<u>3,189,494.59</u>	<u>\$ 772,470.37</u>	<u>3,979,844.21</u>	<u>17,879.25</u>
Receipts from Delinquent Taxes	<u>209,327.00</u>		<u>208,403.99</u>	<u>(923.01)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	4,176,055.04		4,456,606.49	280,551.45
Minimum Library Tax	173,812.42		173,812.42	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>4,349,867.46</u>		<u>4,630,418.91</u>	<u>280,551.45</u>
Total General Revenues	8,483,689.05	772,470.37	9,553,667.11	297,507.69
Non-Budget Revenues			<u>198,221.79</u>	<u>198,221.79</u>
Total Revenues	<u>\$ 8,483,689.05</u>	<u>\$ 772,470.37</u>	<u>\$ 9,751,888.90</u>	<u>\$ 495,729.48</u>

(Continued)

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

Analysis of Realized Revenues

Allocation of Current Tax Collections:		
Revenue from Collections		\$ 18,868,804.19
Allocated to:		
Schools, County Taxes and Open Space Trust Fund		<u>14,656,385.28</u>
Balance for Support of Municipal Budget Appropriations		4,212,418.91
Add: Appropriation "Reserve for Uncollected Taxes"		<u>418,000.00</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 4,630,418.91</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections		<u>\$ 208,403.99</u>
Interest Earned on Investments and Deposits:		
Revenue Accounts Receivable:		
Collections by Treasurer	\$ 16,335.27	
Due from Animal Control Fund	101.73	
Due from Trust - Other Fund	6,938.70	
Due from General Capital Fund	<u>4,809.23</u>	
		<u>\$ 28,184.93</u>

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:		
Treasurer:		
Receipts:		
Administration Fees	\$ 22,615.74	
FEMA Reimbursement	5,093.06	
Insurance Safety Award	300.00	
Land Use Application	2,900.00	
Marriage and Civil Unions	1,000.00	
Miscellaneous Refunds and Cancellations	9,382.12	
Payment in Lieu of Taxes	99,031.84	
Police Fees and Permits	5,870.00	
Redevelopment Agreement	15,000.00	
Rents	3,700.00	
Sale of Assets	2,475.00	
Settlement	17,414.03	
State Motor Vehicle Inspections	1,240.00	
Vacant Property Registrations	<u>12,200.00</u>	
		<u>\$ 198,221.79</u>

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

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	\$ 213,197.61	\$ 213,197.61	\$ 212,751.17		\$ 446.44	
Other Expenses	36,670.00	36,670.00	28,524.74	\$ 625.52	7,519.74	
Elections:						
Other Expenses	7,500.00	7,500.00	4,622.38		2,877.62	
Financial Administration (Treasury):						
Salaries and Wages	76,364.38	76,364.38	76,269.39		94.99	
Other Expenses	7,600.00	7,600.00	5,768.48	359.00	1,472.52	
Audit Services:						
Other Expenses	45,500.00	45,500.00	45,500.00			
Collection of Taxes						
Salaries and Wages	76,379.91	76,379.91	75,982.82		397.09	
Other Expenses	12,000.00	12,000.00	10,604.15	16.25	1,379.60	
Assessment of Taxes:						
Salaries and Wages	18,585.00	18,585.00	18,585.00			
Other Expenses	10,550.00	10,550.00	9,463.17	28.46	1,058.37	
Legal Services and Costs						
Other Expenses	80,000.00	67,800.00	42,477.91		25,322.09	
Engineering Services and Costs						
Other Expenses	14,000.00	14,000.00	4,793.75	145.00	9,061.25	
Land Use Administration:						
Municipal Land Use Law (N.J.S.. 40:55D-1)						
Planning Board						
Salaries and Wages	6,948.41	6,948.41	5,661.41		1,287.00	
Other Expenses	10,500.00	10,500.00	5,711.09		4,788.91	
Insurance:						
Other Insurance Premiums	120,000.00	120,000.00	116,103.64		3,896.36	
Worker Compensation Insurance	50,715.00	50,715.00	50,715.00			
Group Insurance for Employees	752,695.00	750,445.00	666,184.24	3,795.78	80,464.98	
Health Benefits Waivers	17,250.00	19,500.00	19,500.00			

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Safety Functions:						
Police						
Salaries and Wages	\$ 1,485,764.79	\$ 1,485,764.79	\$ 1,414,811.43		\$ 70,953.36	
Salaries and Wages (ARP)	300,000.00	300,000.00	300,000.00			
Other Expenses	107,200.00	107,200.00	88,717.64	\$ 10,735.89	7,746.47	
Fire						
Fire Hydrant Service	69,000.00	69,000.00	62,198.40		6,801.60	
Fire Department	48,000.00	48,000.00	34,592.45	13,192.86	214.69	
Uniform Fire Safety and Inspection Act						
Salaries and Wages	13,000.00	13,000.00	12,490.00		510.00	
Other Expenses	1,800.00	1,800.00	1,733.50		66.50	
Public Work Functions:						
Public Works Department:						
Salaries and Wages	150,491.83	150,491.83	131,697.78		18,794.05	
Other Expenses	19,000.00	25,200.00	21,588.61	244.40	3,366.99	
Solid Waste Collection						
Salaries and Wages	301,290.00	301,290.00	289,767.93		11,522.07	
Other Expenses	12,000.00	12,000.00	5,814.03	462.43	5,723.54	
Public Buildings and Grounds						
Other Expenses	29,650.00	29,650.00	22,136.23	902.46	6,611.31	
Shade Tree Commission						
Other Expenses	2,000.00	2,000.00	1,900.00		100.00	
Maintenance of Motor Vehicles:						
Other Expenses	28,000.00	28,000.00	15,199.72	1,178.84	11,621.44	
Health and Human Services Functions:						
Board of Health						
Salaries and Wages	17,840.00	17,840.00	16,471.70		1,368.30	
Other Expenses	1,000.00	1,000.00	573.49	106.50	320.01	
Environmental Commission (N.J.S.. 40:56A-1)						
Other Expenses	2,500.00	2,500.00			2,500.00	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Utility Expenses and Bulk Purchases:						
Electricity	\$ 48,000.00	\$ 48,000.00	\$ 42,866.85		\$ 5,133.15	
Street Lighting	25,000.00	29,000.00	23,870.36		5,129.64	
Telephone	17,600.00	17,600.00	13,923.22	\$ 150.00	3,526.78	
Water	3,500.00	3,500.00	1,272.18	103.04	2,124.78	
Gas (Natural or Propane)	16,000.00	22,000.00	16,204.15		5,795.85	
Sewerage Processing and Disposal	1,760.00	1,760.00	1,408.00		352.00	
Gasoline	120,100.00	110,100.00	76,098.05	2,602.31	31,399.64	
Landfill / Solid Waste Disposal Costs:						
Solid Waste Disposal	275,310.00	275,310.00	233,260.98		42,049.02	
Other Common Operating Functions (Unclassified)						
Compensated Absences	10,000.00	10,000.00	10,000.00			
Celebration of Public Events, Anniversaries or Holiday						
Other Expenses	22,200.00	22,200.00	17,929.96	3,908.47	361.57	
Total Operations Including Contingent - within "CAPS"	4,684,461.93	4,678,461.93	4,255,745.00	38,557.21	384,159.72	
Detail:						
Salaries and Wages	2,669,861.93	2,669,861.93	2,564,488.63		105,373.30	
Other Expenses (Including Contingent)	2,014,600.00	2,008,600.00	1,691,256.37	38,557.21	278,786.42	
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
MUNICIPAL -- WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees Retirement System	120,465.00	120,465.00	120,465.00			
Police and Firemen's Retirement System of N.J.	456,316.00	456,316.00	456,316.00			
Defined Contribution Retirement Program	10.00	10.00			10.00	
Unemployment Compensation Insurance	7,500.00	13,500.00	1,501.40		11,998.60	
Social Security System (O.A.S.I.)	200,000.00	200,000.00	199,844.69		155.31	
Total Deferred Charges and Statutory Expenditures						
Municipal -- Within "CAPS"	784,291.00	790,291.00	778,127.09		12,163.91	
Total General Appropriations for Municipal Purposes --						
Within "CAPS"	5,468,752.93	5,468,752.93	5,033,872.09	\$ 38,557.21	396,323.63	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged			Unexpended Balance Canceled
			Expended	Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library						
Other Expenses	\$ 173,812.42	\$ 173,812.42	\$ 173,812.42			
Group Insurance for Employees - Outside CAP	59,305.00	59,305.00	59,305.00			
Solid Waste Disposal - Outside CAP	77,690.00	77,690.00	77,690.00			
Police and Firemen's Retirement System of N.J. - Outside CAP	50,019.00	50,019.00	50,019.00			
Worker Compensation Insurance - Outside CAP	9,285.00	9,285.00	9,285.00			
Total Other Operations - Excluded from "CAPS"	370,111.42	370,111.42	370,111.42			
Interlocal Municipal Service Agreements:						
Municipal Court Shared Service	212,000.00	212,000.00	212,000.00			
School Resource Officer (Outside CAP)	75,000.00	75,000.00	75,000.00			
Total Interlocal Municipal Service Agreements	287,000.00	287,000.00	287,000.00			
Additional Appropriations Offset by Revenues (N.J.S. 40A:4-45.3h):						
PILOT to Stratford School District	24,532.76	24,532.76	24,532.76			
PILOT to Camden County	6,139.67	6,139.67		\$ 6,139.67		
Total Additional Appropriations Offset by Revenues	30,672.43	30,672.43	24,532.76	6,139.67		
Public and Private Programs Offset by Revenues:						
Alcohol Education and Rehabilitation (N.J.S. 40A:4-87, \$3,504.45+)		3,504.45	3,504.45			
Body Armor Replacement Fund	1,413.19	1,413.19	1,413.19			
Camden County DWI Task Force (N.J.S 40A:4-87, \$39,900.00+)		39,900.00	39,900.00			
Camden County College History Grant	2,500.00	2,500.00	2,500.00			
Camden County Recreational Facility Grant (N.J.S. 40A:4-87, \$25,000.00+)		25,000.00	25,000.00			
Clean Communities Program (N.J.S. 40A:4-87, \$15,971.02+)		15,971.02	15,971.02			
Community Development Block Grant --						
2022 ADA Improvements	250,000.00	250,000.00	250,000.00			
2023 Coolidge, Wellington & Bryant (N.J.S.40A:4-87, \$577,100.00+)		577,100.00	577,100.00			
COVID ARP State and Local Fiscal Recovery Funding (N.J.S. 40A:4-87, \$63,984.90+)		63,984.90	63,984.90			
Distracted Driver Statewide Crackdown	7,000.00	7,000.00	7,000.00			
DWI Sobriety Checkpoint (N.J.S. 40A:4-87, \$1,120.00+)	1,610.00	2,730.00	2,730.00			
FEMA - Assistance to Firefighters Grant	33,000.00	33,000.00	33,000.00			
FEMA - COVID Municipal Finance Grant	11,506.77	11,506.77	11,506.77			
FEMA (SAFER) Fire EMS Grant	479,662.00	479,662.00	479,662.00			

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Public and Private Programs Offset by Revenues (Cont'd):						
2023 Local Recreation Improvement Grant	\$ 81,000.00	\$ 81,000.00	\$ 81,000.00			
Municipal Alliance Against Drug and Alcohol Abuse - Local Match	2,596.50	2,596.50	2,596.50			
Municipal Alliance Against Drug and Alcohol Abuse (N.J.S. 40A:4-87, \$13,390.00+)		13,390.00	13,390.00			
Municipal Alliance DMHAS Youth Grant (N.J.S. 40A:4-87, \$7,500.00+)		7,500.00	7,500.00			
NJDEP Stormwater Assistance (N.J.S. 40A:4-87, \$25,000.00+)		25,000.00	25,000.00			
Pedestrian Safety and Education Fund	704.81	704.81	704.81			
Recycling Tonnage Grant	9,270.00	9,270.00	9,270.00			
Safe and Secure Grant Program (N.J.S. 40A:4-87, \$16,200.00+)	16,200.00	16,200.00	16,200.00			
	<u>896,463.27</u>	<u>1,668,933.64</u>	<u>1,668,933.64</u>			
Total Public and Private Programs Offset by Revenues						
Total Operations -- Excluded from "CAPS"	<u>1,584,247.12</u>	<u>2,356,717.49</u>	<u>2,350,577.82</u>	\$ 6,139.67		
Detail:						
Salaries and Wages	100,514.81	145,039.26	145,039.26			
Other Expenses	1,483,732.31	2,211,678.23	2,205,538.56	6,139.67		
	<u>1,584,247.12</u>	<u>2,356,717.49</u>	<u>2,350,577.82</u>	<u>6,139.67</u>		
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	30,000.00	30,000.00	30,000.00			
Capital Outlay -- Computers	1,000.00	1,000.00	375.00		\$ 625.00	
Public and Private Programs Offset by Revenues:						
New Jersey Department of Transportation Trust Fund 2023 Grant	284,650.00	284,650.00	284,650.00			
	<u>284,650.00</u>	<u>284,650.00</u>	<u>284,650.00</u>			
Total Capital Improvement Excluded from "CAPS"	<u>315,650.00</u>	<u>315,650.00</u>	<u>315,025.00</u>		<u>625.00</u>	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	586,039.00	586,039.00	586,039.00			
Interest on Notes	91,000.00	91,000.00	89,524.18			\$ 1,475.82
	<u>677,039.00</u>	<u>677,039.00</u>	<u>675,563.18</u>			<u>1,475.82</u>
Total Municipal Debt Service -- Excluded from "CAPS"						

(Continued)

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
			<u>Expended</u>	<u>Encumbered</u>	<u>Reserved</u>	
DEFERRED CHARGES - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00			
Total Deferred Charges - Municipal -- Excluded from "CAPS"	<u>20,000.00</u>	<u>20,000.00</u>	<u>20,000.00</u>			
Total General Appropriations for Municipal Purposes -- Excluded from "CAPS"	<u>2,596,936.12</u>	<u>3,369,406.49</u>	<u>3,361,166.00</u>	\$ 6,139.67	\$ 625.00	\$ 1,475.82
Subtotal General Appropriations	8,065,689.05	8,838,159.42	8,395,038.09	44,696.88	396,948.63	1,475.82
Reserve for Uncollected Taxes	<u>418,000.00</u>	<u>418,000.00</u>	<u>418,000.00</u>			
Total General Appropriations	<u>\$ 8,483,689.05</u>	<u>\$ 9,256,159.42</u>	<u>\$ 8,813,038.09</u>	<u>\$ 44,696.88</u>	<u>\$ 396,948.63</u>	<u>\$ 1,475.82</u>
Appropriated by N.J.S. 40A:4-87 Budget		\$ 772,470.37 <u>8,483,689.05</u>				
		<u>\$ 9,256,159.42</u>				
Refunds:						
Receipts			\$ (133,767.29)			
Reserve for Federal and State Grants -- Appropriated			1,950,987.14			
Due Trust Other Funds - Local Match Municipal Alliance			2,596.50			
Due General Capital Fund						
Capital Improvement Fund			30,000.00			
Deferred Charges						
Special Emergencies			20,000.00			
Reserve for Uncollected Taxes			418,000.00			
Disbursements			<u>6,525,221.74</u>			
			<u>\$ 8,813,038.09</u>			

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

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

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 11,836.33	\$ 16,442.14
Total Animal Control Fund		<u>11,836.33</u>	<u>16,442.14</u>
Municipal Open Space Trust Fund:			
Cash	SB-1	19,257.12	19,137.42
Due from Current Fund	SB-1		195.41
Total Municipal Open Space Trust Fund		<u>19,257.12</u>	<u>19,332.83</u>
Other Funds:			
Cash	SB-1	944,975.46	1,129,158.32
Total Other Funds		<u>944,975.46</u>	<u>1,129,158.32</u>
Total Assets		<u>\$ 976,068.91</u>	<u>\$ 1,164,933.29</u>

(Continued)

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

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
LIABILITIES AND RESERVES:			
Animal Control Fund:			
Due to Current Fund	SB-2		\$ 6.73
Due to State of New Jersey -- Registration Fees	SB-3	\$ 2.40	
Reserve for Animal Control Fund Expenditures	SB-4	11,433.93	16,434.21
Reserve for Encumbrances	SB-5	400.00	1.20
Total Animal Control Fund		<u>11,836.33</u>	<u>16,442.14</u>
Municipal Open Space Trust Fund:			
Reserve for Future Use	SB-6	19,043.03	11,707.83
Reserve for Encumbrances	SB-6	214.09	7,625.00
Total Municipal Open Space Trust Fund		<u>19,257.12</u>	<u>19,332.83</u>
Other Funds:			
Due Current Fund	SB-7	9,631.27	18,542.46
Due Federal and State Grant Fund	SB-8	3,347.50	3,347.50
Due to State of New Jersey -- DCA Fees	SB-9	1,316.08	1,268.08
Reserve for Encumbrances	SB-10	4,566.70	15,938.83
Miscellaneous Trust Reserves:			
Compensated Absences	SB-10	24,566.39	10,768.49
Dedicated Funds Collected for Penalties	SB-10	5,669.58	1,868.23
Developers' Escrow	SB-10	183,715.41	120,773.85
Economic Development Commission	SB-10	204.05	204.05
Green Team	SB-10	1,005.11	1,005.11
Historical Preservation	SB-10	1,330.43	2,437.57
Municipal Alliance Grant	SB-10	34,700.82	32,841.07
Outside Liens Redemption	SB-10	10,971.46	62,019.98
Tax Title Lien Premiums	SB-10	335,800.00	616,200.00
Outside Police Employment	SB-10	67,514.10	90,285.30
Parking Offense Adjudication Act	SB-10	578.00	528.00
Payroll Deductions Payable	SB-10	36,700.33	29,352.08
Police Training	SB-10	4,783.62	4,338.61
Public Defender	SB-10	11,457.00	11,457.00
Snow Removal	SB-10	10,932.00	13,827.00
Special Law Enforcement	SB-10	8,462.96	8,177.45
Unemployment Claims Payable	SB-10	35,762.69	32,768.03
Uniform Construction Code and Local Enforcement Agency	SB-10	151,959.96	51,209.63
Total Other Funds		<u>944,975.46</u>	<u>1,129,158.32</u>
Total Liabilities and Reserves		<u>\$ 976,068.91</u>	<u>\$ 1,164,933.29</u>

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

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE FUND
 Statements of Operations and Changes in Reserve for Future Use -- Regulatory Basis
 For the Years Ended December 31, 2022 and 2021

	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED:		
Amount to be Raised by Taxation	\$ 58,007.07	\$ 57,442.77
Interest on Investments and Deposits	134.09	42.77
Miscellaneous		2,500.00
Unexpended Balance of Appropriation Reserves	<u>7,625.00</u>	<u>4,614.55</u>
Total Income	<u>65,766.16</u>	<u>64,600.09</u>
EXPENDITURES:		
Budget Appropriations:		
Other Expenses	49,206.16	57,247.36
Downpayment on Improvements	2,500.00	
Reserve for Future Use - Other Expenses	<u>6,724.80</u>	<u>31,927.29</u>
Total Expenditures	<u>58,430.96</u>	<u>89,174.65</u>
Excess (Deficit) in Revenue	7,335.20	(24,574.56)
RESERVE FOR FUTURE USE:		
Balance January 1,	<u>11,707.83</u>	<u>36,282.39</u>
Balance December 31,	<u>\$ 19,043.03</u>	<u>\$ 11,707.83</u>

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

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE TRUST FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2023

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Amount to be Raised by Taxation	\$ 57,247.36	\$ 58,007.07	\$ 759.71
Miscellaneous		<u>134.09</u>	<u>134.09</u>
	<u>\$ 57,247.36</u>	<u>\$ 58,141.16</u>	<u>\$ 893.80</u>
 Analysis of Realized Revenues:			
Receipts:			
Amount to be Raised by Taxation;			
Municipal Open Space Tax Levy	\$ 57,247.36		
Added and Omitted Taxes	<u>759.71</u>		
		\$ 58,007.07	
Miscellaneous:			
Interest Earned on Deposits		<u>134.09</u>	
		<u>\$ 58,141.16</u>	

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

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE TRUST FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2023

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Lapsed to Reserve</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbered</u>	
Operating:					
Development of Lands for Recreation and Conservation:					
Other Expenses	\$ 28,623.68	\$ 28,623.68	\$ 28,453.55	\$ 170.13	
Maintenance of Lands for Recreation and Conservation:					
Other Expenses	23,623.68	23,623.68	20,538.52	43.96	\$ 3,041.20
Downpayment on Improvements	<u>5,000.00</u>	<u>5,000.00</u>	<u>2,500.00</u>		<u>2,500.00</u>
	<u>\$ 57,247.36</u>	<u>\$ 57,247.36</u>	<u>\$ 51,492.07</u>	<u>\$ 214.09</u>	<u>\$ 5,541.20</u>

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

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
 As of December 31, 2023 and 2022

ASSETS:	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	SC-1	\$ 256,541.17	\$ 1,036,273.36
Deferred Charges to Future Taxation:			
Unfunded	SC-3	<u>3,427,232.25</u>	<u>3,395,771.25</u>
Total Assets		<u>\$ 3,683,773.42</u>	<u>\$ 4,432,044.61</u>
LIABILITIES AND RESERVES:			
Due to Current Fund	SC-4		\$ 383.64
Improvement Authorizations:			
Funded	SC-5	\$ 2,450.00	3,446.04
Unfunded	SC-5	545,120.40	529,794.35
Reserve for Encumbrances	SC-6	85,610.36	83,391.00
Contracts Payable	SC-7	235,096.58	413,494.50
Capital Improvement Fund	SC-8	5,763.83	5,763.83
Bond Anticipation Notes	SC-9	<u>2,809,732.25</u>	<u>3,395,771.25</u>
Total Liabilities and Reserves		<u>\$ 3,683,773.42</u>	<u>\$ 4,432,044.61</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY FUNDS
 Statements of Assets, Liabilities, Reserves and Fund Balance-- Regulatory Basis
 As of December 31, 2023 and 2022

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash and Investments	SD-1	\$ 686,396.44	1,215,557.32
Change Fund	D	20.00	20.00
Due from Federal and State Grant Fund	SD-1	510,978.69	
Due from Sewer Utility Capital Fund	SD-4		27.33
		<u>1,197,395.13</u>	<u>1,215,604.65</u>
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-5	<u>24,035.98</u>	<u>23,486.71</u>
Total Operating Fund		<u>1,221,431.11</u>	<u>1,239,091.36</u>
Capital Fund:			
Cash	SD-1	56,413.45	74,717.90
Fixed Capital	SD-6	3,523,942.36	3,523,942.36
Fixed Capital Authorized and Uncompleted	SD-7	<u>300,000.00</u>	<u>170,000.00</u>
Total Capital Fund		<u>3,880,355.81</u>	<u>3,768,660.26</u>
		<u>\$ 5,101,786.92</u>	<u>\$ 5,007,751.62</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3/SD-8	\$ 39,331.95	30,814.24
Reserve for Encumbrances	D-3/SD-8	611.24	133.05
Prepaid Sewer Rents	SD-9	1,755.22	2,329.10
Accrued Interest on Bond Anticipation Notes	SD-10	<u>2,090.87</u>	<u>1,949.79</u>
		<u>43,789.28</u>	<u>35,226.18</u>
Reserve for Receivables		24,035.98	23,486.71
Fund Balance	D-1	<u>1,153,605.85</u>	<u>1,180,378.47</u>
Total Operating Fund		<u>1,221,431.11</u>	<u>1,239,091.36</u>
Capital Fund:			
Due to Sewer Utility Operating Fund	SD-4		27.33
Improvement Authorizations - Unfunded	SD-11	183,718.45	74,690.57
Reserve for Encumbrances	SD-11	2,695.00	
Reserve for Amortization	SD-12	3,540,742.36	3,506,642.36
Bond Anticipation Notes	SD-13	<u>153,200.00</u>	<u>187,300.00</u>
Total Capital Fund		<u>3,880,355.81</u>	<u>3,768,660.26</u>
		<u>\$ 5,101,786.92</u>	<u>\$ 5,007,751.62</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Fund Balance--Regulatory Basis
 For the Years Ended December 31, 2023 and 2022

<u>Revenue and Other</u>		
<u>Income Realized</u>	<u>2023</u>	<u>2022</u>
Operating Surplus Anticipated	\$ 167,800.00	\$ 167,800.00
Sewer Rents and Liens	455,065.88	442,953.84
Miscellaneous	49,040.30	14,129.18
Unexpended Balance of Appropriation Reserves	<u>25,533.73</u>	<u>52,033.22</u>
Total Income	<u>697,439.91</u>	<u>676,916.24</u>
 <u>Expenditures</u>		
Operating	372,912.83	365,534.24
Debt Service	40,319.70	36,588.19
Deferred Charges and Regulatory Expenditures	25,180.00	25,650.00
Surplus - General Budget	<u>118,000.00</u>	<u>104,012.50</u>
Total Expenditures	<u>556,412.53</u>	<u>531,784.93</u>
Excess in Revenue	141,027.38	145,131.31
 <u>Fund Balance</u>		
Balance Jan. 1	<u>1,180,378.47</u>	<u>1,203,047.16</u>
	1,321,405.85	1,348,178.47
Decreased by:		
Utilized as Revenue	<u>167,800.00</u>	<u>167,800.00</u>
Balance Dec. 31	<u>\$ 1,153,605.85</u>	<u>\$ 1,180,378.47</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2023

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Sewer Operating Surplus Anticipated	\$ 167,800.00	\$ 167,800.00	
Sewer Rents	388,792.83	455,065.88	\$ 66,273.05
Miscellaneous	8,600.00	49,040.30	40,440.30
	<u>\$ 565,192.83</u>	<u>\$ 671,906.18</u>	<u>\$ 106,713.35</u>

Analysis of Realized Revenues:

Sewer Rents Receivable:

Collections	\$ 452,736.78
Prepayments Applied	<u>2,329.10</u>
	<u>\$ 455,065.88</u>

Miscellaneous:

Treasurer:

Interest Earned on Deposits	\$ 14,291.74
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Collector:

Connection Fees	27,210.00
Interest and Costs on Delinquent Accounts	7,057.89

Due from Sewer Utility Capital Fund:

Interest Earned on Deposits	<u>480.67</u>
	<u>\$ 49,040.30</u>

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

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2023

	<u>Appropriations</u>		<u>Paid or Charged</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Encumbrances</u>	<u>Reserves</u>	
Operating:						
Salaries and Wages	\$ 189,912.83	\$ 189,912.83	\$ 179,225.73		\$ 10,687.10	
Other Expenses	183,000.00	183,000.00	156,129.97	\$ 611.24	26,258.79	
Total Operating	<u>372,912.83</u>	<u>372,912.83</u>	<u>335,355.70</u>	<u>611.24</u>	<u>36,945.89</u>	
Debt Service:						
Payment of Bond Anticipation Notes	34,100.00	34,100.00	\$ 34,100.00			
Interest on Notes	15,000.00	15,000.00	6,219.70			\$ 8,780.30
Total Debt Service	<u>49,100.00</u>	<u>49,100.00</u>	<u>40,319.70</u>			<u>8,780.30</u>
Deferred Charges and Regulatory Expenditures:						
Regulatory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	15,000.00	15,000.00	12,704.51		2,295.49	
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)	180.00	180.00	89.43		90.57	
Public Employees Retirement System	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Regulatory Expenditures	<u>25,180.00</u>	<u>25,180.00</u>	<u>22,793.94</u>		<u>2,386.06</u>	
Surplus (General Budget)	<u>118,000.00</u>	<u>118,000.00</u>	<u>118,000.00</u>			
	<u>\$ 565,192.83</u>	<u>\$ 565,192.83</u>	<u>\$ 516,469.34</u>	<u>\$ 611.24</u>	<u>\$ 39,331.95</u>	<u>\$ 8,780.30</u>
Disbursements			\$ 520,128.07			
Accrued Interest on Notes			6,219.70			
Receipts -- Refunds			(9,878.43)			
			<u>\$ 516,469.34</u>			

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

BOROUGH OF STRATFORD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts -- Regulatory Basis
For the Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2023</u>
General Fixed Assets:				
Construction in Progress		\$ 204,381.20		\$ 204,381.20
Land (at Assessed Valuation)	\$ 996,900.00			996,900.00
Buildings	2,554,252.14	92,755.75		2,647,007.89
Equipment	174,498.40	22,248.00		196,746.40
Fire Equipment	59,692.20	13,836.00		73,528.20
Vehicles	3,199,139.81	205,787.19		3,404,927.00
	<hr/>			
Total General Fixed Assets	\$ 6,984,482.55	\$ 334,626.94	\$ -	\$ 7,523,490.69
	<hr/>			
Total Investment in General Fixed Assets	\$ 6,984,482.55	\$ 334,626.94	\$ -	\$ 7,523,490.69
	<hr/>			

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Stratford (hereafter referred to as the "Borough") was incorporated as a Borough by an act of the New Jersey legislature on February 13, 1925, from Clementon Township and is one of seven municipalities created from the now-defunct Township. The Borough, located in Camden County, New Jersey, has a total area of 1.548 square miles, and is located approximately sixteen- and one-half miles from the City of Philadelphia. The Borough borders Gloucester Township, and the Boroughs of Hi-Nella, Laurel Springs, Lindenwold, and Somerdale. According to the 2020 census, the population is 6,981.

The Borough is governed under the Mayor-Council form of government, with a six-member Borough Council and a Mayor. The Borough Council members are elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with two seats coming up for election each year. The mayor is elected directly by the voters for a four-year term of office. Legislative and executive power is vested in the Council.

Component Units - The financial statements of the component units of the Borough are not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Stratford Public Library
303 Union Avenue
Stratford, New Jersey 08084

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd) - 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.

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its current, municipal open space, and sewer utility operating 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.

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

Cash, Cash Equivalents, and Investments (Cont'd) - 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.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (2 CFR Part 225), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985, are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

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

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.

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 Stratford 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 Stratford School District and the Sterling Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31. For the regional high school district, operations is charged for the Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2022, and decreased by the amount deferred at December 31, 2023.

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

Library Taxes - The municipality is responsible for levying, collecting and remitting library taxes for the Stratford Public Library. The amount of the library tax is a separate local levy tax and is remitted to the library through the municipal budget.

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

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.

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

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

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

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

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2023, the Borough's bank balances of \$3,669,128.24 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,970,619.58
Uninsured and Uncollateralized	<u>698,508.66</u>
Total	<u>\$ 3,669,128.24</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 4.622</u>	<u>\$ 4.659</u>	<u>\$ 4.506</u>	<u>\$ 4.427</u>	<u>\$ 4.424</u>
Apportionment of Tax Rate:					
Municipal	\$ 1.018	\$ 1.018	\$.990	\$.946	\$.949
Municipal Library	.042	.040	.037	.036	.036
Municipal Open Space	.014	.014	.014	.014	.014
County	.868	.874	.873	.869	.866
Local School	1.998	1.972	1.929	1.897	1.875
Regional High School	.682	.741	.663	.665	.684

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 410,189,378.00
2022	408,025,091.00
2021	409,457,891.00
2020	409,695,500.00
2019	408,205,700.00

Note 3: PROPERTY TAXES (CONT'D)

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

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2023	\$ 19,210,246.19	\$ 18,868,804.19	98.22%
2022	19,074,874.98	18,849,921.73	98.82%
2021	18,453,266.43	18,142,925.84	98.32%
2020	18,143,848.54	17,874,829.80	98.52%
2019	18,320,927.12	17,813,767.85	97.23%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 8,673.65	\$ 341,992.53	\$ 350,666.18	1.83%
2022	7,924.88	206,549.95	214,474.83	1.12%
2021	7,142.17	288,427.92	295,570.09	1.60%
2020	6,385.16	268,102.19	274,487.35	1.51%
2019	5,641.42	513,491.55	519,132.97	2.83%

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

<u>Year</u>	<u>Number</u>
2023	2
2022	2
2021	2
2020	2
2019	2

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2023	\$ 613,700.00
2022	613,700.00
2021	613,700.00
2020	613,700.00
2019	613,700.00

Note 5: SEWER UTILITY SERVICE CHARGES

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

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2023	\$ 23,486.71	None	\$ 455,615.15	\$ 479,101.86	\$ 455,065.88
2022	25,863.07	None	440,577.48	466,440.55	442,953.84
2021	18,678.55	None	439,992.61	458,671.16	432,808.09
2020	14,882.62	None	440,636.66	455,519.28	436,840.73
2019	17,378.91	None	443,135.01	460,513.92	445,631.30

Note 6: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 896,432.71	\$ 800,000.00	89.24%
2022	808,611.41	735,000.00	90.90%
2021	942,240.69	782,000.00	82.99%
2020	1,136,951.63	782,000.00	68.78%
2019	1,180,052.89	606,225.00	51.37%

Sewer Utility Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2023	\$ 1,153,605.85	\$ 133,450.49	11.57%
2022	1,180,378.47	167,800.00	14.22%
2021	1,203,047.16	167,800.00	13.95%
2020	1,092,163.30	30,000.00	2.75%
2019	1,030,298.48	28,200.00	2.74%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves, and fund balance as of December 31, 2023:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 9,632.27	
Federal and State Grant	3,347.50	\$ 510,979.69
Trust - Other		12,978.77
Sewer Utility - Operating	<u>510,978.69</u>	
	<u>\$ 523,958.46</u>	<u>\$ 523,958.46</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2024, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: 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, Borough employees may participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. 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>

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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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 21, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010, and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

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

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

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, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Special Funding Situation Component (Cont'd) - The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2023, was 20.17% 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, 2023, the Employers's contractually required contribution to the pension plan for the year ended December 31, 2023, is \$138,355.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022, was \$130,465.00, which was paid on April 1, 2023.

Employee contributions to the Plan during the year ended December 31, 2023, were \$52,830.50.

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, 2023, was .68% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2023, 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, 2023, was \$4,676.00. For the prior year measurement date of June 30, 2022, 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, 2022, was \$3,285.00.

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.

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

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

The Employer's contractually required contribution rate for the year ended December 31, 2023, was 37.69 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, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023, is \$503,688.00, and is payable by April 1, 2024. 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, 2022, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2022, was \$506,335.00, which was paid on April 1, 2023.

Employee contributions to the Plan for the year ended December 31, 2023, were \$134,494.70.

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, 2023, was 6.59% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023, was \$88,094.00, and is payable by April 1, 2024. For the prior year measurement date of June 30, 2022, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2022, was \$98,737.00, which was paid on April 1, 2023.

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, 2023, there were no Borough employees participating in this plan.

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

Pension Liability - As of December 31, 2023, 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 \$1,499,397.00. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. 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, 2023, measurement date, the Employer's proportion was .0103518278%, which was an increase of .0000060679% from its proportion measured as of June 30, 2022.

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2023, measurement date was (\$24,844.00). 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, 2023, the Employer's contribution to PERS was \$130,465.00, and was paid on April 1, 2023.

For the year ended December 31, 2023, 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, 2023, measurement date, was \$4,676.00. 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, 2023, the Employer's, and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	\$ 4,180,540.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	<u>770,313.00</u>
	<u><u>\$ 4,950,853.00</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. 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. For the June 30, 2023, measurement date, the Employer's proportion was .0378371100%, which was a decrease of (.0010951700%) from its proportion measured as of June 30, 2022. Likewise, at June 30, 2023, the State of New Jersey's proportion, on-behalf of the Employer, was .0378370500%, which was a decrease of (.0010954100%) from its proportion, on-behalf of the Employer, measured as of June 30, 2022.

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

Pension (Benefit) Expense - For the year ended December 31, 2023, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2023, measurement date was \$173,277.00. 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, 2023, the Employer's contribution to PFRS was (\$5,792.00), and was paid on April 1, 2023.

For the year ended December 31, 2023, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2023, measurement date, was \$87,622.00. 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, 2023, 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 14,336.00	\$ 179,002.00	\$ 193,338.00	\$ 6,129.00	\$ 199,375.00	\$ 205,504.00
Changes of Assumptions	3,294.00	9,023.00	12,317.00	90,870.00	282,287.00	373,157.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	6,905.00	212,907.00	219,812.00	-	-	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	16,881.00	120,875.00	137,756.00	66,108.00	186,564.00	252,672.00
Contributions Subsequent to the Measurement Date	69,178.00	251,844.00	321,022.00	-	-	-
	<u>\$ 110,594.00</u>	<u>\$ 773,651.00</u>	<u>\$ 884,245.00</u>	<u>\$ 163,107.00</u>	<u>\$ 668,226.00</u>	<u>\$ 831,333.00</u>

Deferred outflows of resources in the amounts of \$69,178.00 and \$251,844.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2024. These amounts were based on an estimated April 1, 2025, contractually required contribution, prorated from the pension plans' measurement date of June 30, 2023, to the Employer's year end of December 31, 2023.

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

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The 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	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	5.73	-
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2018	-	5.63	-	5.73
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2019	5.00	-	5.00	-
June 30, 2020	5.00	-	5.00	-
June 30, 2021	5.00	-	5.00	-
June 30, 2022	5.00	-	5.00	-
June 30, 2023	5.00	-	5.00	-
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2018	5.63	5.63	5.73	5.73
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16

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

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

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2024	\$ (156,309.00)	\$ (179,318.00)	\$ (335,627.00)
2025	24,974.00	(193,913.00)	(168,939.00)
2026	35,444.00	255,457.00	290,901.00
2027	(24,979.00)	(18,230.00)	(43,209.00)
2028	(821.00)	(7,866.00)	(8,687.00)
Thereafter	-	(2,549.00)	(2,549.00)
	<u>\$ (121,691.00)</u>	<u>\$ (146,419.00)</u>	<u>\$ (268,110.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Police and Firemen's Retirement System

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2023, are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

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

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2023 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 rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	<u>\$ 1,951,896.00</u>	<u>\$ 1,499,397.00</u>	<u>\$ 1,114,261.00</u>

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, 2023, 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 rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	\$ 5,824,851.00	\$ 4,180,540.00	\$ 2,811,222.00
State of New Jersey's Proportionate Share of Net Pension Liability	<u>1,073,296.00</u>	<u>770,313.00</u>	<u>518,000.00</u>
	<u>\$ 6,898,147.00</u>	<u>\$ 4,950,853.00</u>	<u>\$ 3,329,222.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0103518278%	0.0103457599%	0.0109202654%	0.0108058912%	0.0106930625%
Proportionate Share of the Net Pension Liability	\$ 1,499,397.00	\$ 1,561,318.00	\$ 1,293,669.00	\$ 1,762,158.00	\$ 1,926,728.00
Covered Payroll (Plan Measurement Period)	\$ 787,856.00	\$ 622,236.00	\$ 801,960.00	\$ 783,068.00	\$ 761,028.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	190.31%	250.92%	161.31%	225.03%	253.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0107146349%	0.0105996028%	0.0102990174%	0.0107328820%	0.0107657148%
Proportionate Share of the Net Pension Liability	\$ 2,109,658.00	\$ 2,467,418.00	\$ 3,050,274.00	\$ 2,409,317.00	\$ 2,015,636.00
Covered Payroll (Plan Measurement Period)	\$ 753,996.00	\$ 735,392.00	\$ 709,596.00	\$ 705,452.00	\$ 745,648.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	279.80%	335.52%	429.86%	341.53%	270.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%

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

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 138,355.00	\$ 130,465.00	\$ 127,889.00	\$ 118,211.00	\$ 104,012.00
Contribution in Relation to the Contractually Required Contribution	(138,355.00)	(130,465.00)	(127,889.00)	(118,211.00)	(104,012.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 686,098.00	\$ 777,567.00	\$ 701,187.00	\$ 738,270.00	\$ 758,891.00
Contributions as a Percentage of Covered Payroll	20.17%	16.78%	18.24%	16.01%	13.71%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 106,576.00	\$ 98,194.00	\$ 91,495.00	\$ 92,274.00	\$ 88,751.00
Contribution in Relation to the Contractually Required Contribution	(106,576.00)	(98,194.00)	(91,495.00)	(92,274.00)	(88,751.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 774,583.00	\$ 760,368.00	\$ 729,294.00	\$ 735,972.00	\$ 729,363.00
Contributions as a Percentage of Covered Payroll	13.76%	12.91%	12.55%	12.54%	12.17%

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

	<u>Measurement Date Ended June 30,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the Net Pension Liability	0.0378371100%	0.0389322800%	0.0378291291%	0.0377993212%	0.0392933211%
Proportionate Share of the Net Pension Liability	\$ 4,180,540.00	\$ 4,456,327.00	\$ 2,764,989.00	\$ 4,884,171.00	\$ 4,808,645.00
State's Proportionate Share of the Net Pension Liability	770,313.00	793,096.00	777,652.00	758,001.00	759,294.00
Total	<u>\$ 4,950,853.00</u>	<u>\$ 5,249,423.00</u>	<u>\$ 3,542,641.00</u>	<u>\$ 5,642,172.00</u>	<u>\$ 5,567,939.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,378,444.00	\$ 1,387,372.00	\$ 1,326,104.00	\$ 1,304,260.00	\$ 1,299,932.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	303.28%	321.21%	208.50%	374.48%	369.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.16%	68.33%	77.26%	63.52%	65.00%
	<u>Measurement Date Ended June 30,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the Net Pension Liability	0.0385433466%	0.0404181401%	0.0359971039%	0.0383671866%	0.0367072458%
Proportionate Share of the Net Pension Liability	\$ 5,215,550.00	\$ 6,236,779.00	\$ 6,876,368.00	\$ 6,390,636.00	\$ 4,617,431.00
State's Proportionate Share of the Net Pension Liability	708,446.00	698,908.00	577,444.00	560,437.00	497,220.00
Total	<u>\$ 5,923,996.00</u>	<u>\$ 6,935,687.00</u>	<u>\$ 7,453,812.00</u>	<u>\$ 6,951,073.00</u>	<u>\$ 5,114,651.00</u>
Covered Payroll (Plan Measurement Period)	\$ 1,247,888.00	\$ 1,278,124.00	\$ 1,150,556.00	\$ 1,215,016.00	\$ 1,159,388.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	417.95%	487.96%	597.66%	525.97%	398.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%	56.31%	62.41%

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

	<u>Year Ended December 31,</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$ 503,688.00	\$ 506,335.00	\$ 440,885.00	\$ 422,283.00	\$ 396,906.00
Contribution in Relation to the Contractually Required Contribution	(503,688.00)	(506,335.00)	(440,885.00)	(422,283.00)	(396,906.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,336,311.00	\$ 1,363,321.00	\$ 1,348,349.00	\$ 1,320,005.00	\$ 1,293,509.00
Contributions as a Percentage of Covered Payroll	37.69%	37.14%	32.70%	31.99%	30.68%
	<u>Year Ended December 31,</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 376,818.00	\$ 357,708.00	\$ 293,499.00	\$ 311,868.00	\$ 281,937.00
Contribution in Relation to the Contractually Required Contribution	(376,818.00)	(357,708.00)	(293,499.00)	(311,868.00)	(281,937.00)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 1,313,604.00	\$ 1,274,437.00	\$ 1,286,350.00	\$ 1,151,156.00	\$ 1,183,259.00
Contributions as a Percentage of Covered Payroll	28.69%	28.07%	22.82%	27.09%	23.83%

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

The Division of Pensions and Benefits adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions. Previously, after termination of employment, but prior to retirement or death, interest was credited on member accumulated deductions at the valuation interest rate for the entire period. Effective July 1, 2018, interest is only credited at the valuation interest rate for the first two years of inactivity prior to retirement or death.

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information (Cont'd)

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

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%
2019	6.28%	2014	5.39%	2019	7.00%	2014	7.90%

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

The June 30, 2023 measurement date include the following plan amendment: Chapter 92, P.L. 2023 establishing an extension of the previous plan amendment Chapter 52, P.L. 2021, allowing members enrolled between January 18, 2000 and April 19, 2021 to retire prior to age 55 if they have attained 20 years of creditable service and retire by May 1, 2026.

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information (Cont'd)

Police and Firemen's Retirement System (PFRS) (Cont'd)

Changes in Assumptions

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

<u>Discount Rate</u>				<u>Long-term Expected Rate of Return</u>			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%
2019	6.85%	2014	6.32%	2019	7.00%	2014	7.90%

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

N.J.A.C. 5:30-6.1 allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2023, was not available; therefore, the information from the measurement period June 30, 2022, is disclosed below.

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

Plan Description and Benefits Provided - The Borough 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>.

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

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

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

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

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Borough was billed monthly by the Plan and paid \$325,557.98, for the year ended December 31, 2022, representing 15.21% of the Borough's covered payroll. During the year ended December 31, 2022. Retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2022, the Borough's proportionate share of the net OPEB liability was \$7,295,418.00.

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

OPEB Liability (Cont'd) - The Borough's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021, through June 30, 2022. For the June 30, 2022, measurement date, the Borough's proportion was .045174%, which was an increase of 0.002303% from its proportion measured as of the June 30, 2021, measurement date.

OPEB (Benefit) Expense - At December 31, 2022, the Borough's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2023, measurement date, is (\$108,842.00). This (benefit) expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2022, the Borough made contributions to the Plan totaling \$325,557.98.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 376,743.00	\$ 1,352,260.00
Changes of Assumptions	973,604.00	2,489,786.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,921.00	-
Changes in Proportion	997,774.00	1,353,888.00
Contributions Subsequent to the Measurement Date	171,415.22	-
	<u>\$ 2,521,457.22</u>	<u>\$ 5,195,934.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$171,415.22 will be included as a reduction of the Borough's net OPEB liability during the year ending December 31, 2023. The Borough will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	Deferred Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience			Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2018	5.00	-
June 30, 2019	-	8.05	June 30, 2019	5.00	-
June 30, 2020	7.87	-	June 30, 2020	5.00	-
June 30, 2021	-	7.82	June 30, 2021	5.00	-
June 30, 2022	7.82	-	June 30, 2022	5.00	-
Changes of Assumptions			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04	June 30, 2017	8.04	8.04
June 30, 2018	-	8.14	June 30, 2018	8.14	8.14
June 30, 2019	-	8.05	June 30, 2019	8.05	8.05
June 30, 2020	7.87	-	June 30, 2020	7.87	7.87
June 30, 2021	7.82	-	June 30, 2021	7.82	7.82
June 30, 2022	-	7.82	June 30, 2022	7.82	7.82

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

Year Ending Dec. 31,	
2023	\$ (839,087.00)
2024	(839,670.00)
2025	(597,953.00)
2026	(273,175.00)
2027	14,402.00
Thereafter	(310,409.00)
	<u>\$ (2,845,892.00)</u>

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

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *

PERS - Rates for all future years	2.75% to 6.55% based on years of service
PFRS - Rates for all future years	3.25% to 16.25% based on years of service

Mortality:

PERS - Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS - Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

* 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 and PERS experience studies 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) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pays interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2022, was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

<u>Fiscal Year Ending</u>	<u>Annual Rate of Increase</u>			
	<u>Medical Trend</u>			<u>Prescription Drug Trend</u>
	<u>Pre-65</u>	<u>PPO Post-65</u>	<u>HMO Post-65</u>	
2023	6.25%	-1.89%	-1.99%	8.00%
2024	6.00%	-6.00%	-6.15%	7.50%
2025	5.75%	6.99%	7.02%	7.00%
2026	5.50%	15.04%	15.18%	6.50%
2027	5.25%	13.00%	13.11%	6.00%
2028	5.00%	11.47%	11.56%	5.50%
2029	4.75%	10.27%	10.35%	5.00%
2030	4.50%	9.29%	9.35%	4.50%
2031	4.50%	8.50%	8.55%	4.50%
2032	4.50%	6.25%	6.27%	4.50%
2033 and Later	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 3.54%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Proportionate Share of the Net OPEB Liability	<u>\$ 8,456,858.00</u>	<u>\$ 7,295,418.00</u>	<u>\$ 6,360,931.00</u>

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

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Proportionate Share of the Net OPEB Liability	<u>\$ 6,188,923.00</u>	<u>\$ 7,295,418.00</u>	<u>\$ 8,712,527.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Plan Fiduciary Net Position**

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

Supplementary OPEB Information

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

Schedule of the Proportionate Share of the Net OPEB Liability (Last Six Plan Years)

	<u>Measurement Date Ended June 30,</u>		
	<u>2022</u>	<u>2021 (a)</u>	<u>2020</u>
Proportion of the Net OPEB Liability	0.045174%	0.042871%	0.046065%
Proportionate Share of the Net OPEB Liability	\$ 7,295,418.00	\$ 7,716,686.00	\$ 8,267,107.00
Covered Payroll (Plan Measurement Period)	\$ 2,113,667.00	\$ 2,049,162.00	\$ 2,042,709.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	345.15%	376.58%	404.71%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	-0.36%	0.28%	0.91%
	<u>Measurement Date Ended June 30,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Proportion of the Net OPEB Liability	0.042028%	0.046348%	0.047657%
Proportionate Share of the Net OPEB Liability	\$ 5,693,143.00	\$ 7,261,164.00	\$ 9,729,552.00
Covered Payroll (Plan Measurement Period)	\$ 2,104,407.00	\$ 2,053,478.00	\$ 2,031,024.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	270.53%	353.60%	479.05%
Plan Fiduciary Net Position (Deficit) as a Percentage of the Total OPEB Liability	1.98%	1.97%	1.03%

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information (Cont'd)*****Schedule of Contributions (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Required Contributions	\$ 325,557.98	\$ 253,096.72	\$ 231,054.84
Actual Contributions in Relation to the Required Contribution	<u>(325,557.98)</u>	<u>(253,096.72)</u>	<u>(231,054.84)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,140,888.00	\$ 2,049,536.00	\$ 2,058,275.00
Contributions as a Percentage of Covered Payroll	15.21%	12.35%	11.23%
	<u>Year Ended December 31,</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Required Contributions	\$ 178,137.42	\$ 257,293.30	\$ 256,473.03
Actual Contributions in Relation to the Required Contribution	<u>(178,137.42)</u>	<u>(257,293.30)</u>	<u>(256,473.03)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll (Calendar Year)	\$ 2,052,400.00	\$ 2,088,187.00	\$ 2,034,805.00
Contributions as a Percentage of Covered Payroll	8.68%	12.32%	12.60%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022, included changes due to employers adopting and /or changing Chapter 48 provisions.

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%

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

Changes in Assumptions (Cont'd) – The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

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

There were no changes to mortality projections.

Note 10: COMPENSATED ABSENCES**Chief of Police**

Under the agreement dated January 1, 2016, sick leave for the Chief of Police accrues at a rate of 10 hours per month and accumulates from year to year. At the Chief's option, up to 120 hours of the preceding year's annual unused sick leave may be paid at the preceding year rate providing that the balance has not fallen below 300 hours. Upon retirement, any accrued or banked sick leave has no cash value. The Chief of Police is entitled to four weeks of vacation annually. Unused vacation that does not exceed one week (40 hours) may be turned back for payment at straight time. Up to forty hours may be carried forward and used in the subsequent year. Upon separation from employment with the Borough, all vacation time will be paid at straight time.

Police Benevolent Association Local 30

Under the agreement dated January 1, 2015, sick leave for the full-time members of this collective bargaining agreement accrues at a rate of one (1) eight (8) hour day per month during the first calendar year of employment and one and one quarter (1 1/4) eight (8) hour day per month in every calendar year thereafter. This earned sick leave accumulates from year to year. All members hired prior to 1992 are permitted to accumulate up to a maximum of 200 sick days which are eligible for payment at the time of retirement. For members hired in 1992 or after, the maximum accumulation of time is 160 days. Time accumulated is paid at a rate of one-half (1/2) day's pay for each day accumulated. Time earned prior to 1992 is paid at the rate of pay at the time of retirement. Time earned in 1992 or after is paid at the rate of pay at the time it was earned. All sick days accumulated in excess of 200 or 160 respectively are not eligible for payment at retirement. Members hired prior to 1992 are permitted to accumulate sick days in excess of the maximum of 200; however, are not paid for this excess upon retirement. Each December, the member may choose to be paid for any accumulated sick time providing the member's balance exceeds 300 hours. The maximum payment annually is 96 hours. Dependent upon the number of years of service, members earn between four (4) 10-hour days (40 hours) and sixteen (16) 10-hour days (160 hours) vacation annually. Up to 40 hours of vacation can be carried forward into the next year.

International Brotherhood of Teamsters Local 676

Under the agreement dated January 1, 2015, sick leave for the full-time employees under this collective bargaining agreement accrue at a rate of one (1) working day per month during the first calendar year of employment and one and one quarter (1 1/4) working days per month up to a maximum of 15 sick days in every calendar year thereafter. Part-time employees accrue sick leave on a pro rata basis. Accumulated days may be carried forward from year to year. Upon discharge, the employee is entitled to all monies due in accordance with the agreement. Providing the employee has accumulated at least a minimum of 5 sick days, the excess days may be sold back at half their compensation value. The intent to sell back days must be made in writing by March 31st and the number of days to be sold confirmed by November 1st. The payout for this buy back occurs in December annually. Dependent upon the number of years of service, employees earn between one and twenty-five days of vacation annually. Part-time employees earn vacation time on a pro rata basis. The carried forward of up to five days of vacation is only permitted upon written request to the employee's department head or supervisor. Any granted carry forward of vacation days is forfeited if not used in the subsequent year.

Note 10: COMPENSATED ABSENCES (CONT'D)

The Borough has established a compensated absences trust fund to set aside funds for future payments of compensated absences. On December 31, 2023, the balance of the fund was \$24,566.39. It is estimated that, at December 31, 2023, accrued benefits for compensated absences are valued at \$339,460.15.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charge is shown on the statement of assets, liabilities, reserves, and fund balance of the following fund:

<u>Description</u>	<u>Balance December 31, 2023</u>	<u>2024 Budget Appropriation</u>
Current Fund:		
Special Emergency Authorizations	\$ 15,000.00	\$ 10,000.00

The appropriation in the 2024 Budget as adopted is not less than that required by the statutes.

Note 13: 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:

	<u>Balance December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance of Tax	\$ 1,399,430.00	\$ 1,374,956.80
Deferred	<u>1,399,430.00</u>	<u>1,512,452.50</u>
	<u>\$ -</u>	<u>\$ (137,495.70)</u>

Note 14: CAPITAL DEBT

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

Summary of Debt

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General:			
Notes	\$ 2,809,732.25	\$ 3,395,771.25	\$ 3,318,808.25
Sewer Utility:			
Notes	153,200.00	187,300.00	221,400.00
Total Issued	<u>2,962,932.25</u>	<u>3,583,071.25</u>	<u>3,540,208.25</u>
<u>Authorized but not Issued</u>			
General:			
Notes	617,500.00	-	475,000.00
Sewer Utility:			
Notes	130,000.00	-	-
Total Authorized but not Issued	<u>747,500.00</u>	<u>-</u>	<u>475,000.00</u>
Total Issued and Authorized but not Issued	<u>3,710,432.25</u>	<u>3,583,071.25</u>	<u>4,015,208.25</u>
<u>Deductions</u>			
Sewer Utility:			
Self-Liquidating	283,200.00	187,300.00	221,400.00
Total Deductions	<u>283,200.00</u>	<u>187,300.00</u>	<u>221,400.00</u>
Net Debt	<u>\$ 3,427,232.25</u>	<u>\$ 3,395,771.25</u>	<u>\$ 3,793,808.25</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .639%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,160,204.10	\$ 3,160,204.10	
Self-Liquidating	283,200.00	283,200.00	
General	3,427,232.25		\$ 3,427,232.25
	<u>\$ 6,870,636.35</u>	<u>\$ 3,443,404.10</u>	<u>\$ 3,427,232.25</u>

Net debt \$3,427,232.25 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$536,616,499.67, equals .639%.

Note 14: CAPITAL DEBT (CONT'D)

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 18,781,577.49
Less: Net Debt	<u>3,427,232.25</u>
Remaining Borrowing Power	<u>\$ 15,354,345.24</u>

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year	\$ 671,906.18
Deductions:	
Operating and Maintenance Costs	\$ 398,092.83
Debt Service	<u>40,319.70</u>
Total Deductions	<u>438,412.53</u>
Excess in Revenue	<u>\$ 233,493.65</u>

Note 15: RISK MANAGEMENT

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

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

The following is a summary of the activity and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ -	\$ 7,978.84	\$ 239.55	\$ 5,223.73	\$ 35,762.69
2022	-	5,109.62	47.03	357.79	32,768.03
2021	-	4,008.62	31.26	864.87	27,969.17

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2023.

Note 15: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool - The Borough is a member of the Statewide Insurance Fund. The Fund provides its members including the Borough with the following coverage:

Workers' Compensation
Auto and General Liability
Professional Liability
Property including Auto Physical Damage
Boiler & Machinery
Crime
Pollution
Cyber Liability
Non-Owned Aircraft

Contributions to the Fund, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Fund was established for the purpose of purchasing reinsurance/primary insurance and excess liability coverage from commercial companies with A.M. Best Rating of A- or better. The Commissioner of 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 Fund publishes its own financial report for the year ended December 31, 2023, which can be obtained from:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054

Note 16: OPEN SPACE TRUST FUND

On November 4, 2008, pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Borough authorized the establishment of an Open Space Trust Fund effective January 1, 2009, for the purpose of raising revenue to develop and maintain lands acquired for recreation and conservation purposes. As a result of this referendum and subsequent amendments to chapter 2.32.080 of the code of the Borough of Stratford, taxes in an amount not to exceed \$57,247.36 are levied annually. Amounts raised by taxation are assessed, levied, and collected in the same manner and at the same time as other taxes. One half the amount levied, \$28,623.68 is budgeted to develop and maintain lands acquired for recreational and conservation purposes and one half, \$28,623.68 is budgeted to develop and maintain lands acquired for recreational and conservation purposes, and maintenance of lands acquired for recreation and conservation allocated to youth athletic safety, field maintenance and/or youth based recreational infrastructure improvements. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purpose stated. Interest earned on the investment of these funds is credited to the Open Space Trust Funds.

Note 17: 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.

Litigation - The Borough is a defendant in legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

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

Note 19: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements	June 11, 2024	\$ 395,105.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 -- Collector - Treasurer
For the Year Ended December 31, 2023

	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2022	\$ 1,461,701.47	\$ 132,273.43
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 198,221.79	
2023 Appropriation Refunds	133,767.29	
Tax Collector	19,085,708.11	
Petty Cash Funds	75.00	
Revenue Accounts Receivable	1,930,681.39	
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	50,395.96	
Due State of New Jersey - Marriage and Civil Unions	600.00	
Reserve for Municipal Relief Fund	75,166.06	
Federal and State Grants Receivable		\$ 472,787.87
Reserve for Federal and State Grants -- Unappropriated		1,587.80
Reserve for Federal and State Grants -- Appropriated		1,871.03
Due Animal Control Fund	108.46	
Due Trust - Other Fund	<u>26,474.55</u>	<u>3,347.50</u>
	<u>21,501,198.61</u>	<u>479,594.20</u>
	22,962,900.08	611,867.63
Decreased by Disbursements:		
Payment of Prior Year Expenditure		
2023 Appropriations	6,525,221.74	
Petty Cash Funds	75.00	
2022 Appropriation Reserves	160,476.57	
Tax Overpayments	14,650.53	
County Taxes Payable	3,558,568.34	
Due to County - Added and Omitted Taxes	12,198.25	
Local School District Taxes Payable	8,193,770.00	
Regional High School Taxes	2,774,386.80	
Open Space Trust Taxes Payable	58,007.07	
Reserve for Master Plan	1,794.50	
Due State of New Jersey - Marriage and Civil Unions	275.00	
Reserve for Federal and State Grants -- Unappropriated		300,000.00
Reserve for Federal and State Grants -- Appropriated		311,867.63
Due to Open Space Trust Fund	195.41	
Due Trust - Other Fund	13,221.16	
Due General Capital Fund	<u>24,807.13</u>	
	<u>21,337,647.50</u>	<u>611,867.63</u>
Balance December 31, 2023	<u>\$ 1,625,252.58</u>	<u>\$ -</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Current Cash
Per N.J.S. 40A:5-5 -- Collector
For the Year Ended December 31, 2023

Receipts:

Interest and Cost on Taxes	\$ 48,735.06
Taxes Receivable	18,860,702.92
Prepaid Taxes	154,823.47
Tax Overpayments	<u>21,446.66</u>

19,085,708.11

Decreased by:

Turnovers to Treasurer	<u>\$ 19,085,708.11</u>
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BOROUGH OF STRATFORD
CURRENT FUND
 Schedule of Change Funds
 As of December 31, 2023

Office:		
Collector	\$	20.00
Court		100.00
	\$	120.00

Exhibit SA-4

BOROUGH OF STRATFORD
CURRENT FUND
 Statement of Petty Cash Funds
 For the Year Ended December 31, 2023

<u>Office</u>	<u>Received from Treasurer</u>	<u>Returned to Treasurer</u>
Borough Clerk	\$ 75.00	\$ 75.00

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

Year	Balance	2023	Added	Collections (Collector)		Due from	Transfer to	Miscellaneous	Cancellations	Balance
	Dec. 31, 2022	Levy	Taxes	2022	2023	State of New Jersey	Lien			Dec. 31, 2023
2022	\$ 206,549.95		\$ 1,854.04		\$ 208,403.99					
2023	206,549.95	\$ 19,210,246.19	1,854.04 19,910.49	\$ 164,982.15	208,403.99 18,652,298.93	\$ 51,500.00	\$ 748.77	\$ 23.11	\$ 18,611.19	\$ 341,992.53
	<u>\$ 206,549.95</u>	<u>\$ 19,210,246.19</u>	<u>\$ 21,764.53</u>	<u>\$ 164,982.15</u>	<u>\$ 18,860,702.92</u>	<u>\$ 51,500.00</u>	<u>\$ 748.77</u>	<u>\$ 23.11</u>	<u>\$ 18,611.19</u>	<u>\$ 341,992.53</u>
Reserve for Whitman Avenue Townhouses								\$ 23.11		
<u>Analysis of 2023 Property Tax Levy</u>										
Tax Yield:										
General Purpose Tax					\$ 18,958,952.92					
Added Taxes (54:4-63.1 et seq.)					251,293.27					
					<u>\$ 19,210,246.19</u>					
Tax Levy:										
Regional High School Tax					\$ 2,798,860.00					
Local District School Tax					8,193,770.00					
County Taxes:										
Net County Taxes					\$ 3,453,576.41					
County Open Space Taxes					104,991.93					
Due County for Added and Omitted Taxes					<u>47,179.87</u>					
Total County Taxes					3,605,748.21					
Municipal Open Space Tax					57,247.36					
Municipal Open Space Added and Omitted Tax					<u>759.71</u>					
Total Municipal Open Space Taxes					58,007.07					
Local Tax for Municipal Purposes					4,176,055.04					
Minimum Library Tax					173,812.42					
Add: Additional Tax Levied					<u>203,993.45</u>					
					<u>4,553,860.91</u>					
					<u>\$ 19,210,246.19</u>					

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

Balance December 31, 2022	\$ 7,924.88
Increased by:	
Transfer from 2023 Taxes Receivable	<u>748.77</u>
Balance December 31, 2023	<u><u>\$ 8,673.65</u></u>

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

Balance December 31, 2022	\$ 1,643.91
Decreased by:	
Cancelled	<u>262.54</u>
Balance December 31, 2023	<u><u>\$ 1,381.37</u></u>

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

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Accrued in</u> <u>2023</u>	<u>Collected</u>	<u>Due from</u> <u>Animal</u> <u>Control</u> <u>Fund</u>	<u>Due from</u> <u>Trust -</u> <u>Other</u> <u>Fund</u>	<u>Due from</u> <u>General</u> <u>Capital</u> <u>Fund</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Clerk:							
Licenses:							
Alcohol Beverage		\$ 5,000.00	\$ 5,000.00				
Other		12,317.00	12,317.00				
Fees and Permits		77,409.00	77,409.00				
Municipal Court:							
Fines and Costs	\$ 8,183.90	130,558.82	131,561.37				\$ 7,181.35
Utility Surplus		118,000.00	118,000.00				
Energy Receipts Tax		725,613.26	725,613.26				
Reserve for Municipal Relief Fund		37,590.96	37,590.96				
Shared Services School Resource Officer		81,317.42	81,317.42				
Property Maintenance		15,820.00	15,820.00				
Library Property Maintenance		5,500.00	5,500.00				
Delaware River Port Authority		15,000.00	15,000.00				
Conrail Property Maintenance		3,300.00	3,300.00				
Cable Television Franchise Fee		25,672.46	25,672.46				
Rowan University		50,000.00	50,000.00				
Coronavirus Local Fiscal Recovery Funds		300,000.00	300,000.00				
Payment in Lieu of Taxes		332,678.27	332,678.27				
Uniform Fire Safety Act		15,157.34	15,157.34				
Interest on Investments and Deposits		28,184.93	16,335.27	\$ 101.73	\$ 6,938.70	\$ 4,809.23	
	<u>\$ 8,183.90</u>	<u>\$ 1,979,119.46</u>	<u>\$ 1,968,272.35</u>	<u>\$ 101.73</u>	<u>\$ 6,938.70</u>	<u>\$ 4,809.23</u>	<u>\$ 7,181.35</u>

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

Balance December 31, 2023	<u>\$ 613,700.00</u>
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BOROUGH OF STRATFORD
CURRENT FUND
 Statement of Deferred Charges
 N.J.S. 40A:4-55 Special Emergency
 For the Year Ended December 31, 2023

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Raised in</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
June 12, 2018	Master Plan Update	\$ 50,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
March 12, 2019	Master Plan Update	25,000.00	5,000.00	10,000.00	5,000.00	\$ 5,000.00
April 14, 2020	Master Plan Update	25,000.00	5,000.00	15,000.00	5,000.00	10,000.00
		<u>\$ 100,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ 20,000.00</u>	<u>\$ 15,000.00</u>

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

	Balance Dec. 31, 2022		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration:					
Salaries and Wages		\$ 1,697.52	\$ 1,697.52		\$ 1,697.52
Other Expenses	\$ 321.55	2,108.09	2,429.64	\$ 322.50	2,107.14
Financial Administration (Treasury):					
Salaries and Wages		738.88	738.88		738.88
Other Expenses	311.39	2,567.79	2,879.18	334.19	2,544.99
Collection of Taxes					
Salaries and Wages		1,071.48	1,071.48		1,071.48
Other Expenses		1,445.41	1,445.41		1,445.41
Assessment of Taxes:					
Other Expenses		3,921.26	3,921.26	111.85	3,809.41
Legal Services and Costs					
Other Expenses		16,952.95	16,952.95	4,436.80	12516.15
Engineering Services and Costs					
Other Expenses		6,441.25	6,441.25	840.00	5,601.25
Municipal Court					
Other Expenses		676.47	676.47		676.47
Land Use Administration:					
Municipal Land Use Law (N.J.S.. 40:55D-1)					
Planning Board					
Salaries and Wages		3,243.34	3,243.34		3,243.34
Other Expenses		3,525.97	3,525.97		3,525.97
Insurance:					
Other Insurance Premiums		10,115.40	10,115.40		10,115.40
Worker Compensation Insurance		20.08	20.08		20.08
Group Insurance for Employees	1,245.24	52,225.80	53,471.04	31,547.03	21,924.01
Public Safety Functions:					
Police					
Salaries and Wages		89,383.23	89,383.23		89,383.23
Other Expenses	16,604.50	12,289.88	28,894.38	18,463.73	10,430.65
Office of Emergency Management					
Other Expenses		375.00	375.00		375.00
Aid to Volunteer Ambulance Companies					
Fire		12,044.86	12,044.86		12,044.86
Fire Hydrant Service		8,988.27	8,988.27	5,595.50	3,392.77
Fire Department	1,108.57	5,826.97	6,935.54	6,896.04	39.50
Uniform Fire Safety and Inspection Act					
Other Expenses		31.50	31.50		31.50
Public Work Functions:					
Public Works Department:					
Salaries and Wages		7,649.30	7,649.30		7,649.30
Other Expenses	84.60	2,542.84	2,627.44	85.55	2,541.89
Solid Waste Collection					
Salaries and Wages		43,101.33	43,101.33		43,101.33
Other Expenses		21,105.73	21,105.73	16,731.67	4,374.06
Public Buildings and Grounds					
Other Expenses	1,675.65	5,218.25	6,893.90	1,675.65	5,218.25
Shade Tree Commission					
Other Expenses		1,000.00	1,000.00		1,000.00
Maintenance of Motor Vehicles:					
Other Expenses	3,141.53	2,859.95	6,001.48	2,963.81	3,037.67

(Continued)

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

	Balance Dec. 31, 2022		Budget After Modification	Paid or Charged	Balanced Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Health and Human Services Functions:					
Board of Health					
Salaries and Wages		\$ 718.68	\$ 718.68		\$ 718.68
Other Expenses		541.10	541.10		541.10
Utility Expenses and Bulk Purchases:					
Electricity		3,562.05	3,562.05	\$ 3,400.31	161.74
Street Lighting		851.85	851.85	805.23	46.62
Telephone	\$ 50.58	1,465.64	1,516.22	1,319.59	196.63
Water		1,686.81	1,686.81		1,686.81
Gas (Natural or Propane)		2,680.01	2,680.01	2,629.73	50.28
Sewerage Processing and Disposal		50.00	50.00		50.00
Gasoline		42,037.91	42,037.91	12,206.07	29,831.84
Landfill / Solid Waste Disposal Costs:					
Solid Waste Disposal		33,218.19	33,218.19	33,218.19	
Other Common Operating Functions (Unclassified)					
Compensated Absences		8,700.00	8,700.00	8,700.00	
Celebration of Public Events, Anniversaries or Holiday					
Other Expenses	2,724.73		2,724.73	2,715.13	9.60
Total Operations Including Contingent - within "CAPS"	<u>27,268.34</u>	<u>414,681.04</u>	<u>441,949.38</u>	<u>154,998.57</u>	<u>286,950.81</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
MUNICIPAL -- WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Defined Contribution Retirement Program		10.00	10.00		10.00
Unemployment Compensation Insurance		1,856.03	1,856.03		1,856.03
Total Deferred Charges and Statutory Expenditures		<u>3,162.37</u>	<u>3,162.37</u>		<u>3,162.37</u>
Total General Appropriations for Municipal Purposes -- Within "CAPS"	<u>27,268.34</u>	<u>417,843.41</u>	<u>445,111.75</u>	<u>154,998.57</u>	<u>290,113.18</u>
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"					
Capital Outlay -- Computers	5,478.00	522.00	6,000.00	5,478.00	522.00
Total General Appropriations	<u>\$ 32,746.34</u>	<u>\$ 418,365.41</u>	<u>\$ 451,111.75</u>	<u>\$ 160,476.57</u>	<u>\$ 290,635.18</u>
Disbursed				<u>\$ 160,476.57</u>	

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

<hr/>	
Balance December 31, 2022	\$ 6,734.43
Increased by:	
Receipts	50,395.96
	57,130.39
Decreased by:	
Accrued in 2023:	
Senior Citizens, Disabled and Surviving Spouse Deductions Per Tax Billing	\$ 9,250.00
Veterans and Widows Deductions per Tax Billing	43,250.00
Deductions Allowed per Collector	\$ 52,500.00 <u>1,000.00</u>
	53,500.00
Less:	
Deductions Disallowed per Collector	2,000.00
	\$ 51,500.00
Less:	
Deductions Disallowed per Collector (2022 Taxes)	1,854.04
	49,645.96
Balance December 31, 2023	\$ 7,484.43

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

Balance December 31, 2022 (2023 Taxes)		\$ 164,982.15
Increased by:		
Receipts:		
Collector		<u>154,823.47</u>
		319,805.62
Decreased by:		
Application to Taxes Receivable		<u>164,982.15</u>
Balance December 31, 2023 (2024 Taxes)		<u><u>\$ 154,823.47</u></u>

Exhibit SA-14

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 1,766.83
Increased by:		
Receipts:		
Collector		<u>21,446.66</u>
		23,213.49
Decreased by:		
Cancelled	\$ 3,060.10	
Disbursements:		
Refunds	<u>14,650.53</u>	
		<u>17,710.63</u>
Balance December 31, 2023		<u><u>\$ 5,502.86</u></u>

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

2023 Levy:		
Net County Taxes	\$ 3,453,576.41	
County Open Space Taxes	<u>104,991.93</u>	
		\$ 3,558,568.34
Decreased by:		
Disbursements		<u>\$ 3,558,568.34</u>

BOROUGH OF STRATFORD
CURRENT FUND
 Statement of Due to County - Added and Omitted Taxes
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 12,198.25
Increased by:		
County Share of Levy:		
2023 Added Assessments		<u>47,179.87</u>
		59,378.12
Decreased by:		
Disbursements		<u>12,198.25</u>
Balance December 31, 2023		<u>\$ 47,179.87</u>

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

2023 Levy (Calendar Year)	\$ 8,193,770.00
Decreased by:	
Disbursements	<u>\$ 8,193,770.00</u>

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

Balance December 31, 2022	
Regional High School Tax Deferred	\$ 1,512,452.50
Prepaid School Tax	<u>(137,495.70)</u>
	\$ 1,374,956.80
Increased by:	
Levy School Year July 1, 2023 to June 30, 2024	<u>2,798,860.00</u>
	4,173,816.80
Decreased by:	
Disbursements	<u>2,774,386.80</u>
Balance December 31, 2023	
Regional High School Tax Deferred	<u>\$ 1,399,430.00</u>
2023 Regional High School Tax	
Amount Charged to 2023 Operations	<u>\$ 2,774,386.80</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2023

Increased by:	
2023 Levy	\$ 57,247.36
2023 Added and Omitted Taxes	<u>759.71</u>
	\$ 58,007.07
Decreased by:	
Disbursements -- Open Space Trust Fund	<u>\$ 58,007.07</u>

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Liabilities and Reserves
For the Year Ended December 31, 2023

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Receipts</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Reserve for Whitman Ave Townhouses	\$ 7,536.11		\$ 23.11	\$ 7,513.00
Reserve for Master Plan	6,093.30		1,794.50	4,298.80
Reserve for Municipal Relief Fund	37,590.96	\$ 75,166.06	37,590.96	75,166.06
Due State of New Jersey - Marriage and Civil Unions		600.00	275.00	325.00
	<u>\$ 51,220.37</u>	<u>\$ 75,766.06</u>	<u>\$ 39,683.57</u>	<u>\$ 87,302.86</u>
Transfer to 2023 Taxes Receivable			\$ 23.11	
Revenue Accounts Receivable			37,590.96	
Disbursements			2,069.50	
			<u>\$ 39,683.57</u>	

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
 Statement of Federal, State and Local Grants Receivable
 For the Year Ended December 31, 2023

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
Federal Grants:				
Community Development Block Grant:				
2022 ADA Improvements		\$ 250,000.00		\$ 250,000.00
2023 Coolidge, Wellington & Bryant		577,100.00		577,100.00
COVID ARP State and Local Fiscal Recovery Funding		63,984.90	\$ 63,984.90	
FEMA Assistance to Firefighter Grant Program		33,000.00		33,000.00
FEMA - COVID Municipal Finance Grant	\$ 5,241.32	11,506.77	16,748.09	
FEMA (SAFER) Fire EMS Grant		479,662.00		479,662.00
National Priority Safety Programs:				
National Highway Traffic Safety Administration:				
Camden County Regional DWI Task Force	78,129.69	39,900.00	38,780.00	79,249.69
Distracted Driver Statewide Crackdown		7,000.00	7,000.00	
Total Federal Grants	83,371.01	1,462,153.67	126,512.99	1,419,011.69
State Grants:				
Alcohol Education and Rehabilitation		3,504.45	3,504.45	
Body Armor Replacement		1,413.19	1,413.19	
Body Worn Camera Grant	11,005.20		8,258.32	2,746.88
Clean Communities Program		15,971.02	15,971.02	
DWI Enforcement Sobriety Checkpoint		2,730.00	2,730.00	
2023 Local Recreation Improvement Grant		81,000.00		81,000.00
Municipal Alliance Against Drug and Alcohol Abuse	24,273.27	13,390.00	12,074.56	25,588.71
Municipal Alliance DMHAS Youth Grant	7,500.00	7,500.00	7,000.00	8,000.00
NJDEP Stormwater Assistance		25,000.00	15,000.00	10,000.00
New Jersey Department of Transportation:				
2020 Grant	300,000.00			300,000.00
2021 Grant	260,000.00		138,376.43	121,623.57
2022 Grant	240,000.00		180,000.00	60,000.00
2023 Grant		284,650.00		284,650.00
Pedestrian Safety Enforcement & Education Fund		704.81	704.81	
Recycling Tonnage Grant		9,270.00	9,270.00	
Safe and Secure Communities Program	8,100.00	16,200.00	16,200.00	8,100.00
Total State Grants	850,878.47	461,333.47	410,502.78	901,709.16
Local Grants:				
Camden County Recreational Facility Grant		25,000.00		25,000.00
Camden County College History Grant		2,500.00	1,875.00	625.00
Total Local Grants	-	27,500.00	1,875.00	25,625.00
Total Federal, State and Local Grants	\$ 934,249.48	\$ 1,950,987.14	\$ 538,890.77	\$ 2,346,345.85
Original Budget		\$ 1,178,516.77		
Chapter 159 - N.J.S. 40A:4-87		772,470.37		
Realized Federal and State Grants Unappropriated Receipts			\$ 66,102.90	
			472,787.87	
		<u>\$ 1,950,987.14</u>	<u>\$ 538,890.77</u>	

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants -- Unappropriated
 For the Year Ended December 31, 2023

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Cash Received</u>	<u>Decreased</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2023</u>
Federal Grants:					
COVID ARP State and Local Fiscal Recovery Funding	\$ 363,984.90	_____	\$ 363,984.90	_____	_____
Total Federal Grants	363,984.90	_____	363,984.90	_____	_____
State Grants:					
Body Armor Replacement Program	1,413.19	\$ 1,587.80	1,413.19	_____	\$ 1,587.80
Pedestrian Safety Enforcement & Education Fund	705.81	_____	704.81	\$ 1.00	_____
Total State Grants	2,119.00	1,587.80	2,118.00	1.00	1,587.80
Total Federal and State Grants	\$ 366,103.90	\$ 1,587.80	\$ 366,102.90	\$ 1.00	\$ 1,587.80

BOROUGH OF STRATFORD
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal, State and Local Grants -- Appropriated
For the Year Ended December 31, 2023

Grant	Balance Dec. 31, 2022		Transferred - 2023 Budget Appropriations	Paid or Charged	Encumbered	Balance Dec. 31, 2023
	Encumbered	Reserved				
Federal Grants:						
Community Development Block Grant:						
2022 ADA Improvements			\$ 250,000.00	\$ 169,219.52	\$ 65,502.18	\$ 15,278.30
2023 Coolidge, Wellington & Bryant			577,100.00	241,208.00	322,608.00	13,284.00
COVID ARP State and Local Fiscal Recovery Funding	\$ 375.00	\$ 11,079.78	63,984.90	33,872.09	260.00	41,307.59
Federal Bullet Proof Vest Partnership Grant		4,835.46		597.37		4,238.09
FEMA Assistance to Firefighter Grant Program			33,000.00	33,000.00		
FEMA - COVID Municipal Finance Grant		90,354.43	11,506.77	101,861.20		
FEMA (SAFER) Fire EMS Grant			479,662.00	17,024.00	7,765.00	454,873.00
National Priority Safety Programs:						
National Highway Traffic Safety Administration:						
Camden County Regional DWI Task Force		78,135.91	39,900.00	39,985.00		78,050.91
Click It or Ticket		710.00				710.00
Distracted Driver Statewide Crackdown		900.00	7,000.00	7,000.00		900.00
Drive Sober or Get Pulled Over:						
Drive Sober or Get Pulled Over		400.00				400.00
Year-End Crackdown		950.00				950.00
Total Federal Grants	375.00	187,365.58	1,462,153.67	643,767.18	396,135.18	609,991.89
State Grants:						
Alcohol Education and Rehabilitation		15,890.56	3,504.45	1,625.00		17,770.01
Body Armor Replacement Program	4,778.96	5,873.79	1,413.19	5,376.33		6,689.61
Body Worn Camera		4,502.58		1,765.70		2,736.88
Clean Communities Program		58,568.70	15,971.02	4,370.42		70,169.30
Drunk Driving Enforcement Fund		16,456.82		8,953.64		7,503.18
DWI Enforcement Sobriety Checkpoint			2,730.00	2,730.00		
2023 Local Recreation Improvement Grant			81,000.00	81,000.00		
Municipal Alliance Against Drug and Alcohol Abuse		75,696.79	16,737.50	13,549.75		78,884.54
Municipal Alliance DMHAS Youth Grant		6,250.00	7,500.00	5,750.00		8,000.00
NJDEP Stormwater Assistance			25,000.00			25,000.00
New Jersey Department of Transportation:						
2019 Grant		14,268.50				14,268.50
2021 Grant	14,252.39	34,755.39		10,635.69	9,747.35	28,624.74
2022 Grant		229,925.00		125.00	229,800.00	
2023 Grant			284,650.00	10,200.00	1,900.00	272,550.00
Pedestrian Safety, Education & Enforcement fund			704.81			704.81
Recycling Tonnage Grant		7,667.60	9,270.00	4,667.63		12,269.97
Safe and Secure Communities Program - P.L. 1994, Chapter 220		8,627.86	16,200.00	24,274.37		553.49
Total State Grants	19,031.35	478,483.59	464,680.97	175,023.53	241,447.35	545,725.03
Local Grants:						
DVRPC - Transportation and Community Development		5,773.29				5,773.29
Private Grant -- SIF Risk Control		1,684.28				1,684.28
Camden County Historical Preservation Grant		10,668.42				10,668.42
Camden County College History Grant			2,500.00	2,184.58		315.42
Camden County Recreational Facility Grant			25,000.00			25,000.00
New Jersey American Water - Parkview Avenue Reconstruction		385.00				385.00
Total Local Grants		18,510.99	27,500.00	2,184.58		43,826.41
Total Federal, State and Local Grants	\$ 19,406.35	\$ 684,360.16	\$ 1,954,334.64	\$ 820,975.29	\$ 637,582.53	\$ 1,199,543.33
Original Budget						
Chapter 159 - N.J.S. 40A:4-87			\$ 1,178,516.77			
Due from Trust Other Funds - Local Match			772,470.37			
Disbursed by Sewer Utility Operating Fund			3,347.50			
Disbursed				\$ 510,978.69		
Reimbursed				311,867.63		
				(1,871.03)		
			\$ 1,954,334.64	\$ 820,975.29		

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF STRATFORD
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2023

	<u>Animal Control Fund</u>	<u>Municipal Open Space Trust Fund</u>	<u>Other</u>
Balance December 31, 2022	\$ 16,442.14	\$ 19,137.42	\$ 1,129,158.32
Increased by Receipts:			
Due Current Fund	\$ 101.73	\$ 195.41	\$ 20,159.86
State Registration Fees	824.40		
Reserve for Animal Control Expenditures	10,260.60		
State of New Jersey - DCA Fees			9,413.00
Reserve for Future Use		58,141.16	
Miscellaneous Trust Reserves:			
Compensated Absences			13,797.90
Dedicated Funds Collected for Penalties			4,128.00
Developers' Escrow			166,942.41
Historical Preservation			740.00
Municipal Alliance Grant			3,876.75
Outside Liens Redemption			288,299.74
Tax Title Lien Premiums			120,200.00
Outside Police Employment			187,822.50
Parking Offense Adjudication Act			50.00
Payroll Deductions Payable			1,338,651.82
Net Pay			2,103,158.45
Police Training			975.00
Special Law Enforcement			3,206.51
Unemployment Claims Payable			8,218.39
Uniform Construction Code and Local Enforcement Agency			221,362.12
	<u>11,186.73</u>	<u>58,336.57</u>	<u>4,491,002.45</u>
	27,628.87	77,473.99	5,620,160.77

(Continued)

BOROUGH OF STRATFORD
TRUST FUNDS
Statement of Trust Fund Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2023

	<u>Animal Control Fund</u>	<u>Municipal Open Space Trust Fund</u>	<u>Other</u>
Decreased by Disbursements:			
Due Current Fund	\$ 108.46		\$ 26,474.55
Due Federal and State Grant Fund			3,347.50
State Registration Fees	823.20		
Reserve for Animal Control Expenditures	14,860.88		
State of New Jersey - DCA Fees			9,365.00
Reserve for Future Use		\$ 58,216.87	
Miscellaneous Trust Reserves:			
Dedicated Funds Collected for Penalties			326.65
Developers' Escrow			109,605.85
Historical Preservation			1,847.14
Municipal Alliance Grant			1,266.00
Outside Liens Redemption			339,348.26
Tax Title Lien Premiums			400,600.00
Outside Police Employment			210,593.70
Payroll Deductions Payable			1,331,303.57
Net Pay			2,103,158.45
Police Training			529.99
Snow Removal			2,895.00
Special Law Enforcement			2,921.00
Unemployment Claims Payable			5,223.73
Uniform Construction Code and Local Enforcement Agency			126,378.92
	<u>\$ 15,792.54</u>	<u>\$ 58,216.87</u>	<u>\$ 4,675,185.31</u>
Balance December 31, 2023	<u>\$ 11,836.33</u>	<u>\$ 19,257.12</u>	<u>\$ 944,975.46</u>

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

Balance December 31, 2022	\$	6.73
Increased by:		
Receipts:		
Interest Earned on Deposits		101.73
		108.46
Decreased by:		
Disbursements	\$	108.46

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

Increased by:		
Transfer from Reserve for Encumbrances	\$	1.20
Receipts		824.40
		\$ 825.60
Decreased by:		
Disbursements		823.20
Balance December 31, 2023	\$	2.40
<u>Analysis of Balance, December 31, 2023</u>		
December 2023	\$	2.40

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

Balance December 31, 2022		\$ 16,434.21
Increased by:		
Receipts:		
Dog License Fees	\$ 7,665.60	
Cat License Fees	840.00	
Late Fees	1,755.00	
	\$ 10,260.60	
		10,260.60
		26,694.81
Decreased by:		
Encumbrances	400.00	
Expenditures under R.S. 4:19-15.11	14,860.88	
		15,260.88
Balance December 31, 2023		\$ 11,433.93

Animal Fees Collected:

<u>Year</u>		
2021		\$ 10,443.60
2022		12,237.40
		\$ 22,681.00

BOROUGH OF STRATFORD
ANIMAL CONTROL FUND
 Statement of Reserve for Encumbrances
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 1.20
Increased by:		
Charges to Reserve for Animal Control Expenditures		400.00
		401.20
Decreased by:		
Transfer to Due to State of New Jersey -- Registration Fees		1.20
		1.20
Balance December 31, 2023		\$ 400.00

BOROUGH OF STRATFORD
MUNICIPAL OPEN SPACE TRUST FUND
 Statement of Reserve for Future Use
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 11,707.83
Increased by:		
Transfer from Encumbrances	\$ 7,625.00	
Receipts:		
Interest Earned	\$ 134.09	
Amount to be Raised by Taxation	<u>58,007.07</u>	
	<u>58,141.16</u>	
		<u>65,766.16</u>
		77,473.99
Decreased by:		
Encumbrances		214.09
Disbursements:		
2023 Budget Appropriations	51,492.07	
Other Disbursements - Unexpended Balances	<u>6,724.80</u>	
	<u>58,216.87</u>	
		<u>58,430.96</u>
Balance December 31, 2023		<u><u>\$ 19,043.03</u></u>

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

	<u>Total</u>	<u>UCC/ LEA Account</u>	<u>Trust Account</u>	<u>Tax Title Lien</u>	<u>Payroll Account</u>	<u>Uniform Fire</u>	<u>Developer's Escrow</u>	<u>Parking Offense Adjudication Act</u>	<u>Unemployment</u>	<u>Municipal Alliance</u>
Balance December 31, 2022	\$ (18,542.46)	\$ (45.48)	\$ (2,161.91)	\$ (16,557.41)	\$ (2,029.37)	\$ (5.70)	\$ 2,378.34	\$ 13.21	\$ (79.31)	\$ (54.83)
Increased by:										
Receipts:										
Interfunds Received	13,221.16						1,303.11	9.43	9,631.27	\$ 2,277.35
Interest Earned on Deposits	6,938.70	1,048.60	1,015.11	3,011.96	476.83	42.87	1,075.23	3.78		264.32
	<u>20,159.86</u>	<u>1,048.60</u>	<u>1,015.11</u>	<u>3,011.96</u>	<u>476.83</u>	<u>42.87</u>	<u>2,378.34</u>	<u>13.21</u>	<u>9631.27</u>	<u>2,541.67</u>
	(38,702.32)	(1,094.08)	(3,177.02)	(19,569.37)	(2,506.20)	(48.57)			(9,710.58)	(2,596.50)
Decreased by:										
Disbursements:										
Interfunds Liquidated	26,474.55	1,094.08	3,177.02	19,569.37	2,506.20	48.57			79.31	
2023 Budget Appropriation	2,596.50									2,596.50
	<u>29,071.05</u>	<u>1,094.08</u>	<u>3,177.02</u>	<u>19,569.37</u>	<u>2,506.20</u>	<u>48.57</u>			<u>79.31</u>	<u>2,596.50</u>
Balance December 31, 2023	<u>\$ (9,631.27)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,631.27)</u>	<u>\$ -</u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due to Federal and State Grant Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 3,347.50
Increased by:	
Cash Match - Reserve for Municipal Alliance	<u>3,347.50</u>
	6,695.00
Decreased by:	
Disbursements:	
Interfunds Liquidated	<u>3,347.50</u>
Balance December 31, 2023	<u><u>\$ 3,347.50</u></u>

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due State of New Jersey - DCA Fees
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 1,268.08
Increased by:	
Receipts	<u>9,413.00</u>
	10,681.08
Decreased by:	
Disbursements	<u>9,365.00</u>
Balance December 31, 2023	<u><u>\$ 1,316.08</u></u>

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

	Balance Dec. 31, 2022	Increased by		Decreased by		Balance Dec. 31, 2023
		Receipts	Other	Disbursements	Other	
Compensated Absences	\$ 10,768.49	\$ 13,797.90				\$ 24,566.39
Dedicated Funds Collected for Penalties	1,868.23	4,128.00		326.65		5,669.58
Developers' Escrow	120,773.85	166,942.41	\$ 10,121.00	109,605.85	\$ 4,516.00	183,715.41
Economic Development Commission	204.05					204.05
Green Team	1,005.11					1,005.11
Historical Preservation	2,437.57	740.00		1,847.14		1,330.43
Municipal Alliance Grant	32,841.07	3,876.75	2,596.50	1,266.00	3,347.50	34,700.82
Outside Liens Redemption	62,019.98	288,299.74		339,348.26		10,971.46
Tax Title Lien Premiums	616,200.00	120,200.00		400,600.00		335,800.00
Outside Police Employment	90,285.30	187,822.50		210,593.70		67,514.10
Parking Offense Adjudication Act	528.00	50.00				578.00
Payroll Deductions Payable	29,352.08	1,338,651.82		1,331,303.57		36,700.33
Net Payroll		2,103,158.45		2,103,158.45		
Police Training	4,338.61	975.00		529.99		4,783.62
Public Defender	11,457.00					11,457.00
Snow Removal	13,827.00			2,895.00		10,932.00
Special Law Enforcement	8,177.45	3,206.51		2,921.00		8,462.96
Unemployment Claims Payable	32,768.03	8,218.39		5,223.73		35,762.69
Uniform Construction Code and Local Enforcement Agency	51,209.63	221,362.12	5,817.83	126,378.92	50.70	151,959.96
	<u>\$ 1,090,061.45</u>	<u>\$ 4,461,429.59</u>	<u>\$ 18,535.33</u>	<u>\$ 4,635,998.26</u>	<u>\$ 7,914.20</u>	<u>\$ 926,113.91</u>
2023 Budget Appropriation - Due Current Fund			\$ 2,596.50			
Due to Federal and State Grant Fund					\$ 3,347.50	
Encumbrances			<u>15,938.83</u>		<u>4,566.70</u>	
			<u>\$ 18,535.33</u>		<u>\$ 7,914.20</u>	

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of General Capital Cash
Per N.J.S. 40A:5-5 -- Treasurer
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 1,036,273.36
Increased by Receipts:		
Due Current Fund	\$ 29,616.36	
Downpayment on Improvement Authorizatons - Open Space Trust Fund	<u>2,500.00</u>	
		<u>32,116.36</u>
		1,068,389.72
Decreased by Disbursements:		
Contracts Payable	440,834.67	
Improvement Authorization	<u>371,013.88</u>	
		<u>811,848.55</u>
Balance December 31, 2023		<u><u>\$ 256,541.17</u></u>

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

	Balance (Deficit) <u>Dec. 31, 2022</u>	Receipts		Disbursements		Transfers		Balance (Deficit) <u>Dec. 31, 2023</u>	
		Bond Anticipation <u>Notes</u>	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Due Current Fund	\$ 383.64		\$ 29,616.36			\$ 30,000.00			
Reserve for Encumbrances	83,391.00					83,391.00	\$ 85,610.36	\$ 85,610.36	
Contracts Payable	413,494.50				\$ 440,834.67		262,436.75	235,096.58	
Capital Improvement Fund	5,763.83					30,000.00	30,000.00	5,763.83	
Improvement Authorizations:									
Ordinance Number:									
2015:06	Various Capital Improvements	76,316.88						76,316.88	
2016:05	Various Capital Improvements	4,039.29		\$ 3,523.06				516.23	
2018:04	Various Capital Improvements	10,814.62						10,814.62	
2019:01	Various Capital Improvements	2,873.21						2,873.21	
2019:10	Various Capital Improvements	14,437.92			14,251.37			186.55	
2020:05	Various Capital Improvements	66,691.56			32,296.52	4,040.23		30,354.81	
2021:13	Various Capital Improvements	101,632.69			27,678.25	8,791.56	820.00	65,982.88	
2021:17	Solid Waste Collection Vehicles/Equipment	26,853.34			2,769.17			24,084.17	
2022:09	Various Capital Improvements	229,580.88			153,948.60	71,954.44	82,571.00	86,248.84	
2023:08	Various Capital Improvements		2,500.00	136,546.91		263,260.88	30,000.00	(367,307.79)	
		<u>\$ 1,036,273.36</u>	<u>\$ -</u>	<u>\$ 32,116.36</u>	<u>\$ 371,013.88</u>	<u>\$ 440,834.67</u>	<u>\$ 491,438.11</u>	<u>\$ 491,438.11</u>	<u>\$ 256,541.17</u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	Increased by	Decreased by	Analysis of Balance, December 31, 2023		
			2023 Authorizations	Notes Paid by Budget Appropriation	Balance Dec. 31, 2023	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
General Improvements:							
2013:09	Road Construction	\$ 28,570.00		\$ 28,570.00			
2014:19	Road Construction	50,000.00		25,000.00	\$ 25,000.00	\$ 25,000.00	
2015:06	Various Capital Improvements	265,050.00		88,350.00	176,700.00	176,700.00	
2016:05	Various Capital Improvements	205,600.00		51,400.00	154,200.00	154,200.00	
2017:08	Various Capital Improvements	553,462.00		110,700.00	442,762.00	442,762.00	
2018:04	Various Capital Improvements	266,307.00		44,384.00	221,923.00	221,923.00	
2019:01	Various Capital Improvements	19,950.00		2,850.00	17,100.00	17,100.00	
2019:10	Various Capital Improvements	363,586.50		51,942.00	311,644.50	311,644.50	
2020:05	Various Capital Improvements	322,745.75		40,343.00	282,402.75	282,402.75	
2021:13	Various Capital Improvements	513,000.00		57,000.00	456,000.00	456,000.00	
2021:17	Solid Waste Collection Vehicles/Equipment	427,500.00		47,500.00	380,000.00	380,000.00	
2022:09	Various Capital Improvements	380,000.00		38,000.00	342,000.00	342,000.00	
2023:08	Various Capital Improvements		\$ 617,500.00		617,500.00		\$ 248,242.21
		<u>\$ 3,395,771.25</u>	<u>\$ 617,500.00</u>	<u>\$ 586,039.00</u>	<u>\$ 3,427,232.25</u>	<u>\$ 2,809,732.25</u>	<u>\$ 369,257.79</u>
							<u>\$ 248,242.21</u>
Improvement Authorizations - Unfunded							\$ 545,120.40
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:							
	Ordinance Number 2015:06					\$ 76,316.88	
	Ordinance Number 2016:05					516.23	
	Ordinance Number 2018:04					10,814.62	
	Ordinance Number 2019:01					2,873.21	
	Ordinance Number 2019:10					186.55	
	Ordinance Number 2020:05					30,354.81	
	Ordinance Number 2021:13					65,982.88	
	Ordinance Number 2021:17					24,084.17	
	Ordinance Number 2022:09					85,748.84	
							296,878.19
							<u>\$ 248,242.21</u>

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
 Statement of Due to Current Fund
 For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 383.64
Increased by:		
Receipts:		
Interest Earned on Deposits	\$ 4,809.23	
Interfunds Received	24,807.13	
		29,616.36
		30,000.00
Decreased by:		
2023 Budget Appropriation:		
Capital Improvement Fund		\$ 30,000.00

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

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance Dec. 31, 2022		Down Payment	2023 Authorizations		Transfers from Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2023	
				Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Funded			Unfunded	
General Improvements:												
2015:06	Various Capital Improvements: Handicapped Ramp Project LED Street Lights	05/12/15	\$ 40,000.00 400,000.00		\$ 32.90 76,283.98						\$ 32.90 76,283.98	
2016:05	Various Capital Improvements: Police Equipment	04/26/16	25,000.00		4,039.29				\$ 3,523.06		516.23	
2018:04	Various Capital Improvements: Alcotest/Breathalyzer Recording System	05/08/18	19,750.00 3,495.00		9,104.35 1,710.27						9,104.35 1,710.27	
2019:01	Various Capital Improvements	02/12/19	30,000.00		2,873.21						2,873.21	
2019:10	Various Capital Improvements: Police Vehicles Tree Maintenance Project	05/14/19	109,000.00 25,000.00		14,251.37 186.55				14,251.37		186.55	
2020:05	Various Capital Improvements: Property Upgrades Tree Maintenance Project	07/14/20	30,910.00 60,000.00	\$ 1,246.04	29,364.50 36,081.02				14,141.55 22,195.20		16,468.99 13,885.82	
2021:13	Various Capital Improvements: Property Upgrades Public Works Equipment Fire Department Equipment Police Body Cameras/Equipment	07/13/21	10,000.00 1,700.00 34,000.00 113,000.00		8,509.00 88.05 12,041.76 80,993.88			\$ 820.00	908.05 12,041.76 23,520.00		8,509.00 57,473.88	
2021:17	Solid Waste Collection Vehicles/Equipment	09/14/21	500,000.00		26,853.34				2,769.17		24,084.17	
2022:09	Various Capital Improvements: Municipal Road Improvements Police Vehicles/ Equipment Fire Equipment DPW Equipment Municipal Property Improvements	07/12/22	244,000.00 98,000.00 34,000.00 14,000.00 10,000.00	1,700.00	168,171.33 16,433.50 32,300.00 976.05 9,500.00			2,217.00 80,354.00	104,109.20 87,423.55 33,394.24 976.05	\$ 500.00	66,279.13 9,363.95 605.76 9,500.00	
2023:08	Various Capital Improvements: Municipal Road Improvements Police Vehicles/ Equipment Fire Equipment DPW Equipment Municipal Property Improvements Park Improvements Police Computers	07/11/23	288,000.00 125,000.00 39,000.00 10,000.00 126,000.00 50,000.00 12,000.00			\$ 14,400.00 6,250.00 1,950.00 500.00 6,300.00 2,500.00 600.00	\$ 273,600.00 118,750.00 37,050.00 9,500.00 119,700.00 47,500.00 11,400.00		160,303.80 116,458.24 1,950.00 10,000.00 67,997.75 33,048.00 12,000.00		127,696.20 8,541.76 37,050.00 58,002.25 16,952.00	
				\$ 3,446.04	\$ 529,794.35	\$ 32,500.00	\$ 617,500.00	\$ 83,391.00	\$ 719,060.99	\$ 2,450.00	\$ 545,120.40	
Capital Improvement Fund						\$ 30,000.00						
Open Space Trust Fund Appropriation - Downpayment on Improvement Authorizations						2,500.00						
						32,500.00						
Reserve for Encumbrances									\$ 85,610.36			
Contracts Payable									262,436.75			
Disbursements									371,013.88			
									\$ 719,060.99			

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

Balance December 31, 2022	\$	83,391.00
Increased by:		
2023 Purchase Orders		85,610.36
		169,001.36
Decreased by:		
Transferred to Statement of Improvement Authorizations		83,391.00
Balance December 31, 2023	\$	85,610.36

Exhibit SC-7

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

Balance December 31, 2022	\$	413,494.50
Increased by:		
2023 Contracts Awarded		262,436.75
		675,931.25
Decreased by:		
Disbursements		440,834.67
Balance December 31, 2023	\$	235,096.58

Analysis of Balance December 31, 2023

<u>Contractor</u>	<u>Ordinance</u>	<u>Contract No.</u>	<u>Balance</u>
Lexa Concrete LLC	Ordinance 2022:09	22-00004	\$ 40,657.58
Thank Pavers Landscaping, LLC	Ordinance 2022:09	23-00002	1,889.00
Paving Plus, LLC	Ordinance 2022:09	23-00003	34,746.20
Perna Finnegan Inc.	Ordinance 2023:08	23-00005	157,803.80
			\$ 235,096.58

BOROUGH OF STRATFORD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 5,763.83
Increased by:	
Due Current Fund:	
2023 Budget Appropriation	<u>30,000.00</u>
	35,763.83
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>30,000.00</u>
Balance December 31, 2023	<u><u>\$ 5,763.83</u></u>

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

Ordinance Number	Improvement Description	Date of Issue of Original Note	Original Amount Issued	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
2013:09	Road Construction	07/19/13	285,700.00	07/08/22	07/07/23	2.550%	\$ 28,570.00		\$ 28,570.00	
2014:19	Various Capital Improvements	11/11/14	250,000.00	01/28/22 01/27/23	01/27/23 01/26/24	0.690% 4.140%	50,000.00	\$ 25,000.00	50,000.00	\$ 25,000.00
2015:06	Various Capital Improvements	04/15/15	883,500.00	07/08/22 07/07/23	07/07/23 07/06/24	2.550% 4.110%	265,050.00	176,700.00	265,050.00	176,700.00
2016:05	Various Capital Improvements	05/10/16	514,000.00	07/08/22 07/07/23	07/07/23 07/06/24	2.550% 4.110%	205,600.00	154,200.00	205,600.00	154,200.00
2017:08	Various Capital Improvements	05/09/17	1,106,962.00	07/08/22 07/07/23	07/07/23 07/06/24	2.550% 4.110%	553,462.00	442,762.00	553,462.00	442,762.00
2018:04	Various Capital Improvements	05/08/18	443,843.00	07/08/22 07/07/23	07/07/23 07/06/24	2.550% 4.110%	266,307.00	221,923.00	266,307.00	221,923.00
2019:01	Various Capital Improvements	02/12/19	28,500.00	07/08/22 07/07/23	07/07/23 07/06/24	2.550% 4.110%	19,950.00	17,100.00	19,950.00	17,100.00
2019:10	Various Capital Improvements	05/14/19	519,412.50	07/08/22 07/07/23	07/07/23 07/06/24	2.550% 4.110%	363,586.50	311,644.50	363,586.50	311,644.50
2020:05	Various Capital Improvements	09/24/20	403,431.75	09/22/22 09/21/23	09/21/23 09/20/24	3.540% 4.140%	322,745.75	282,402.75	322,745.75	282,402.75
2021:13	Various Capital Improvements	09/23/21	570,000.00	09/22/22 09/21/23	09/21/23 09/20/24	3.540% 4.140%	513,000.00	456,000.00	513,000.00	456,000.00
2021:17	Solid Waste Collection Vehicles/Equipment	01/28/22	427,500.00	01/28/22 01/27/23	01/27/23 01/26/24	0.690% 4.140%	427,500.00	380,000.00	427,500.00	380,000.00
2022:09	Various Capital Improvements	09/22/22	380,000.00	09/22/22 09/21/23	09/21/23 09/20/24	3.540% 4.140%	380,000.00	342,000.00	380,000.00	342,000.00
							<u>\$ 3,395,771.25</u>	<u>\$ 2,809,732.25</u>	<u>\$ 3,395,771.25</u>	<u>\$ 2,809,732.25</u>
Renewal Paid by Budget Appropriation								\$ 2,809,732.25	\$ 2,809,732.25 586,039.00	
								<u>\$ 2,809,732.25</u>	<u>\$ 3,395,771.25</u>	

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Increased by</u>	<u>Balance Dec. 31, 2023</u>
			<u>2023 Authorizations</u>	
General Improvements: 2023:08	Various Capital Improvements	\$ -	\$ 617,500.00	\$ 617,500.00
		<u>\$ -</u>	<u>\$ 617,500.00</u>	<u>\$ 617,500.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

BOROUGH OF STRATFORD
SEWER UTILITY FUNDS
Statement of Sewer Utility Cash and Investments
PER N.J.S.40A:5-5--TREASURER
For the Year Ended December 31, 2023

	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2022	\$ 1,215,557.32	\$ 74,717.90
Increased by Receipts:		
Collector	\$ 488,759.89	
Miscellaneous Revenue	14,291.74	
Appropriation Refunds	9,878.43	
Due Sewer Utility Operating Fund		\$ 480.67
Due Sewer Utility Capital Fund	<u>508.00</u>	
	<u>513,438.06</u>	<u>480.67</u>
	1,728,995.38	75,198.57
Decreased by Disbursements:		
2023 Appropriations	520,128.07	
2022 Appropriation Reserves	5,413.56	
Accrued Interest on Notes	6,078.62	
Improvement Authorizations		18,277.12
Due Federal and State Grant Fund	510,978.69	
Due Sewer Utility Operating Fund	<u>508.00</u>	
	<u>1,042,598.94</u>	<u>18,785.12</u>
Balance December 31, 2023	<u><u>\$ 686,396.44</u></u>	<u><u>\$ 56,413.45</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Utility Cash
Per N.J.S. 40A:5-5--Collector
For the Year Ended December 31, 2023

Increased by:

Receipts:

Interest and Cost on Delinquent Sewer Rents	\$ 7,057.89
Connection Fees	27,210.00
Prepaid Sewer Rents	1,755.22
Sewer Rents Receivable	<u>452,736.78</u>

\$ 488,759.89

Decreased by:

Turnovers to Treasurer

\$ 488,759.89

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

	Balance <u>Dec. 31, 2022</u>	Receipts		Disbursements		Transfers		Balance <u>Dec. 31, 2023</u>
		Miscellaneous	Improvement <u>Authorizations</u>	Miscellaneous	From	To		
Due Sewer Utility Operating Fund Reserve for Encumbrances	\$ 27.33	\$ 480.67		\$ 508.00		\$ 2,695.00	\$ 2,695.00	
Improvement Authorizations: 2020:07 Sewer Utility Emergency Repairs	<u>74,690.57</u>		\$ 18,277.12		\$ 2,695.00		<u>53,718.45</u>	
	<u>\$ 74,717.90</u>	<u>\$ 480.67</u>	<u>\$ 18,277.12</u>	<u>\$ 508.00</u>	<u>\$ 2,695.00</u>	<u>\$ 2,695.00</u>	<u>\$ 56,413.45</u>	

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Due from Sewer Utility Capital Fund
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 27.33
Increased by:	
Interest Earned in Sewer Utility Capital Fund	<u>480.67</u>
	508.00
Decreased by:	
Receipts - Interfunds Received	<u>\$ 508.00</u>

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2023

Balance December 31, 2022		\$ 23,486.71
Increased by:		
Sewer Rents Levied		<u>455,615.15</u>
		479,101.86
Decreased by:		
Collections	\$ 452,736.78	
Prepayments Applied	<u>2,329.10</u>	
		<u>455,065.88</u>
Balance December 31, 2023		<u><u>\$ 24,035.98</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Schedule of Fixed Capital
 As of December 31, 2023

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Infrastructure and Garage	\$ 584,309.76
Land and Land Rights	30,819.36
Hi Nella Pumping Station Renewals	409,639.86
Manhole and Pumping Station Renewals	207,321.92
Winding Way Pumping Station	31,535.00
Berlin Road Pumping Station	5,229.00
Building Improvements	60,132.61
Original Plant and Sewer Collection System	2,134,566.25
Vehicles and Equipment:	
Computers	18,247.18
Shredder	101.06
Backhoe	38,800.00
Haulmark Trailer	1,937.75
Stihlts 460 Saw	725.00
7 HP/60 G Oil Lube Compressor	577.61
	\$ 3,523,942.36

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Fixed Capital Authorized and Uncompleted
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance</u>		<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Balance Dec. 31, 2023</u>
			<u>Amount</u>			<u>Deferred Charges to Future Reveue</u>	
Sewer Utility Improvements:							
2020:07	Sewer Utility Emergency Repairs	7/14/2020	\$	170,000.00	\$ 170,000.00		\$ 170,000.00
2023:14	Sewer Utility Emergency Repairs	12/27/2023		130,000.00		\$ 130,000.00	130,000.00
					<u>\$ 170,000.00</u>	<u>\$ 130,000.00</u>	<u>\$ 300,000.00</u>

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

	Balance December 31, 2022		Balance After Modification	Disbursed	Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
Operating:					
Salary and Wages		\$ 11,825.08	\$ 11,825.08		\$ 11,825.08
Other Expenses	\$ 133.05	17,684.73	17,817.78	\$ 5,413.56	12,404.22
Total Operating	133.05	29,509.81	29,642.86	5,413.56	24,229.30
Deferred Charges and Regulatory Expenditures:					
Regulatory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,269.96	1,269.96		1,269.96
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)		34.47	34.47		34.47
Total Deferred Charges and Regulatory Expenditures		1,304.43	1,304.43		1,304.43
	\$ 133.05	\$ 30,814.24	\$ 30,947.29	\$ 5,413.56	\$ 25,533.73

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2023

Balance December 31, 2022	\$ 2,329.10
Increased by:	
Collections	<u>1,755.22</u>
	4,084.32
Decreased by:	
Prepayments Applied	<u>2,329.10</u>
Balance December 31, 2023	<u><u>\$ 1,755.22</u></u>

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

Balance December 31, 2022	\$ 1,949.79
Increased by:	
Charged to Budget Appropriation - Interest on Notes	6,219.70
	8,169.49
Decreased by:	
Interest Paid:	
Disbursed	6,078.62
Balance December 31, 2023	\$ 2,090.87

Analysis of Accrued Interest, December 31, 2023

<u>Principal Outstanding December 31, 2023</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (Days)</u>	<u>Amount</u>
Bond Anticipation Notes:					
\$ 34,200.00	4.110%	07-07-23	12-31-23	178	\$ 695.00
119,000.00	4.140%	09-21-23	12-31-23	102	1,395.87
					\$ 2,090.87

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Dec. 31, 2022 Unfunded</u>	<u>2023 Authorizations Deferred Charges to Future Revenue</u>	<u>Paid or Charged</u>	<u>Dec. 31, 2023 Unfunded</u>
Sewer Utility Improvements:							
2020:07	Sewer Utility Emergency Repairs	7/14/2020	\$ 170,000.00	\$ 74,690.57		\$ 20,972.12	\$ 53,718.45
2023:14	Sewer Utility Emergency Repairs	12/27/2023	130,000.00	<u> </u>	\$ 130,000.00	<u> </u>	<u>130,000.00</u>
				<u>\$ 74,690.57</u>	<u>\$ 130,000.00</u>	<u>\$ 20,972.12</u>	<u>\$ 183,718.45</u>
	Encumbered					\$ 2,695.00	
	Disbursed					<u>18,277.12</u>	
						<u>\$ 20,972.12</u>	

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

Balance December 31, 2022	\$ 3,506,642.36
Increased by:	
Bond Anticipation Notes paid by Budget Appropriation	<u>34,100.00</u>
Balance December 31, 2023	<u><u>\$ 3,540,742.36</u></u>

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Bond Anticipation Notes
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>
Sewer Utility Improvements:										
2015:07	Pump Station #2 Upgrades	\$ 171,000.00	6/17/2015	7/8/2022 7/7/2023	7/7/2023 7/6/2024	2.550% 4.110%	\$ 51,300.00	\$ 34,200.00	\$ 51,300.00	\$ 34,200.00
2020:07	Sewer Utility Emergency Repairs	170,000.00	9/24/2020	9/22/2022 9/21/2023	9/21/2023 9/20/2024	3.540% 4.140%	136,000.00	119,000.00	136,000.00	119,000.00
							<u>\$ 187,300.00</u>	<u>\$ 153,200.00</u>	<u>\$ 187,300.00</u>	<u>\$ 153,200.00</u>
						Renewals Paid by Budget Appropriation		\$ 153,200.00	\$ 153,200.00	
								<u>\$ 153,200.00</u>	<u>\$ 187,300.00</u>	

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
 Statement of Bond and Notes Authorized but Not Issued
 For the Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2023</u>
Sewer Utility Improvements:					
2023:14	Sewer Utility Emergency Repairs		\$ 130,000.00	\$ -	\$ 130,000.00
		\$ -	\$ 130,000.00	\$ -	\$ 130,000.00

PART II
SINGLE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Stratford
Stratford, New Jersey 08084

Report on Compliance for Each Major Federal Program

Opinion on the Major Federal Program

We have audited the Borough of Stratford's, in the County of Camden, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Borough's major federal program for the year ended December 31, 2023. The Borough's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Stratford, in the County of Camden, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Borough's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Borough's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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Report on Internal Control over Compliance (Cont'd)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 12, 2024

BOROUGH OF STRATFORD
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Additional Award Identification	Pass Through Entity Identifying Number	Program or Award Amount	Grant Period		
					From	To	
U.S. DEPARTMENT OF TREASURY							
Coronavirus State and Local Fiscal Recovery Funds:							
American Rescue Plan Act:							
Passed through N.J. Department of Community Affairs:							
Coronavirus State and Local Fiscal Recovery Funds - Revenue Replacement	21.027	COVID-19; 21.027	100-022-8030-687	\$ 600,000.00	03/03/21	12/31/26	
Coronavirus State and Local Fiscal Recovery Funds	21.027	COVID-19; 21.027	100-022-8030-687	127,969.80	03/03/21	12/31/26	
Total Coronavirus State and Local Fiscal Recovery Funds							
U.S. DEPARTMENT OF JUSTICE							
Bulletproof Vest Partnership Program:							
(Direct Funding):							
Bulletproof Vest Partnership Grant	16.607		n/a	1,340.28	Prior	Completion	
Bulletproof Vest Partnership Grant	16.607		n/a	2,100.00	01/01/16	Completion	
Bulletproof Vest Partnership Grant	16.607		n/a	75.18	01/01/17	Completion	
Bulletproof Vest Partnership Grant	16.607		n/a	1,320.00	01/01/18	Completion	
Total Bulletproof Vest Partnership Grant							
Total U.S. Department of Justice							
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Community Development Block Grants / Entitlement Grants Cluster:							
Passed through County of Camden:							
2022 ADA Improvements	14.218		n/a	Various	11/15/22	Completion	
2023 Coolidge, Wellington & Bryant	14.218		n/a	Various	07/21/23	Completion	
Total Community Development Block Grant Entitlement Grants Cluster							
U.S. DEPARTMENT OF TRANSPORTATION							
Highway Safety Cluster:							
National Priority Safety Programs:							
Pass Through N.J. Department of Law and Public Safety:							
Impaired Driving Countermeasure:							
Camden County Regional DWI Task Force	20.616		100-157-1160-066	46,750.00	10/01/20	09/30/21	
Camden County Regional DWI Task Force	20.616		100-157-1160-066	73,780.00	10/01/21	# 09/30/23	
Camden County Regional DWI Task Force	20.616		100-157-1160-066	39,900.00	10/01/23	09/30/24	
Total Camden County Regional DWI Task Force							
Drive Sober or Get Pulled Over	20.616		100-157-1160-066	400.00	Prior	Completion	
Drive Sober or Get Pulled Over - Year End Crackdown	20.616		100-157-1160-066	6,000.00	01/01/21	Completion	
Total Drive Sober or Get Pulled Over							
Click-it-or-Ticket	20.616		100-155-1160-066	5,500.00	01/01/19	12/31/19	
Distracted Driver Statewide Crackdown	20.616		100-158-1160-066	5,940.00	01/01/22	12/31/22	
Distracted Driver Statewide Crackdown	20.616		100-158-1160-066	7,000.00	01/01/23	12/31/23	
Total Distracted Driver Statewide Crackdown							
Total Highway Safety Cluster							
Total U.S. Department of Transportation							
U.S. DEPARTMENT OF HOMELAND SECURITY							
Assistance to Firefighters Grant:							
Assistance to Firefighters Grant (Direct Funding)	97.044	2022-04989-0778	n/a	33,000.00	12/05/22	12/31/23	
Disaster Grants - Public Assistance (Presidentially Declared Disasters):							
Pass Through N.J. Department of Law and Public Safety:							
FEMA - Public Assistance - COVID	97.036	COVID-19; 97.036	100-C50-1200-066	90,354.43	01/01/22	12/31/23	
FEMA - Public Assistance - COVID	97.036	COVID-19; 97.036	100-C50-1200-066	11,506.77	01/01/23	12/31/23	
FEMA - Public Assistance - COVID	97.036	COVID-19; 97.036	100-C50-1200-066	5,093.06	01/01/23	12/31/23	
Staffing for Adequate Fire and Emergency Response (SAFER):							
FEMA - (SAFER) Fire EMS Grant (Direct Funding)	97.083	EMW-2021-FF-01599	n/a	479,662.00	06/07/23	06/06/27	
Total U.S. Department of Homeland Security							
Total Federal Awards							
					Current Fund Federal and State Grant Fund		

The accompanying Notes to Financial Statements and Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

Balance Dec. 31, 2022	Receipts or Revenues Recognized	Adjustments +/-	Disbursements/ Expenditures	Encumbrances	Balance Dec. 31, 2023	(Memo Only)		
						Cash Collected	Passed Through to Subrecipients	Cumulative Expenditures
\$ 11,454.78	\$ 300,000.00 63,984.90		\$ 300,000.00 33,872.09	\$ 260.00	\$ 41,307.59			\$ 600,000.00 86,662.21
11,454.78	363,984.90		333,872.09	260.00	41,307.59			686,662.21
1,340.28			597.37		742.91			597.37
2,100.00					2,100.00			
75.18					75.18			
1,320.00					1,320.00			
4,835.46			597.37		4,238.09			597.37
4,835.46			597.37		4,238.09			597.37
	250,000.00		169,219.52	65,502.18	15,278.30			169,219.52
	577,100.00		241,208.00	322,608.00	13,284.00			241,208.00
	827,100.00		410,427.52	388,110.18	28,562.30			410,427.52
4,355.91			4,355.91			\$ 4,349.69		46,750.00
73,780.00			35,629.09		38,150.91	34,430.31		35,629.09
	39,900.00				39,900.00			
78,135.91	39,900.00		39,985.00		78,050.91	38,780.00		82,379.09
400.00					400.00			-
950.00					950.00			5,050.00
1,350.00					1,350.00			5,050.00
710.00					710.00			4,790.00
900.00					900.00			5,040.00
	7,000.00		7,000.00			7,000.00		7,000.00
900.00	7,000.00		7,000.00		900.00	7,000.00		12,040.00
81,095.91	46,900.00		46,985.00		81,010.91	45,780.00		104,259.09
81,095.91	46,900.00		46,985.00		81,010.91	45,780.00		104,259.09
	33,000.00		33,000.00					
90,354.43			90,354.43			5,241.32		90,354.43
	11,506.77		11,506.77			11,506.77		11,506.77
	5,093.06		5,093.06			5,093.06		5,093.06
90,354.43	16,599.83		106,954.26			21,841.15		106,954.26
	479,662.00		17,024.00	7,765.00	454,873.00			
90,354.43	529,261.83		156,978.26	7,765.00	454,873.00	21,841.15		106,954.26
\$ 187,740.58	\$ 1,767,246.73	\$ -	\$ 948,860.24	\$ 396,135.18	\$ 609,991.89	\$ 67,621.15	\$ -	\$ 1,308,900.45
\$ 187,740.58	\$ 305,093.06 1,462,153.67		\$ 305,093.06 643,767.18	\$ 396,135.18	\$ 609,991.89	\$ 5,093.06 62,528.09		\$ 605,093.06 703,807.39
\$ 187,740.58	\$ 1,767,246.73	\$ -	\$ 948,860.24	\$ 396,135.18	\$ 609,991.89	\$ 67,621.15	\$ -	\$ 1,308,900.45

BOROUGH OF STRATFORD
Notes to Schedules of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Note 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "schedule") includes federal award activity of the Borough of Stratford (hereafter referred to as the "Borough") under programs of the federal government for the year ended December 31, 2023. The Borough is defined in note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. Because the schedule presents only a selected portion of the operations of the Borough, it is not intended to and does not present the financial position and changes in operations of the Borough.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported in accordance with the *Requirements of Audit* (the "Requirements") as promulgated by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and present expenditures on the modified accrual basis of accounting with minor exceptions as mandated by the *Requirements*. This basis of accounting is described in note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The expenditures reflected in the schedule are presented at the federal participation level; thus, any matching portion is not included.

Note 3: INDIRECT COST RATE

The Borough has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

Note 5: MAJOR PROGRAMS

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

PART III
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF STRATFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

Assistance Listings Number(s)

14.218

Name of Federal Program or Cluster

Community Development Block Grants/Entitlement

Grants Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000.00
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

BOROUGH OF STRATFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance Not applicable.

Internal control over major programs:

Material weakness(es) identified? _____ yes _____ no

Significant deficiency(ies) identified? _____ yes _____ none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? _____ yes _____ no

Identification of major programs:

GMIS Number(s)

Name of State Program

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

Auditee qualified as low-risk auditee? _____ yes _____ no

BOROUGH OF STRATFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 2 - Schedule of Financial Statement Findings

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

None.

BOROUGH OF STRATFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

Section 3 - Schedule of Federal Award Findings and Questioned Costs

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

None.

BOROUGH OF STRATFORD
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2023

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

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

Not applicable.

BOROUGH OF STRATFORD
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 STRATFORD
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Josh Keenan	Mayor	(A); (B)
Stephen Gandy	President of Council	(A); (B)
Patrick Gilligan	Councilman	(A); (B)
Linda Hall	Councilwoman	(A); (B)
James Kelly	Councilman	(A); (B)
Tina Lomanno	Councilwoman	(A); (B)
Michael Tolomeo	Councilman	(A); (B)
John Keenan	Acting Borough Administrator	(A); (B)
William Bray	Borough Clerk, Comptroller, Office Manager	(A); (B)
Robin Sarlo	Chief Financial Officer, Tax Collector and Tax Search Officer	(A); (B)
Patrick Dymond	Tax Assessor	(A); (B)
Stuart Platt	Solicitor	
Charles Shimberg	Judge of the Municipal Court	(A); (B)
Jean Phillips	Court Administrator	(A); (B)

All of the Bonds were examined and were properly executed.

(A) Statewide Insurance Fund – Crime – Employee Theft - Per Loss Coverage (\$1,000,000.00)

(B) Statewide Insurance Fund - Public Officials Liability - Per Official, Annual Aggregate (\$5,000,000.00)

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APPRECIATION

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

Respectfully submitted,

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

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

A handwritten signature in cursive script that reads "Scott P. Barron".

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

