PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

BOROUGH OF STRATFORD

COUNTY OF CAMDEN

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2025

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BOROUGH OF STRATFORD
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BOROUGH OF STRATFORD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Regulatory Basis Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Borough of Stratford, in the County of Camden, State of New Jersey ("Borough"), as of December 31, 2025, and the related statements of operations and changes in reserve for future use and fund balance - regulatory basis, the related statements 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, 2025, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds of the Borough as of December 31, 2025, and the results of its operations and changes in reserve for future use and fund balance - regulatory basis of such funds for the year then ended, and the statements of revenues - regulatory basis and statements of expenditures - regulatory basis, for the year ended December 31, 2025, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Borough as of December 31, 2025, or the results of its operations and changes in reserve for future use and fund balance for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

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

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

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

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

Report on Prior Year Financial Statements

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2026, on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP
Voorhees, New Jersey
August 21, 2026

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements prepared on a regulatory basis of accounting prescribed by the Division, of the Borough of Stratford, in the County of Camden, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 21, 2026. That report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP
Voorhees, New Jersey
August 21, 2026

Scott P. Barron

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant

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

ASSETS AND DEFERRED CHARGES:	Ref.	2025	2024
Current Fund:			
Cash	SA-1	$ 1,510,207.38	$ 1,646,851.01
Change Funds	SA-3	120.00	120.00
		1,510,327.38	1,646,971.01
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	246,910.67	438,858.43
Tax Title Liens Receivable	SA-6	1,614.47	9,459.83
Maintenance Liens Receivable	SA-7	1,540.00	1,100.00
Revenue Accounts Receivable	SA-8	9,274.98	8,270.67
Property Acquired for Taxes (at Assessed Valuation)	SA-9	613,700.00	613,700.00
Interfund Accounts Receivable:			
Due from Trust - Other Fund	SB-8	2,648.00	
		875,688.12	1,071,388.93
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	SA-10		5,000.00
			5,000.00
Total Current Fund		2,386,015.50	2,723,359.94
Federal and State Grant Fund:			
Cash	SA-1		222,281.46
Federal, State and Local Grants Receivable	SA-21	2,365,809.82	1,492,568.99
Total Federal and State Grant Fund		2,365,809.82	1,714,850.45
Total Assets		$ 4,751,825.32	$ 4,438,210.39

(Continued)

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

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2025	2024
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-11	$ 429,992.30	$ 365,551.31
Reserve for Encumbrances	A-3, SA-11, SA-20	36,787.45	33,165.45
Due to Bank	A	0.87	0.87
Due to State of New Jersey - Veterans' and Senior Citizens' Deductions	SA-12	8,734.43	8,234.43
Prepaid Taxes	SA-13	192,229.34	197,973.40
Tax Overpayments	SA-14	1,291.54	1,903.86
Due to County - Added and Omitted Taxes	SA-16	3,267.05	35,432.23
Reserve for Whitman Ave Townhouses	SA-20	7,463.72	7,488.73
Reserve for Master Plan	SA-20	4,298.80	4,298.80
Due to State of New Jersey - Marriage and Civil Unions	SA-20	200.00	
Due to Trust - Other Fund	SB-8		10,000.00
		684,265.50	664,049.08
Reserves for Receivables and Other Assets		875,688.12	1,071,388.93
Fund Balance	A-1	826,061.88	987,921.93
Total Current Fund		2,386,015.50	2,723,359.94
Federal and State Grant Fund:			
Due to General Capital Fund	SA-1	321,322.01	
Reserve for Federal and State Grants - Unappropriated	SA-22		1,641.07
Reserve for Encumbrances	SA-23	214,682.75	259,891.35
Reserve for Federal, State and Local Grants - Appropriated	SA-23	1,829,805.06	1,453,318.03
Total Federal and State Grant Fund		2,365,809.82	1,714,850.45
Total Liabilities, Reserves and Fund Balance		$ 4,751,825.32	$ 4,438,210.39

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, 2025 and 2024

	Ref.	2025	2024
Revenue and Other Income Realized			
Surplus Anticipated	A-2	$ 851,050.00	$ 800,000.00
Miscellaneous Revenues Anticipated	A-2	2,922,184.92	2,637,995.75
Receipts from Delinquent Taxes	A-2	330,152.29	215,307.63
Receipts from Current Taxes	A-2	20,282,238.07	19,795,297.04
Non-Budget Revenues	A-2	118,948.51	124,258.09
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	SA-11	254,116.72	318,941.22
Overpayments Cancelled	SA-14	234.19	
Liquidation of Reserves for:			
Due from Federal and State Grant Fund			1.00
Due from Trust - Other Fund			9,631.27
Total Income		24,758,924.70	23,901,432.00
Expenditures			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Salaries and Wages	A-3	2,827,821.79	2,736,943.30
Other Expenses	A-3	2,279,999.54	2,161,202.00
Deferred Charges and Statutory Expenditures Within "CAPS"	A-3	851,720.98	855,053.00
Operations Excluded from "CAPS":			
Salaries and Wages	A-3	206,368.83	535,462.80
Other Expenses	A-3	1,083,622.63	613,232.31
Capital Improvements Excluded from "CAPS"	A-3	531,454.00	260,147.00
Municipal Debt Service Excluded from "CAPS"	A-3	755,640.60	673,072.59
Deferred Charges Excluded from "CAPS"	A-3	5,000.00	67,000.00
County Taxes Payable	SA-15	3,861,961.45	3,756,916.88
County Share of Added and Omitted Taxes	SA-16	3,267.05	35,432.23
Local School District Taxes Payable	SA-17	8,590,337.00	8,348,664.00
Regional High School Taxes	SA-18	3,011,626.50	2,895,910.50
Open Space Trust Fund Tax Payable	SA-19	57,296.06	57,790.82
Due to State of New Jersey - Prior Year Veteran and Deductions Disallowed by Collector -- Prior Year Taxes	SA-12	970.32	2,230.14
Cancellation of Federal and State Grants Receivable			
Tax Appeals Prior Year Collection -- Tax Overpayments			10,885.21
Creation of Reserves for:			
Interfund Advances in the Current Year:			
Due from Trust - Other Fund	A	2,648.00	
Total Expenditures		24,069,734.75	23,009,942.78

(Continued)

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

	Ref.	2025	2024
Excess Revenue and Other Income Realized Over Expenditures		$ 689,189.95	$ 891,489.22
Fund Balance			
Balance January 1	A	987,921.93	896,432.71
		1,677,111.88	1,787,921.93
Decreased by:			
Utilization as Anticipated Revenue	A-1	851,050.00	800,000.00
Balance December 31	A	$ 826,061.88	$ 987,921.93

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, 2025

	Ref.	Anticipated Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	A-1	$ 851,050.00		$ 851,050.00	
Miscellaneous Revenues:					
Local Revenues:					
Licenses:					
Alcoholic Beverages	SA-8	5,000.00		5,000.00	
Other	SA-8	12,000.00		13,316.00	$ 1,316.00
Fees and Permits	SA-8	72,000.00		38,143.20	(33,856.80)
Fines and Costs:					
Municipal Court	SA-8	135,000.00		146,425.59	11,425.59
Interest and Costs on Taxes	SA-8	55,000.00		91,984.38	36,984.38
Interest on Investments and Deposits	SA-8	25,000.00		25,018.94	18.94
Utility Operating Surplus	SA-8	168,000.00		168,000.00	
Total Local Revenues		472,000.00		487,888.11	15,888.11
State Aid Without Offsetting Appropriations:					
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	SA-8	729,225.00		729,224.84	(0.16)
Total State Aid Without Offsetting Appropriations		729,225.00		729,224.84	(0.16)
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	SA-8	84,000.00		87,490.91	3,490.91
Total Interlocal Municipal Service Agreement Offset with Appropriations		84,000.00		87,490.91	3,490.91
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	SA-23		$ 1,753.83	1,753.83	
Body Armor Replacement Fund	SA-23	1,641.07		1,641.07	
Camden County DWI Task Force	SA-23		54,100.00	54,100.00	
Camden County Recreational Facility Grant	SA-23		25,000.00	25,000.00	
Clean Communities Program	SA-23		17,991.78	17,991.78	
Community Development Block Grant --					
Curbing and Drainage Improvements	SA-23		241,951.00	241,951.00	
Distracted Driver - Put the Phone Away	SA-23	7,000.00		7,000.00	
Camden County - DWI Sobriety Checkpoint	SA-23		3,640.00	3,640.00	
FEMA Assistance to Firefighter Grant Program	SA-23	263,269.52		263,269.52	
Camden County Historical Preservation	SA-23		15,000.00	15,000.00	
New Jersey Department of Transportation Trust Fund:					
2025 Grant	SA-23	244,910.00		244,910.00	
2026 Grant	SA-23		263,580.00	263,580.00	
Pedestrian Safety Enforcement & Education Fund			33,300.00	33,300.00	
Recycling Tonnage Grant	SA-23	7,789.41		7,789.41	
Safe and Secure Community Program - P.L. 1994, Chapter 220	SA-23	22,575.00		22,575.00	
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations		547,185.00	656,316.61	1,203,501.61	

(Continued)

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

	Ref.	Anticipated Budget	Anticipated Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:					
Library Property Maintenance	SA-8	$ 5,500.00		$ 5,500.00	
Delaware River Port Authority	SA-8	15,000.00		15,000.00	
Conrail Property Maintenance	SA-8	3,300.00		3,300.00	
Cable Television Franchise Fees	SA-8	23,265.63		23,265.63	
Contributions from Rowan University	SA-8	50,000.00		50,000.00	
Payments In Lieu of Taxes - Jefferson Hospital	SA-8	205,860.00		205,860.00	
Payments In Lieu of Taxes - Stratford Square	SA-8	130,000.00		105,578.82	$ (24,421.18)
Uniform Fire Safety Act	SA-8	9,000.00		5,575.00	(3,425.00)
Total Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items		441,925.63		414,079.45	(27,846.18)
Total Miscellaneous Revenues Anticipated	A-1	2,274,335.63	$ 656,316.61	2,922,184.92	(8,467.32)
Receipts from Delinquent Taxes	A-2	209,327.00		330,152.29	120,825.29
Amount to be Raised by Taxes for Support of Municipal Budget: Local Tax for Municipal Purposes including Reserve for Uncollected Taxes		4,787,419.94		4,975,896.42	188,476.48
Minimum Library Tax		226,188.09		226,188.09	
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	5,013,608.03		5,202,084.51	188,476.48
Total General Revenues		8,348,320.66	656,316.61	9,305,471.72	300,834.45
Non-Budget Revenues	A-1			118,948.51	118,948.51
Total Revenues		$ 8,348,320.66	$ 656,316.61	$ 9,424,420.23	$ 419,782.96
	Ref.	A-3	A-3		

(Continued)

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

Analysis of Realized Revenues

	Ref.		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1,SA-5	$	20,282,238.07
Allocated to:			
Schools, County Taxes and Open Space Trust Fund	SA-15,SA-17,SA-18		15,543,153.56
Balance for Support of Municipal Budget Appropriations			4,739,084.51
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		463,000.00
Amount for Support of Municipal Budget Appropriations	A-2	$	5,202,084.51
Receipts from Delinquent Taxes:			
Delinquent Tax Collections	SA-5	$	322,057.36
Tax Title Lien Collections	SA-6		8,094.93
		$	330,152.29

Analysis of Non-Budget Revenues

Miscellaneous Revenues not Anticipated:			
Treasurer:			
Receipts:			
Administration Fees	$ 45,349.65		
Condominium Trash Collection	19,599.80		
Donations	200.00		
Marriage and Civil Unions	1,275.00		
Miscellaneous Refunds and Cancellations	347.00		
Payment in Lieu of Taxes	27,844.02		
Police Fees and Permits	8,847.00		
Rents	12,945.00		
State Motor Vehicle Inspections	1,700.67		
Vacant Property Registrations	500.00		
		$	118,608.14
Collections made by Collector:			
Maintenance Liens			340.37
		$	118,948.51

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, 2025

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
OPERATIONS -- WITHIN "CAPS"						
General Government Functions:						
General Administration:						
Salaries and Wages	$ 223,690.78	$ 223,690.78	$ 191,979.81		$ 31,710.97	
Other Expenses	37,800.00	37,800.00	33,615.44	$ 4.83	4,179.73	
Elections:						
Other Expenses	7,000.00	7,000.00	6,731.64		268.36	
Financial Administration (Treasury):						
Salaries and Wages	82,441.55	82,441.55	82,362.62		78.93	
Other Expenses	8,400.00	8,400.00	7,420.47		979.53	
Audit Services:						
Other Expenses	53,000.00	48,000.00	48,000.00			
Collection of Taxes:						
Salaries and Wages	79,818.65	79,818.65	79,638.09		180.56	
Other Expenses	12,000.00	12,000.00	11,568.93		431.07	
Assessment of Taxes:						
Salaries and Wages	19,909.00	19,909.00	19,908.68		0.32	
Other Expenses	10,550.00	10,550.00	7,018.76		3,531.24	
Legal Services and Costs:						
Other Expenses	100,000.00	95,000.00	54,426.49		40,573.51	
Engineering Services and Costs:						
Other Expenses	14,000.00	14,000.00	10,113.75		3,886.25	
Land Use Administration:						
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board:						
Salaries and Wages	7,371.57	7,371.57	6,612.94		758.63	
Other Expenses	10,500.00	10,500.00	6,070.26		4,429.74	
Insurance:						
Other Insurance Premiums	126,000.00	126,000.00	124,717.12		1,282.88	
Worker Compensation Insurance	63,368.00	63,368.00	63,368.00			
Group Insurance for Employees	854,385.54	854,385.54	776,925.70		77,459.84	
Health Benefits Waivers	15,000.00	15,000.00	15,000.00			
Public Safety Functions:						
Police:						
Salaries and Wages	1,916,688.96	1,916,688.96	1,865,445.80		51,243.16	
Other Expenses	111,596.00	111,596.00	84,614.82	6,527.86	20,453.32	
Fire:						
Fire Hydrant Service	77,000.00	77,000.00	69,717.78		7,282.22	
Fire Department	50,000.00	50,000.00	38,192.05		11,807.95	
Uniform Fire Safety and Inspection Act:						
Other Expenses	1,800.00	1,800.00	1,668.50		131.50	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged: Expended	Paid or Charged: Encumbered	Paid or Charged: Reserved	Unexpended Balance Canceled
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Works Functions:						
Public Works Department:						
Salaries and Wages	$ 157,075.99	$ 157,075.99	$ 153,451.49		$ 3,624.50	
Other Expenses	27,800.00	27,800.00	18,854.71	$ 3,006.31	5,938.98	
Solid Waste Collection:						
Salaries and Wages	313,325.29	313,325.29	308,728.50		4,596.79	
Other Expenses	13,800.00	13,800.00	3,024.36	1,354.01	9,421.63	
Public Buildings and Grounds:						
Other Expenses	29,100.00	29,100.00	25,900.94	113.00	3,086.06	
Shade Tree Commission:						
Other Expenses	2,000.00	2,000.00	1,600.00		400.00	
Maintenance of Motor Vehicles:						
Other Expenses	56,000.00	56,000.00	11,853.53	21,435.51	22,710.96	
Health and Human Services Functions:						
Board of Health:						
Salaries and Wages	17,500.00	17,500.00	16,242.03		1,257.97	
Other Expenses	1,000.00	1,000.00	661.10	213.00	125.90	
Environmental Commission (N.J.S.A. 40:56A-1):						
Other Expenses	2,500.00	2,500.00	1,206.00		1,294.00	
Utility Expenses and Bulk Purchases:						
Electricity	52,000.00	52,000.00	39,786.17		12,213.83	
Street Lighting	32,000.00	32,000.00	27,488.59		4,511.41	
Telephone	17,600.00	17,600.00	13,735.65		3,864.35	
Water	3,000.00	3,000.00	1,552.49		1,447.51	
Gas (Natural or Propane)	20,000.00	20,000.00	14,090.91		5,909.09	
Sewerage Processing and Disposal	1,500.00	1,500.00	1,500.00			
Gasoline	96,000.00	96,000.00	64,578.72	2,324.00	29,097.28	
Landfill / Solid Waste Disposal Costs:						
Solid Waste Disposal	355,000.00	355,000.00	314,053.82		40,946.18	
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	28,300.00	28,300.00	20,735.80	1,305.93	6,258.27	
Total Operations Including Contingent - within "CAPS"	5,117,821.33	5,107,821.33	4,654,162.46	36,284.45	417,374.42	
Detail:						
Salaries and Wages	2,827,821.79	2,827,821.79	2,734,369.96		93,451.83	
Other Expenses (Including Contingent)	2,289,999.54	2,279,999.54	1,919,792.50	36,284.45	323,922.59	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employee's Retirement System	$ 108,147.98	$ 108,147.98	$ 108,147.98			
Police and Firemen's Retirement System of N.J.	500,573.00	500,573.00	500,573.00			
Defined Contribution Retirement Program	3,000.00	3,000.00			$ 3,000.00	
Unemployment Compensation Insurance	20,000.00	20,000.00	20,000.00			
Social Security System (O.A.S.I.)	210,000.00	220,000.00	214,776.02		5,223.98	
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"	841,720.98	851,720.98	843,497.00		8,223.98	
Total General Appropriations for Municipal Purposes -- Within "CAPS"	5,959,542.31	5,959,542.31	5,497,659.46	$ 36,284.45	425,598.40	
OPERATIONS -- EXCLUDED FROM "CAPS"						
Maintenance of Free Public Library:						
Other Expenses	226,188.09	226,188.09	226,188.09			
Group Insurance for Employees - Outside CAP	95,125.00	95,125.00	95,125.00			
Total Other Operations - Excluded from "CAPS"	321,313.09	321,313.09	321,313.09			
Interlocal Municipal Service Agreements:						
Municipal Court Shared Service	158,334.00	158,334.00	155,685.30		2,648.70	
School Resource Officer (Outside CAP)	84,000.00	84,000.00	84,000.00			
Total Interlocal Municipal Service Agreements	242,334.00	242,334.00	239,685.30		2,648.70	
Additional Appropriations Offset by Revenues (N.J.S.A. 40A:4-45.3h):						
PILOT to Stratford School District	24,532.76	24,532.76	24,532.76			
PILOT to Camden County	6,800.00	6,800.00	5,278.95		1,521.05	
Total Additional Appropriations Offset by Revenues	31,332.76	31,332.76	29,811.71		1,521.05	

(Continued)

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

	Budget	Budget After Modification	Paid or Charged: Expended	Paid or Charged: Encumbered	Paid or Charged: Reserved	Unexpended Balance Canceled
OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)						
Public and Private Programs Offset by Revenues:						
Alcohol Education and Rehabilitation (N.J.S.A. 40A:4-87, $1,753.83+)		$ 1,753.83	$ 1,753.83			
Body Armor Replacement Fund	$ 1,641.07	1,641.07	1,641.07			
Camden County DWI Task Force (N.J.S.A. 40A:4-87, $54,100.00+)		54,100.00	54,100.00			
Camden County Recreational Facility Grant (N.J.S.A. 40A:4-87, $25,000.00+)		25,000.00	25,000.00			
Clean Communities Program (N.J.S.A. 40A:4-87, $17,991.78+)		17,991.78	17,991.78			
Community Development Block Grant --						
Curbing and Drainage Improvements (N.J.S.A. 40A:4-87, $241,951.00+)		241,951.00	241,951.00			
Distracted Driver Put the Phone Away	7,000.00	7,000.00	7,000.00			
Camden County - DWI Sobriety Checkpoint (N.J.S.A. 40A:4-87, $3,640.00+)		3,640.00	3,640.00			
FEMA - Assistance to Firefighters Grant	263,269.52	263,269.52	263,269.52			
Camden County Historical Preservation (N.J.S.A. 40A:4-87, $15,000.00+)		15,000.00	15,000.00			
Pedestrian Safety Enforcement & Education Fund (N.J.S.A.40A:4-87, $33,300.00+)		33,300.00	33,300.00			
Recycling Tonnage Grant	7,789.41	7,789.41	7,789.41			
Safe and Secure Grant Program	22,575.00	22,575.00	22,575.00			
Total Public and Private Programs Offset by Revenues	302,275.00	695,011.61	695,011.61			
Total Operations -- Excluded from "CAPS"	897,254.85	1,289,991.46	1,285,821.71		$ 4,169.75	
Detail:						
Salaries and Wages	113,575.00	206,368.83	206,368.83			
Other Expenses	783,679.85	1,083,622.63	1,079,452.88		4,169.75	
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	21,964.00	21,964.00	21,964.00			
Capital Outlay -- Computers	1,000.00	1,000.00	272.85	$ 503.00	224.15	
Public and Private Programs Offset by Revenues:						
New Jersey Department of Transportation Trust Fund:						
2025 Grant	244,910.00	244,910.00	244,910.00			
2026 Grant (N.J.S.40A:4-87, $263,580.00+)		263,580.00	263,580.00			
Total Capital Improvement Excluded from "CAPS"	267,874.00	531,454.00	530,726.85	503.00	224.15	
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	628,979.50	628,979.50	628,979.50			
Interest on Notes	126,670.00	126,670.00	126,661.10			$ 8.90
Total Municipal Debt Service -- Excluded from "CAPS"	755,649.50	755,649.50	755,640.60			8.90

(Continued)

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

	Budget	Budget After Modification	Paid or Charged Expended	Paid or Charged Encumbered	Paid or Charged Reserved	Unexpended Balance Canceled
DEFERRED CHARGES - Municipal - Excluded from "CAPS"						
Special Emergency Authorizations	$ 5,000.00	$ 5,000.00	$ 5,000.00			
Total Deferred Charges - Municipal -- Excluded from "CAPS"	5,000.00	5,000.00	5,000.00			
Total General Appropriations for Municipal Purposes -- Excluded from "CAPS"	1,925,778.35	2,582,094.96	2,577,189.16	$ 503.00	$ 4,393.90	$ 8.90
Subtotal General Appropriations	7,885,320.66	8,541,637.27	8,074,848.62	36,787.45	429,992.30	8.90
Reserve for Uncollected Taxes	463,000.00	463,000.00	463,000.00			
Total General Appropriations	$ 8,348,320.66	$ 9,004,637.27	$ 8,537,848.62	$ 36,787.45	$ 429,992.30	$ 8.90
Reference	A-2			A	A	

	Ref.	
Appropriated by N.J.S. 40A:4-87	A-2	$ 656,316.61
Budget	A-2	8,348,320.66
		$ 9,004,637.27

Refunds:		
Receipts	A-3	$ (157,568.76)
Reserve for Federal and State Grants -- Appropriated	SA-23	1,203,501.61
Deferred Charges		
Special Emergencies	SA-10	5,000.00
Reserve for Uncollected Taxes	A-2	463,000.00
Disbursements	A-3	7,023,915.77
		$ 8,537,848.62

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

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

	Ref.	2025	2024
ASSETS:			
Animal Control Fund:			
Cash	SB-1	$ 2,844.44	$ 7,895.32
Total Animal Control Fund		2,844.44	7,895.32
Municipal Open Space Trust Fund:			
Cash	SB-1	60,717.10	35,293.50
Total Municipal Open Space Trust Fund		60,717.10	35,293.50
Other Funds:			
Cash	SB-1	1,193,573.69	955,907.98
Due from Current Fund	SB-8		10,000.00
Total Other Funds		1,193,573.69	965,907.98
Total Assets		$ 1,257,135.23	$ 1,009,096.80

(Continued)

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

	Ref.	2025	2024
LIABILITIES AND RESERVES:			
Animal Control Fund:			
Due to State of New Jersey -- Registration Fees	SB-2		$ 4.20
Reserve for Animal Control Fund Expenditures	SB-3	$ 2,394.44	7,891.12
Reserve for Encumbrances	SB-4	450.00	
Total Animal Control Fund		2,844.44	7,895.32
Municipal Open Space Trust Fund:			
Reserve for Future Use	SB-5	59,217.10	35,123.67
Reserve for Encumbrances	SB-5	1,500.00	169.83
Total Municipal Open Space Trust Fund		60,717.10	35,293.50
Other Funds:			
Due Current Fund	SB-8	2,648.00	
Due to State of New Jersey -- DCA Fees	SB-6	4,747.08	4,039.08
Reserve for Encumbrances	SB-7	2,524.98	17,296.48
Miscellaneous Trust Reserves:			
Affordable Housing	SB-7	83,326.87	133,329.26
Compensated Absences	SB-7	23,388.60	13,388.60
Dedicated Funds Collected for Penalties	SB-7	14,419.58	5,919.58
Developers' Escrow	SB-7	169,797.89	110,756.76
Economic Development Commission	SB-7	204.05	204.05
Green Team	SB-7	1,005.11	1,005.11
Historical Preservation	SB-7	3,076.56	1,395.36
Municipal Alliance Grant	SB-7	25,548.39	29,125.10
Outside Liens Redemption	SB-7	651.81	5,421.76
Tax Title Lien Premiums	SB-7	469,100.00	320,800.00
Outside Police Employment	SB-7	65,580.87	51,916.97
Parking Offense Adjudication Act	SB-7	696.00	604.00
Payroll Deductions Payable	SB-7	33,243.52	3,534.81
Police Training	SB-7	5,515.62	5,533.62
Public Defender	SB-7	11,457.00	11,457.00
Snow Removal	SB-7	990.48	6,149.41
Special Law Enforcement	SB-7	8,586.98	8,529.58
Unemployment Claims Payable	SB-7	6,856.09	16,899.94
Uniform Construction Code and Local Enforcement Agency	SB-7	260,208.21	218,601.51
Total Other Funds		1,193,573.69	965,907.98
Total Liabilities and Reserves		$ 1,257,135.23	$ 1,009,096.80

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

BOROUGH OF STRATFORD
TRUST - MUNICIPAL OPEN SPACE FUND
Statements of Operations and Changes in Reserve for Future Use -- Regulatory Basis
For the Years Ended December 31, 2025 and 2024

	Ref.	2025	2024
REVENUE AND OTHER INCOME REALIZED:			
Amount to be Raised by Taxation	B-2	$ 57,296.06	$ 57,790.82
Interest on Investments and Deposits	B-2	314.32	179.55
Prior Year Reserve for Encumbrances	SB-5	169.83	214.09
Total Income		57,780.21	58,184.46
EXPENDITURES:			
Budget Appropriations:			
Other Expenses	B-3	28,755.11	37,353.82
Deferred Charges to Future Taxation Unfunded Ordinance 2023:08			4,750.00
Debt Service	B-3	4,931.67	
Total Expenditures		33,686.78	42,103.82
Excess in Revenue		24,093.43	16,080.64
RESERVE FOR FUTURE USE:			
Balance January 1,	B	35,123.67	19,043.03
Balance December 31,	B	$ 59,217.10	$ 35,123.67

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

BOROUGH OF STRATFORD
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2025

		Anticipated Budget	Realized	Excess (Deficit)
Amount to be Raised by Taxation		$ 57,247.36	$ 57,296.06	$ 48.70
Miscellaneous			314.32	314.32
		$ 57,247.36	$ 57,610.38	$ 363.02
Analysis of Realized Revenues:	Ref.	B-3		
Receipts:				
Amount to be Raised by Taxation;				
Municipal Open Space Tax Levy	SB-5	$ 57,247.36		
Added and Omitted Taxes	SB-5	48.70		
			$ 57,296.06	
Miscellaneous:				
Interest Earned on Deposits	SB-5		314.32	
			$ 57,610.38	

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

BOROUGH OF STRATFORD
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Expenditures--Regulatory Basis
For the Year Ended December 31, 2025

	Appropriations		Paid or Charged		
	Original Budget	Budget After Modification	Expended	Encumbered	Lapsed to Reserve
Operating:					
Development of Lands for Recreation and Conservation:					
Other Expenses	$ 28,623.68	$ 28,623.68	$ 21,141.55		$ 7,482.13
Maintenance of Lands for Recreation and Conservation:					
Other Expenses	23,692.01	23,692.01	6,113.56	$ 1,500.00	16,078.45
Payment of Bond Anticipation Notes	4,750.00	4,750.00	4,750.00		
Interest on Bond Anticipation Notes	181.67	181.67	181.67		
	$ 57,247.36	$ 57,247.36	$ 32,186.78	$ 1,500.00	$ 23,560.58
Reference	B-2				
		Ref.			
Disbursed		SB-1	$ 32,186.78		

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

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

ASSETS:	Ref.	2025	2024
Cash	SC-1	$ 94,587.47	$ 547,972.95
Deferred Charges to Future Taxation:			
Unfunded	SC-3	2,986,696.75	3,203,118.25
Due from Federal and State Grant Fund	SC-1	321,322.01	
Total Assets		$ 3,402,606.23	$ 3,751,091.20
LIABILITIES AND RESERVES:			
Improvement Authorizations:			
Funded	SC-4	$ 68,911.88	$ 1,900.00
Unfunded	SC-4	264,368.29	480,350.54
Reserve for Encumbrances	SC-5	65,021.35	43,240.00
Contracts Payable	SC-6	11,844.13	16,718.58
Capital Improvement Fund	SC-7	5,763.83	5,763.83
Bond Anticipation Notes	SC-8	2,986,696.75	3,203,118.25
Total Liabilities and Reserves		$ 3,402,606.23	$ 3,751,091.20

There were Bonds and Notes Authorized But Not Issued of $-0- and $-0- at December 31, 2025 and 2024, respectively (Statement SC-9).

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

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

	Ref.	2025	2024
ASSETS			
Operating Fund:			
Cash and Investments	SD-1	$ 1,287,137.77	$ 1,237,189.86
Change Fund	D	20.00	20.00
		1,287,157.77	1,237,209.86
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-4	23,722.50	25,436.45
Total Operating Fund		1,310,880.27	1,262,646.31
Capital Fund:			
Cash	SD-1	9,562.50	14,069.54
Fixed Capital	SD-5	3,523,942.36	3,523,942.36
Fixed Capital Authorized and Uncompleted	SD-6	300,000.00	300,000.00
Total Capital Fund		3,833,504.86	3,838,011.90
		$ 5,144,385.13	$ 5,100,658.21
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3/SD-7	$ 55,485.33	$ 43,260.71
Reserve for Encumbrances	D-3/SD-7	392.13	660.16
Prepaid Sewer Rents	SD-8	2,105.01	2,007.02
Accrued Interest on Bond Anticipation Notes	SD-9	4,185.41	5,997.84
		62,167.88	51,925.73
Reserve for Receivables		23,722.50	25,436.45
Fund Balance	D-1	1,224,989.89	1,185,284.13
Total Operating Fund		1,310,880.27	1,262,646.31
Capital Fund:			
Improvement Authorizations - Unfunded	SD-10	9,562.50	4,629.90
Reserve for Encumbrances	SD-10		9,439.64
Reserve for Amortization	SD-11	3,634,942.36	3,587,842.36
Bond Anticipation Notes	SD-12	189,000.00	236,100.00
Total Capital Fund		3,833,504.86	3,838,011.90
		$ 5,144,385.13	$ 5,100,658.21

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

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

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statements of Operations and Changes in Fund Balance--Regulatory Basis
For the Years Ended December 31, 2025 and 2024

Revenue and Other Income Realized	Ref.	2025	2024
Operating Surplus Anticipated	D-2	$ 177,457.04	$ 133,450.49
Sewer Rents and Liens	D-2	543,153.64	499,455.87
Miscellaneous	D-2	45,283.97	38,552.10
Unexpended Balance of Appropriation Reserves	SD-7	41,246.12	36,342.40
Total Income		807,140.77	707,800.86
Expenditures			
Operating	D-3	342,207.04	342,200.49
Debt Service	D-3	54,620.93	44,321.60
Deferred Charges and Statutory Expenditures	D-3	25,150.00	38,150.00
Surplus - General Budget	D-3	168,000.00	118,000.00
Total Expenditures		589,977.97	542,672.09
Excess (Deficit) in Revenue		217,162.80	165,128.77
Fund Balance			
Balance Jan. 1	D	1,185,284.13	1,153,605.85
		1,402,446.93	1,318,734.62
Decreased by:			
Utilized as Revenue	D-1	177,457.04	133,450.49
Balance Dec. 31	D	$ 1,224,989.89	$ 1,185,284.13

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, 2025

	Ref.	Anticipated Budget	Realized	Excess (Deficit)
Sewer Operating Surplus Anticipated	D-1	$ 177,457.04	$ 177,457.04	
Sewer Rents		400,000.00	543,153.64	$ 143,153.64
Miscellaneous		20,000.00	45,283.97	25,283.97
		$ 597,457.04	$ 765,894.65	$ 168,437.61

Analysis of Realized Revenues:	Ref.		
		D-3	
Sewer Rents Receivable:			
Collections	SD-4		$ 541,146.62
Prepayments Applied	SD-8		2,007.02
			$ 543,153.64
Miscellaneous:			
Treasurer:			
Interest Earned on Deposits		SD-1	$ 37,523.50
Collector:			
Connection Fees		SD-2	630.00
Interest and Costs on Delinquent Accounts		SD-2	7,130.47
		D-1	$ 45,283.97

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, 2025

	Appropriations		Paid or Charged			
	Original Budget	Budget After Modification	Expended	Encumbrances	Reserves	Unexpended Balance Canceled
Operating:						
Salaries and Wages	$ 149,822.04	$ 149,822.04	$ 130,547.03		$ 19,275.01	
Other Expenses	192,385.00	192,385.00	161,332.14	$ 392.13	30,660.73	
Total Operating	342,207.04	342,207.04	291,879.17	392.13	49,935.74	
Debt Service:						
Payment of Bond Anticipation Notes	47,100.00	47,100.00	47,100.00			
Interest on Notes	15,000.00	15,000.00	7,520.93			$ 7,479.07
Total Debt Service	62,100.00	62,100.00	54,620.93			7,479.07
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	15,000.00	15,000.00	9,454.28		5,545.72	
Unemployment Compensation Insurance & Disability (N.J.S.43:21-3 et seq.)	150.00	150.00	146.13		3.87	
Public Employees Retirement System	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Regulatory Expenditures	25,150.00	25,150.00	19,600.41		5,549.59	
Surplus (General Budget)	168,000.00	168,000.00	168,000.00			
	$ 597,457.04	$ 597,457.04	$ 534,100.51	$ 392.13	$ 55,485.33	$ 7,479.07
Reference	D-2					

	Ref.	
Disbursements	SD-1	$ 527,195.22
Accrued Interest on Notes	SD-9	7,520.93
Receipts -- Refunds	D-3	(615.64)
		$ 534,100.51

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, 2025

	Balance Dec. 31, 2024	Additions	Deletions	Balance Dec. 31, 2025
General Fixed Assets:				
Land (at Assessed Valuation)	$ 996,900.00			$ 996,900.00
Buildings	2,916,700.83	$ 160,603.47		3,077,304.30
Equipment	222,855.40			222,855.40
Fire Equipment	73,528.20	338,410.99		411,939.19
Vehicles	3,465,963.22	196,116.19	$ 47,587.75	3,614,491.66
Total General Fixed Assets	$ 7,675,947.65	$ 695,130.65	$ 47,587.75	$ 8,323,490.55
Total Investment in General Fixed Assets	$ 7,675,947.65	$ 695,130.65	$ 47,587.75	$ 8,323,490.55

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of 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 was 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 unit 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 200), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of $10,000.00, the maximum amount allowed by the Uniform Guidance. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985, are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

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

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

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

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

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

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

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, 2024, and decreased by the amount deferred at December 31, 2025.

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

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

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.

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 paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical leave, and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

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

Impact of Recently Issued Accounting Principles

Recently Issued Accounting Pronouncements

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

Statement No. 105, *Subsequent Events*. The objective of this Statement is to improve financial reporting requirements for subsequent events. The purposes of the improvements are to (a) clarify the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (b) specify the information items that are required to be disclosed about subsequent events. The Statement will become effective for the Borough in the year ending December 31, 2027. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Borough.

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2025, the Borough's bank balances of $5,297,750.83 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 4,351,720.19
Uninsured and Uncollateralized	946,030.64
Total	$ 5,297,750.83

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	Year Ended				
	2025	2024	2023	2022	2021
Tax Rate	$ 5.001	$ 4.853	$ 4.622	$ 4.659	$ 4.506
Apportionment of Tax Rate:					
Municipal	$ 1.165	$ 1.111	$ 1.018	$ 1.018	$ .990
Municipal Library	.055	.049	.042	.040	.037
Municipal Open Space	.014	.014	.014	.014	.014
County	.940	.916	.868	.874	.873
Local School	2.090	2.034	1.998	1.972	1.929
Regional High School	.737	.729	.682	.741	.663

Assessed Valuation

Year	Amount
2025	$ 411,030,468.00
2024	410,463,968.00
2023	410,189,378.00
2022	408,025,091.00
2021	409,457,891.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2025	$ 20,573,013.24	$ 20,282,238.07	98.59%
2024	20,107,598.26	19,795,297.04	98.45%
2023	19,230,156.68	18,868,804.19	98.12%
2022	19,074,874.98	18,849,921.73	98.82%
2021	18,453,266.43	18,142,925.84	98.32%

Note 3: PROPERTY TAXES (CONT'D)

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 (Cont'd):

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 1,614.47	$ 246,910.67	$ 248,525.14	1.21%
2024	9,459.83	438,858.43	448,318.26	2.23%
2023	8,673.65	341,992.53	350,666.18	1.82%
2022	7,924.88	206,549.95	214,474.83	1.12%
2021	7,142.17	288,427.92	295,570.09	1.60%

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

Year	Number
2025	1
2024	2
2023	2
2022	2
2021	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:

Year	Amount
2025	$ 613,700.00
2024	613,700.00
2023	613,700.00
2022	613,700.00
2021	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:

Year	Balance Beginning of Year Receivable	Liens	Levy	Total	Cash Collections
2025	$ 25,436.45	None	$ 541,439.69	$ 566,876.14	$ 543,153.64
2024	24,035.98	None	500,856.34	524,892.32	499,455.87
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

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

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 826,061.88	$ 684,000.00	82.80%
2024	987,921.93	851,050.00	86.15%
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%

Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2025	$ 1,224,989.89	$ 183,843.34	15.01%
2024	1,185,284.13	177,457.04	14.97%
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%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 2,648.00	
Federal and State Grant		$ 321,322.01
Trust - Other		2,648.00
General Capital	321,322.01	
	$ 323,970.01	$ 323,970.01

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

Note 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 Empower for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Borough is referred to as "Employer" throughout this Note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

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

General Information about the Pension Plans

Plan Descriptions

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007, under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq. and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death, and disability benefits. All benefits vest after 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 are available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit are available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

The following represents the membership tiers for PFRS:

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

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

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

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

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary. 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 legislation, which legally obligates the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

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

The Employer's contractually required contribution rate for the year ended December 31, 2025, was 15.15% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025 is $100,802.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 was $117,259.00, which was paid on April 1, 2025.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - Employee contributions to the Plan during the year ended December 31, 2025, were $52,283.18.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2025, was .47% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2025, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was $3,117.00. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $3,775.00.

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 are considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Employer's contractually required contribution rate for the year ended December 31, 2025, was 35.33% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2025, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2025, is $483,720.00, and is payable by April 1, 2026. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024, was $500,573.00, which was paid on April 1, 2025.

Employee contributions to the Plan for the year ended December 31, 2025, were $136,928.90.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2025, was 5.97% of the Employer's covered payroll.

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) – Based on the most recent PFRS measurement date of June 30, 2025, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2025 was $81,696.00, and is payable by April 1, 2026. For the prior year measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $84,757.00, which was paid on April 1, 2025.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period. For the year ended December 31, 2025, there were no Borough employees participating in this plan.

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

Public Employees' Retirement System

Pension Liability - As of December 31, 2025, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $907,114.00. The net pension liability was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2025 measurement date, the Employer's proportion was .0073757201%, which was a decrease of (.0012417000%) from its proportion measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2025 measurement date was ($72,495.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PERS was $117,259.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2025 measurement date, was $3,117.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

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

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

Employer's Proportionate Share of Net Pension Liability	$ 3,395,365.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	689,250.00
	$ 4,084,615.00

The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2025, measurement date, the Employer's proportion was .0338553600%, which was a decrease of (.0023331000%) from its proportion measured as of June 30, 2024. Likewise, at June 30, 2025, the State of New Jersey's proportion, on-behalf of the Employer, was .00338552100%, which was a decrease of (.0023332500%) from its proportion, on-behalf of the Employer, measured as of June 30, 2024.

Pension (Benefit) Expense - For the year ended December 31, 2025, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2025, measurement date was $79,817.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2025, the Employer's contribution to PFRS was $500,573.00, and was paid on April 1, 2025.

For the year ended December 31, 2025, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2025, measurement date, was $81,696.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

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 - At December 31, 2025, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 25,864.00	$ 278,171.00	$ 304,035.00	$ 969.00	$ 64,532.00	$ 65,501.00
Changes of Assumptions	143.00	169,835.00	169,978.00	10,451.00	42,924.00	53,375.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	75,641.00	166,330.00	241,971.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	1,049.00	53,511.00	54,560.00	323,505.00	393,247.00	716,752.00
Employer's Contributions Subsequent to the Measurement Date	50,401.00	241,860.00	292,261.00	-	-	-
	$ 77,457.00	$ 743,377.00	$ 820,834.00	$ 410,566.00	$ 667,033.00	$ 1,077,599.00

Deferred outflows of resources in the amounts of $50,401.00 and $241,860.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2026. These amounts were based on an estimated April 1, 2027, contractually required contribution, prorated from the pension plans' measurement date of June 30, 2025, to the Employer's year end of December 31, 2025.

Note 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 outflows of resources and deferred inflows of resources related to pensions over the following number of years:

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

Note 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,	PERS	PFRS	Total
2026	$ (89,934.00)	$ 121,058.00	$ 31,124.00
2027	(121,620.00)	(123,664.00)	(245,284.00)
2028	(112,929.00)	(116,049.00)	(228,978.00)
2029	(54,033.00)	(60,385.00)	(114,418.00)
2030	(4,994.00)	13,524.00	8,530.00
	$ (383,510.00)	$ (165,516.00)	$ (549,026.00)

Actuarial Assumptions

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

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.50%
Wage	3.25%	3.00%
Salary Increases:	3.25% - 7.75% Based on Years of Service	4.00% - 17.50% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2021 - June 30, 2024	July 1, 2021 - June 30, 2024

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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

Police and Firemen's Retirement System

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

For both PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2025) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2025, are summarized in the table that follows:

PERS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	PFRS Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.55%	U.S. Large-Cap Equity	24.00%	6.90%
Non-U.S. Developed Markets Equity	12.75%	8.77%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.77%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Markets Equity	5.50%	10.30%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.00%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.78%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	7.90%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.63%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	9.00%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.47%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.61%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.61%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.26%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
	100.00%		Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
				100.00%	

Discount Rate -

For both PERS and PFRS, the discount rate used to measure the total pension liability was 7.00% as of June 30, 2025. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

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

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2025 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 1,241,785.00	$ 907,114.00	$ 621,885.00

Note 8: PENSION PLANS (CONT'D)

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

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2025, measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share of the Net Pension Liability	$ 4,939,393.00	$ 3,395,365.00	$ 2,107,160.00
State of New Jersey's Proportionate Share of Net Pension Liability	1,002,683.00	689,250.00	427,748.00
	$ 5,942,076.00	$ 4,084,615.00	$ 2,534,908.00

Pension Plan Fiduciary Net Position

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

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

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

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

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

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

The Plan provides medical and prescription drug coverage to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective 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 $509,991.12, for the year ended December 31, 2024, representing 25.57% of the Employer's covered payroll. During the year ended December 31, 2024, retirees were not required to contribute to the Plan.

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

OPEB Liability - At December 31, 2024, the Employer's proportionate share of the net OPEB liability was $8,290,937.00.

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

The Employer'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, 2023, through June 30, 2024. For the June 30, 2024, measurement date, the Borough's proportion was .046304%, which was a decrease of (0.004122%) from its proportion measured as of the June 30, 2023, measurement date.

OPEB (Benefit) Expense - At December 31, 2024, the Employer's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2024, measurement date, is ($237,562.00). 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, 2024, the Employer made contributions to the Plan totaling $509,991.12.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 419,877.00	$ 1,404,770.00
Changes of Assumptions	1,386,088.00	1,376,243.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	-	3,753.00
Changes in Proportion	1,489,034.00	1,386,569.00
Contributions Subsequent to the Measurement Date	252,331.14	-
	$ 3,547,330.14	$ 4,171,335.00

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 $252,331.14 will be included as a reduction of the Employer's net OPEB liability during the year ending December 31, 2025. The Employer 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		
Year of OPEB Plan Deferral:			on OPEB Plan Investments		
June 30, 2018	-	8.14	Year of OPEB Plan Deferral:		
June 30, 2019	-	8.05	June 30, 2020	5.00	-
June 30, 2020	7.87	-	June 30, 2021	5.00	-
June 30, 2021	-	7.82	June 30, 2022	-	5.00
June 30, 2022	7.82	-	June 30, 2023	-	5.00
June 30, 2023	-	7.89	June 30, 2024	-	5.00
June 30, 2024	7.89	-			
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
June 30, 2023	7.89	-	June 30, 2023	7.89	7.89
June 30, 2024	7.89	-	June 30, 2024	7.89	7.89

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,		
2025	$	(560,114.00)
2026		(228,103.00)
2027		64,002.00
2028		(178,692.00)
2029		(37,309.00)
Thereafter		63,880.00
	$	(876,336.00)

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, 2023, which was rolled forward to June 30, 2024, 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	
Pre-Retirement Healthy – PERS Post-Retirement Healthy – Other Retirees Disabled Retiree – PERS Future Retirees Disabled Retiree – Other Current Retirees	PUB-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Pre-Retirement Healthy – PFRS Post-Retirement Healthy – Chapter 330 Retirees Disabled Retiree – PFRS Future Retirees Disabled Retiree – Chapter 330 Retirees	PUB-2010 "Safety" classification headcount-weighted mortality table 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, 2024, was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Actuarial Assumptions (Cont'd)

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

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2033	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

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

The net OPEB liability, calculated using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Proportionate Share of the Net OPEB Liability	$ 9,658,048.00	$ 8,290,937.00	$ 7,196,003.00

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Proportionate Share of the Net OPEB Liability	$ 7,012,440.00	$ 8,290,937.00	$ 9,934,724.00

OPEB Plan Fiduciary Net Position

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

Note 10: COMPENSATED ABSENCES

Chief of Police (Agreement effective through December 31, 2027)

Sick Leave
The Chief of Police accrues sick leave at a rate of 10 hours per month, with unused hours carrying over from year to year. At the Chief's discretion, up to 120 hours of unused sick leave from the previous year may be paid out at the prior year's rate, provided the remaining balance does not fall below 300 hours. Any unused sick leave is forfeited upon retirement or separation from employment.

Vacation Leave
The Chief is entitled to four weeks of vacation annually. Up to 40 hours of unused vacation may be turned back to the Borough and paid at straight time. Additionally, up to 40 hours may be carried over for use in the following year. Any remaining unused vacation time is forfeited upon retirement or separation.

Paid Holidays
The Chief receives twelve paid holidays per year, which may be taken on the designated holiday or on an alternate day. Unused holiday leave is forfeited upon retirement or separation.

Compensatory Hours
The Chief may earn compensatory time for overtime worked. However, any accrued compensatory time is forfeited upon retirement or separation.

Police Benevolent Association Local 30 (Agreement effective through December 31, 2027)

Sick Leave
Full-time Association Members accrue one day (8 hours) per month during the first calendar year of employment and one and one quarter (1 ¼) days per month thereafter which accumulates from year to year.

In accordance with New Jersey statutory sick time cap laws, Association Members are entitled to be compensated for unused sick leave upon retirement under the following schedule:

Hired Date	Benefit
After 1992 but before May 21, 2010	½ days' pay at the rate it was earned for up to 160 days.
After May 21, 2010	No more than $15,000.00

Vacation Leave, Paid Holidays, Compensatory Hours and Personal days
Depending on the number of years employed, Association Members are entitled to vacation days that range from four to sixteen. Upon separation from employment, the Association Member is entitled to compensation for unused vacation, paid holidays, compensatory hours, and personal days.

The Borough has established a compensated absences trust fund to allocate funds for future payments of compensated absences. As of December 31, 2025, the fund's balance was $23,388.60. Despite the limitations disclosed above or any other restrictions on employees not subject to an employment contract, and in accordance with Governmental Accounting Standards Board Statement No. 101 (*Compensated Absences*), the accrued benefits for compensated absences at December 31, 2025, are estimated to be valued at $597,840.36.

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: SCHOOL TAXES

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

	Balance December 31,	
	2025	2024
Balance of Tax	$ 1,515,146.00	$ 1,496,480.50
Deferred	1,515,146.00	1,496,480.50
Payable	$ -	$ -

Note 13: CAPITAL DEBT

Bond Anticipation Notes

Bond anticipation notes are issued to temporarily finance capital improvements authorized by bond ordinances prior to permanent financing or repayment from budget appropriations. The Borough may renew such notes in accordance with the provisions of the New Jersey Local Bond Law N.J.S.A. 40A:2 et. seq.

General Capital Fund - At December 31, 2025, the Borough had $2,986,696.75 of General Capital Fund bond anticipation notes outstanding. The notes were issued to temporarily finance various capital improvements and the acquisition of various equipment. During 2025, the Borough renewed $2,569,388.75 of notes and issued $417,308.00 of new notes. Notes totaling $633,729.50 were retired through Current Fund and Open Space Trust Fund budget appropriations. The General Capital Fund notes outstanding at December 31, 2025 bear interest at rates ranging from 3.360% to 3.550% and mature during 2026.

Sewer Utility Capital Fund - At December 31, 2025, the Borough had $189,000.00 of Sewer Utility Capital Fund bond anticipation notes outstanding related to sewer utility emergency repairs. During 2025, the Borough renewed $189,000.00 of notes and retired $47,100.00 through budget appropriation. The Sewer Utility Capital Fund notes outstanding at December 31, 2025 bear interest at rates ranging from 3.360% to 3.460% and mature during 2026.

Note 13: CAPITAL DEBT (CONT'D)

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

Summary of Debt

	2025	2024	2023
Issued			
General:			
Notes	$ 2,986,696.75	$ 3,203,118.25	$ 2,809,732.25
Sewer Utility:			
Notes	189,000.00	236,100.00	153,200.00
Total Issued	3,175,696.75	3,439,218.25	2,962,932.25
Authorized but not Issued			
General:			
Notes			617,500.00
Sewer Utility:			
Notes			130,000.00
Total Authorized but not Issued	-	-	747,500.00
Total Issued and Authorized but not Issued	3,175,696.75	3,439,218.25	3,710,432.25
Deductions			
Sewer Utility:			
Self-Liquidating	189,000.00	236,100.00	283,200.00
Total Deductions	189,000.00	236,100.00	283,200.00
Net Debt	$ 2,986,696.75	$ 3,203,118.25	$ 3,427,232.25

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 .449%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 2,354,061.94	$ 2,354,061.94	
Self-Liquidating Sewer Utility	189,000.00	189,000.00	
General	2,986,696.75		$ 2,986,696.75
	$ 5,529,758.69	$ 2,543,061.94	$ 2,986,696.75

Net debt $2,986,696.75 divided by the equalized valuation basis per N.J.S.A. 40A:2-2, as amended, $664,654,930.67 equals .449%.

Note 13: CAPITAL DEBT (CONT'D)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 23,262,922.57
Less: Net Debt	2,986,696.75
Remaining Borrowing Power	$ 20,276,225.82

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

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		$ 765,894.65
Deductions:		
Operating and Maintenance Costs	$ 367,357.04	
Debt Service	54,620.93	
Total Deductions		421,977.97
Excess in Revenue		$ 343,916.68

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

Note 14: RISK MANAGEMENT

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

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

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

Year	Borough Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2025	$ 7,635.52	$ 5,595.85	$ 45.14	$ 23,320.36	$ 6,856.09
2024	10,000.00	8,080.82	260.06	37,203.63	16,899.94
2023	-	7,978.84	239.55	5,223.73	35,762.69

It is estimated that unreimbursed payments on behalf of the Borough at December 31, 2025, were $4,700.86.

Note 14: 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, 2025, which can be obtained from:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054

Note 15: 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 of the amount levied, $28,623.68 is budgeted to develop lands acquired for recreational and conservation purposes and one half, $28,623.68 is budgeted for maintenance of lands acquired for recreational and conservation purposes. 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 Fund.

Note 16: CONTINGENCIES

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

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 17: SUBSEQUENT EVENTS

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

Purpose	Adoption	Authorization
General Improvements		
Various Capital Improvements	June 11, 2026	$ 418,388.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

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

		Current Fund		Federal and State Grant Fund
Balance December 31, 2024		$ 1,646,851.01		$ 222,281.46
Increased by Receipts:				
Miscellaneous Revenue not Anticipated	$ 118,608.14			
2025 Appropriation Refunds	157,568.76			
2024 Appropriation Reserve Refunds	5,834.76			
Tax Collector	20,668,507.61			
Petty Cash Funds	75.00			
Revenue Accounts Receivable	1,626,698.93			
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	40,529.68			
Due State of New Jersey - Marriage and Civil Unions	1,025.00			
Federal and State Grants Receivable			$ 328,619.71	
Reserve for Federal and State Grants -- Appropriated			1,066.37	
Due General Capital Fund			321,322.01	
		22,618,847.88		651,008.09
		24,265,698.89		873,289.55
Decreased by Disbursements:				
2025 Appropriations	7,023,915.77			
Petty Cash Funds	75.00			
2024 Appropriation Reserves	150,259.80			
Tax Overpayments	10,939.70			
County Taxes Payable	3,861,961.45			
Due to County - Added and Omitted Taxes	35,432.23			
Local School District Taxes Payable	8,590,337.00			
Regional High School Taxes	3,011,626.50			
Open Space Trust Taxes Payable	57,296.06			
Due State of New Jersey - Marriage and Civil Unions	1,000.00			
Reserve for Federal and State Grants -- Appropriated			873,289.55	
Due Trust - Other Fund	12,648.00			
		22,755,491.51		873,289.55
Balance December 31, 2025		$ 1,510,207.38		$ -

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

Receipts:		
Interest and Cost on Taxes	$	91,984.38
Miscellaneous Revenue not Anticipated:		
Maintenance Liens Receivable		340.37
Taxes Receivable		20,365,297.02
Prepaid Taxes		175,103.05
Tax Overpayments		27,687.86
		20,668,507.61
Decreased by:		
Turnovers to Treasurer	$	20,668,507.61

Exhibit SA-3

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

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, 2025

Office	Received from Treasurer	Returned to Treasurer
Borough Clerk	$ 75.00	$ 75.00

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

Year	Balance Dec. 31, 2024	2025 Levy	Added Taxes	Collections (Collector) 2024	Collections (Collector) 2025	Due from State of New Jersey	Transfer to Lien	Miscellaneous	Transfer	Cancellations	Balance Dec. 31, 2025
Arrears									$ 6,717.94		$ 6,717.94
2023	$ 128,915.04				$ 19,146.25					$ 109,768.79	
2024	309,943.39		$ 970.32		302,911.11					8,002.60	
	438,858.43		970.32		322,057.36				6,717.94	117,771.39	6,717.94
2025		$ 20,573,013.24	9,720.72	$ 197,973.40	20,043,239.66	$ 41,000.00	$ 249.57	$ 25.01	(6,717.94)	53,335.65	240,192.73
	$ 438,858.43	$ 20,573,013.24	$ 10,691.04	$ 197,973.40	$ 20,365,297.02	$ 41,000.00	$ 249.57	$ 25.01	$ -	$ 171,107.04	$ 246,910.67

Reserve for Whitman Avenue Townhouses $ 25.01

Analysis of 2025 Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 20,555,634.75
Added Taxes (54:4-63.1 et seq.)		17,378.49
		$ 20,573,013.24
Tax Levy:		
Regional High School Tax		$ 3,030,292.00
Local District School Tax		8,590,337.00
County Taxes:		
Net County Taxes	$ 3,725,433.61	
County Open Space Taxes	136,527.84	
Due County for Added and Omitted Taxes	3,267.05	
Total County Taxes		3,865,228.50
Municipal Open Space Tax	57,247.36	
Municipal Open Space Added and Omitted Tax	48.70	
Total Municipal Open Space Taxes		57,296.06
Local Tax for Municipal Purposes	4,787,419.94	
Minimum Library Tax	226,188.09	
Add: Additional Tax Levied	16,251.65	
		5,029,859.68
		$ 20,573,013.24

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

Balance December 31, 2024	$	9,459.83
Increased by:		
Transfer from 2025 Taxes Receivable		249.57
		9,709.40
Decreased by:		
Receipts -- Collector		8,094.93
Balance December 31, 2025	$	1,614.47

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

Balance December 31, 2024	$ 1,100.00
Increased by:	
2025 Assessments	780.37
	1,880.37
Decreased by:	
Collector	340.37
Balance December 31, 2025	$ 1,540.00

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

	Balance Dec. 31, 2024	Accrued in 2025	Collected	Balance Dec. 31, 2025
Clerk:				
Licenses:				
Alcohol Beverage		$ 5,000.00	$ 5,000.00	
Other		13,316.00	13,316.00	
Fees and Permits		38,143.20	38,143.20	
Municipal Court:				
Fines and Costs	$ 8,270.67	147,429.90	146,425.59	$ 9,274.98
Utility Surplus		168,000.00	168,000.00	
Energy Receipts Tax		729,224.84	729,224.84	
Shared Services School Resource Officer		87,490.91	87,490.91	
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		23,265.63	23,265.63	
Rowan University		50,000.00	50,000.00	
Payment in Lieu of Taxes		311,438.82	311,438.82	
Uniform Fire Safety Act		5,575.00	5,575.00	
Interest on Investments and Deposits		25,018.94	25,018.94	
	$ 8,270.67	$ 1,627,703.24	$ 1,626,698.93	$ 9,274.98
Receipts			$ 1,626,698.93	

BOROUGH OF STRATFORD
CURRENT FUND
Schedule of Property Acquired for Taxes (At Assessed Valuation)
As of December 31, 2025

Balance December 31, 2025 and 2024	$ 613,700.00

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Deferred Charges
N.J.S. 40A:4-55 Special Emergency
For the Year Ended December 31, 2025

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2024	Raised in Budget	Balance Dec. 31, 2025
April 14, 2020	Master Plan Update	$ 25,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ -
		$ 25,000.00	$ 5,000.00	$ 5,000.00	$ 5,000.00	$ -

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

	Balance Dec. 31, 2024		Budget After	Paid or	Lapsed to Fund
	Encumbered	Reserved	Modification	Charged	Balance
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration:					
Salaries and Wages		$ 134.43	$ 134.43		$ 134.43
Other Expenses	$ 252.77	5,023.06	5,275.83	$ 257.77	5,018.06
Elections:					
Other Expenses		1,132.47	1,132.47		1,132.47
Financial Administration (Treasury):					
Salaries and Wages		366.61	366.61		366.61
Other Expenses	309.00	880.65	1,189.65	319.36	870.29
Collection of Taxes					
Salaries and Wages		558.99	558.99		558.99
Other Expenses	17.00	1,271.32	1,288.32	17.00	1,271.32
Assessment of Taxes:					
Other Expenses	28.46	42.76	71.22	28.46	42.76
Legal Services and Costs					
Other Expenses		15,227.24	15,227.24	11,704.55	3,522.69
Engineering Services and Costs					
Other Expenses		4,318.25	4,318.25	688.75	3,629.50
Land Use Administration:					
Municipal Land Use Law (N.J.S.. 40:55D-1)					
Planning Board					
Salaries and Wages		638.98	638.98		638.98
Other Expenses	35.59	3,314.12	3,349.71	35.59	3,314.12
Insurance:					
Other Insurance Premiums		782.76	782.76		782.76
Group Insurance for Employees	1,271.00	46,570.87	47,841.87	35,507.37	12,334.50
Public Safety Functions:					
Police					
Salaries and Wages		81,427.97	81,427.97		81,427.97
Other Expenses	5,941.58	18,828.82	24,770.40	6,635.82	18,134.58
Fire					
Fire Hydrant Service		7,121.19	7,121.19	6,337.98	783.21
Fire Department	13,079.80	964.07	14,043.87	12,531.56	1,512.31
Uniform Fire Safety and Inspection Act					
Salaries and Wages		131.50	131.50		131.50
Public Works Functions:					
Public Works Department:					
Salaries and Wages		344.76	344.76		344.76
Other Expenses	721.49	8,078.66	8,800.15	3,915.84	4,884.31
Solid Waste Collection					
Salaries and Wages		13,233.63	13,233.63		13,233.63
Other Expenses	873.26	9,076.28	9,949.54	873.26	9,076.28
Public Buildings and Grounds					
Other Expenses	552.37	6,199.39	6,751.76	722.70	6,029.06
Shade Tree Commission					
Other Expenses		2,000.00	2,000.00		2,000.00
Maintenance of Motor Vehicles:					
Other Expenses	1,526.28	25,833.03	27,359.31	4,421.12	22,938.19

(Continued)

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

	Balance Dec. 31, 2024 Encumbered	Balance Dec. 31, 2024 Reserved	Budget After Modification	Paid or Charged	Lapsed to Fund Balance
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Health and Human Services Functions:					
Board of Health					
Salaries and Wages		$ 8,543.69	$ 8,543.69		$ 8,543.69
Other Expenses		718.02	718.02		718.02
Environmental Commission (N.J.S. 40:56A-1)					
Other Expenses		1,685.45	1,685.45		1,685.45
Utility Expenses and Bulk Purchases:					
Electricity		8,538.36	8,538.36	$ 8,450.90	87.46
Street Lighting		2,738.63	2,738.63	2,700.10	38.53
Telephone	$ 1,241.57	2,660.33	3,901.90	1,391.57	2,510.33
Water	191.97	870.91	1,062.88	191.97	870.91
Gas (Natural or Propane)		8,495.80	8,495.80	5,134.04	3,361.76
Sewerage Processing and Disposal		52.00	52.00		52.00
Gasoline	4,379.26	19,031.70	23,410.96	4,379.26	19,031.70
Landfill / Solid Waste Disposal Costs:					
Solid Waste Disposal		48,122.04	48,122.04	29,041.02	19,081.02
Other Common Operating Functions (Unclassified)					
Celebration of Public Events, Anniversaries or Holiday					
Other Expenses	2,569.05	81.12	2,650.17	2,639.05	11.12
Total Operations Including Contingent - within "CAPS"	32,990.45	355,039.86	388,030.31	137,925.04	250,105.27
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		1,484.94	1,484.94		1,484.94
Social Security System (O.A.S.I.)		2,198.50	2,198.50		2,198.50
Total Deferred Charges and Statutory Expenditures Municipal -- Within "CAPS"		3,693.44	3,693.44		3,693.44
Total General Appropriations for Municipal Purposes -- Within "CAPS"	32,990.45	358,733.30	391,723.75	137,925.04	253,798.71
OPERATIONS -- EXCLUDED FROM "CAPS"					
Additional Appropriations Offset by Revenues (N.J.S. 40A:4-45.3h):					
PILOT to Camden County		6,500.00	6,500.00	6,500.00	
Total Additional Appropriations Offset by Revenues		6,500.00	6,500.00	6,500.00	
Total Operations -- Excluded from "CAPS"		6,500.00	6,500.00	6,500.00	
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"					
Capital Outlay -- Computers		318.01	318.01		318.01
Total General Appropriations	$ 32,990.45	$ 365,551.31	$ 398,541.76	$ 144,425.04	$ 254,116.72
Disbursed				$ 150,259.80	
Refunds				(5,834.76)	
				$ 144,425.04	

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

Balance December 31, 2024				$ 8,234.43
Increased by:				
Receipts				40,529.68
				48,764.11
Decreased by:				
Accrued in 2025:				
Senior Citizens, Disabled and Surviving Spouse Deductions Per Tax Billing	$ 6,250.00			
Veterans and Widows Deductions per Tax Billing	36,750.00			
		$ 43,000.00		
Deductions Allowed per Collector		250.00		
		43,250.00		
Less:				
Deductions Disallowed per Collector		2,250.00		
			$ 41,000.00	
Less:				
Deductions Disallowed per Collector (2024 Taxes)			970.32	
				40,029.68
Balance December 31, 2025				$ 8,734.43

Exhibit SA-13

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

Balance December 31, 2024 (2025 Taxes)		$ 197,973.40
Increased by:		
Applied from Overpayments	$ 17,126.29	
Receipts:		
Collector	175,103.05	
		192,229.34
		390,202.74
Decreased by:		
Application to Taxes Receivable		197,973.40
Balance December 31, 2025 (2026 Taxes)		$ 192,229.34

Exhibit SA-14

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 1,903.86
Increased by:		
Collector		27,687.86
		29,591.72
Decreased by:		
Cancelled	$ 234.19	
Applied to Prepaid Taxes	17,126.29	
Disbursements:		
Refunds	10,939.70	
		28,300.18
Balance December 31, 2025		$ 1,291.54

Exhibit SA-15

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

2025 Levy:		
Net County Taxes	$ 3,725,433.61	
County Open Space Taxes	136,527.84	
		$ 3,861,961.45
Decreased by:		
Disbursements		$ 3,861,961.45

Exhibit SA-16

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Due to County - Added and Omitted Taxes
For the Year Ended December 31, 2025

Balance December 31, 2024	$ 35,432.23
Increased by:	
County Share of Levy:	
2025 Added and Omitted Assessments	3,267.05
	38,699.28
Decreased by:	
Disbursements	35,432.23
Balance December 31, 2025	$ 3,267.05

Exhibit SA-17

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

2025 Levy (Calendar Year)	$ 8,590,337.00
Decreased by:	
Disbursements	$ 8,590,337.00

Exhibit SA-18

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

Balance December 31, 2024	
Regional High School Tax Deferred	$ 1,496,480.50
Increased by:	
Levy School Year July 1, 2025 to June 30, 2026	3,030,292.00
	4,526,772.50
Decreased by:	
Disbursements	3,011,626.50
Balance December 31, 2025	
Regional High School Tax Deferred	$ 1,515,146.00
2025 Regional High School Tax	
Amount Charged to 2025 Operations	$ 3,011,626.50

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Municipal Open Space Taxes Payable
For the Year Ended December 31, 2025

Increased by:		
2025 Levy	$ 57,247.36	
2025 Added and Omitted Taxes	48.70	
		$ 57,296.06
Decreased by:		
Disbursements -- Open Space Trust Fund		$ 57,296.06

BOROUGH OF STRATFORD
CURRENT FUND
Statement of Liabilities and Reserves
For the Year Ended December 31, 2025

Description	Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
Reserve for Whitman Ave Townhouses	$ 7,488.73		$ 25.01	$ 7,463.72
Reserve for Master Plan	4,298.80			4,298.80
Due State of New Jersey - Marriage and Civil Unions		$ 1,200.00	1,000.00	200.00
	$ 11,787.53	$ 1,200.00	$ 1,025.01	$ 11,962.52
Transfers from Encumbrances		$ 175.00		
Receipts		1,025.00		
Transfer to 2025 Taxes Receivable			$ 25.01	
Disbursements			1,000.00	
		$ 1,200.00	$ 1,025.01	

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

Grant	Balance Dec. 31, 2024	Accrued	Received	Balance Dec. 31, 2025
Federal Grants:				
Community Development Block Grant:				
Curbing and Drainage Improvements		$ 241,951.00		$ 241,951.00
COPS Hiring Program	$ 250,000.00		$ 30,000.00	220,000.00
Federal Bullet Proof Vest Partnership Grant	1,510.64			1,510.64
FEMA Assistance to Firefighter Grant Program	70,000.00	263,269.52	70,000.00	263,269.52
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	86,524.69	54,100.00	47,150.00	93,474.69
Distracted Driver Put the Phone Away		7,000.00	7,000.00	
Drive Sober or Get Pulled Over:				
Year-End Crackdown	7,000.00		7,000.00	
Total Federal Grants	894,697.33	566,320.52	161,150.00	1,299,867.85
State Grants:				
Alcohol Education and Rehabilitation		1,753.83	1,753.83	
Body Armor Replacement		1,641.07	1,641.07	
Body Worn Camera Grant	2,746.88			2,746.88
Clean Communities Program		17,991.78	17,991.78	
Drunk Driving Enforcement Fund	36,162.21		13,403.06	22,759.15
DWI Enforcement Sobriety Checkpoint		3,640.00	3,640.00	
Local Recreation Improvement Grant	76,377.13		10,377.13	66,000.00
Municipal Alliance Against Drug and Alcohol Abuse	14,027.26			14,027.26
NJDEP Stormwater Assistance	10,000.00			10,000.00
New Jersey Department of Transportation:				
2020 Grant	187.93			187.93
2022 Grant	60,000.00		60,000.00	
2023 Grant	118,105.75			118,105.75
2024 Grant	238,352.00			238,352.00
2025 Grant		244,910.00		244,910.00
2026 Grant		263,580.00		263,580.00
Pedestrian Safety Enforcement & Education Fund	30,000.00	33,300.00	29,939.50	33,360.50
Recycling Tonnage Grant		7,789.41	7,789.41	
Safe and Secure Communities Program	11,287.50	22,575.00	22,575.00	11,287.50
Total State Grants	597,246.66	597,181.09	169,110.78	1,025,316.97
Local Grants:				
Camden County Recreational Facility Grant		25,000.00		25,000.00
Camden County Historical Preservation Grant		15,000.00		15,000.00
Camden County College History Grant	625.00			625.00
Total Local Grants	625.00	40,000.00		40,625.00
Total Federal, State and Local Grants	$ 1,492,568.99	$ 1,203,501.61	$ 330,260.78	$ 2,365,809.82
Original Budget		$ 547,185.00		
Chapter 159 - N.J.S. 40A:4-87		656,316.61		
Realized Federal and State Grants Unappropriated			$ 1,641.07	
Receipts			328,619.71	
		$ 1,203,501.61	$ 330,260.78	

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

Grant	Balance Dec. 31, 2024	Cash Received	Realized as Revenue in Budget	Balance Dec. 31, 2025
State Grants:				
Body Armor Replacement Program	$ 1,641.07		$ 1,641.07	
Total State Grants	1,641.07		1,641.07	
Total Federal and State Grants	$ 1,641.07	$ -	$ 1,641.07	$ -

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

Grant	Balance Dec. 31, 2024 Encumbered	Balance Dec. 31, 2024 Reserved	Transferred - 2025 Budget Appropriations	Paid or Charged	Encumbered	Balance Dec. 31, 2025
Federal Grants:						
Community Development Block Grant:						
Curbing and Drainage Improvements			$ 241,951.00			$ 241,951.00
COPS Hiring Program		$ 250,000.00		$ 30,000.00		220,000.00
COVID ARP State and Local Fiscal Recovery Funding	$ 75.00	24,712.28		24,787.28		
Federal Bullet Proof Vest Partnership Grant	1,194.74	5,388.51		1,792.11		4,791.14
FEMA Assistance to Firefighter Grant Program		70,000.00	263,269.52	325,747.51		7,522.01
FEMA (SAFER) Fire EMS Grant	724.00	365,100.32		69,626.64		296,197.68
National Priority Safety Programs:						
National Highway Traffic Safety Administration:						
Camden County Regional DWI Task Force		86,515.91	54,100.00	43,510.00		97,105.91
Distracted Driver Statewide Crackdown		900.00				900.00
Distracted Driver Put the Phone Away			7,000.00	7,000.00		-
Drive Sober or Get Pulled Over:						
Drive Sober or Get Pulled Over		400.00				400.00
Year-End Crackdown		5,080.00		4,130.00		950.00
State and Community Highway Safety:						
Click it or Ticket		710.00				710.00
Total Federal Grants	1,993.74	808,807.02	566,320.52	506,593.54		870,527.74
State Grants:						
Alcohol Education and Rehabilitation		19,363.60	1,753.83			21,117.43
Body Armor Replacement Program	2,547.58	4,535.09	1,641.07	2,547.58		6,176.16
Body Worn Camera		2,736.88				2,736.88
Clean Communities Program		85,780.18	17,991.78	3,359.80		100,412.16
Drunk Driving Enforcement Fund		36,196.96		6,608.07		29,588.89
DWI Enforcement Sobriety Checkpoint			3,640.00	3,640.00		
Local Recreation Improvement Grant	4,959.45	54,475.55		6,791.74		52,643.26
Municipal Alliance Against Drug and Alcohol Abuse		72,803.84				72,803.84
NJDEP Stormwater Assistance		25,000.00		11,755.00		13,245.00
New Jersey Department of Transportation:						
2019 Grant		14,268.50				14,268.50
2022 Grant	2,450.00	12,715.80			$ 2,450.00	12,715.80
2023 Grant	246,794.00	21,391.00		257,760.03	10,424.97	
2024 Grant		238,352.00		10,100.00	191,407.78	36,844.22
2025 Grant			244,910.00		10,400.00	234,510.00
2026 Grant			263,580.00			263,580.00
Pedestrian Safety Enforcement & Education Fund		27,974.81	33,300.00	27,868.00		33,406.81
Recycling Tonnage Grant	1,146.58	13,055.89	7,789.41	10,727.33		11,264.55
Safe and Secure Communities Program - P.L. 1994, Chapter 220			22,575.00	22,575.00		
Total State Grants	257,897.61	628,650.10	597,181.09	363,732.55	214,682.75	905,313.50
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		7,702.92	15,000.00	1,897.09		20,805.83
Camden County College History Grant		315.42				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		15,860.91	40,000.00	1,897.09		53,963.82
Total Federal, State and Local Grants	$ 259,891.35	$ 1,453,318.03	$ 1,203,501.61	$ 872,223.18	$ 214,682.75	$ 1,829,805.06
Original Budget			$ 547,185.00			
Chapter 159 - N.J.S. 40A:4-87			656,316.61			
Disbursed				$ 873,289.55		
Reimbursed				(1,066.37)		
			$ 1,203,501.61	$ 872,223.18		

SUPPLEMENTAL EXHIBITS

TRUST FUND

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

	Animal Control Fund		Municipal Open Space Trust Fund		Other	
Balance December 31, 2024		$ 7,895.32		$ 35,293.50		$ 955,907.98
Increased by Receipts:						
Due Current Fund					$ 10,000.00	
State Registration Fees	$ 765.60					
Reserve for Animal Control Expenditures	9,289.40					
State of New Jersey - DCA Fees					9,900.00	
Reserve for Future Use			$ 57,610.38			
Miscellaneous Trust Reserves:						
Affordable Housing					810.11	
Compensated Absences					10,000.00	
Dedicated Funds Collected for Penalties					8,500.00	
Developers' Escrow					122,021.88	
Historical Preservation					177,246.09	
Outside Liens Redemption					145,755.56	
Tax Title Lien Premiums					293,200.00	
Outside Police Employment					133,175.53	
Parking Offense Adjudication Act					92.00	
Payroll Deductions Payable					1,540,769.27	
Net Pay					2,150,241.85	
Police Training					1,225.00	
Public Defender					2,648.00	
Special Law Enforcement					57.40	
Unemployment Claims Payable					13,276.51	
Uniform Construction Code and Local Enforcement Agency					202,863.58	
		10,055.00		57,610.38		4,821,782.78
		17,950.32		92,903.88		5,777,690.76

(Continued)

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

	Animal Control Fund		Municipal Open Space Trust Fund		Other	
Decreased by Disbursements:						
State Registration Fees	$ 769.80					
Reserve for Animal Control Expenditures	14,336.08					
State of New Jersey - DCA Fees					$ 9,192.00	
Reserve for Future Use			$ 32,186.78			
Miscellaneous Trust Reserves:						
Affordable Housing					49,832.50	
Developers' Escrow					62,980.75	
Historical Preservation					175,519.91	
Municipal Alliance Grant					3,576.71	
Outside Liens Redemption					150,525.51	
Tax Title Lien Premiums					144,900.00	
Outside Police Employment					119,511.63	
Payroll Deductions Payable					1,511,060.56	
Net Pay					2,150,241.85	
Police Training					1,243.00	
Snow Removal					5,158.93	
Unemployment Claims Payable					39,009.17	
Uniform Construction Code and Local Enforcement Agency					161,364.55	
		$ 15,105.88		$ 32,186.78		$ 4,584,117.07
Balance December 31, 2025		$ 2,844.44		$ 60,717.10		$ 1,193,573.69

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

Balance December 31, 2024	$	4.20
Increased by:		
Receipts		765.60
		769.80
Decreased by:		
Disbursements	$	769.80

Exhibit SB-3

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

Balance December 31, 2024			$ 7,891.12
Increased by:			
Receipts:			
Dog License Fees	$ 7,309.40		
Cat License Fees	750.00		
Late Fees	1,230.00		
		9,289.40	
			9,289.40
			17,180.52
Decreased by:			
Encumbrances		450.00	
Expenditures under R.S. 4:19-15.11		14,336.08	
			14,786.08
Balance December 31, 2025			$ 2,394.44

Animal Fees Collected:

Year	
2023	$ 10,260.60
2024	10,067.20
	$ 20,327.80

Exhibit SB-4

BOROUGH OF STRATFORD
TRUST - ANIMAL CONTROL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2025

Increased by:	
Charges to Reserve for Animal Control Expenditures	$ 450.00

BOROUGH OF STRATFORD
TRUST - MUNICIPAL OPEN SPACE FUND
Statement of Reserve for Future Use
For the Year Ended December 31, 2025

Balance December 31, 2024			$ 35,123.67
Increased by:			
Transfer from Encumbrances		$ 169.83	
Receipts:			
Interest Earned	$ 314.32		
Amount to be Raised by Taxation	57,296.06		
		57,610.38	
			57,780.21
			92,903.88
Decreased by:			
Encumbrances		1,500.00	
Disbursements:			
2025 Budget Appropriations		32,186.78	
			33,686.78
Balance December 31, 2025			$ 59,217.10

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due State of New Jersey - DCA Fees
For the Year Ended December 31, 2025

Balance December 31, 2024	$	4,039.08
Increased by:		
Receipts		9,900.00
		13,939.08
Decreased by:		
Disbursements		9,192.00
Balance December 31, 2025	$	4,747.08

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

	Balance Dec. 31, 2024	Increased by: Receipts	Increased by: Encumbrances	Decreased by: Disbursements	Decreased by: Due Current Fund	Decreased by: Encumbrances	Balance Dec. 31, 2025
Affordable Housing	$ 133,329.26	$ 810.11	$ 1,500.00	$ 49,832.50		$ 2,480.00	$ 83,326.87
Compensated Absences	13,388.60	10,000.00					23,388.60
Dedicated Funds Collected for Penalties	5,919.58	8,500.00					14,419.58
Developers' Escrow	110,756.76	122,021.88		62,980.75			169,797.89
Economic Development Commission	204.05						204.05
Green Team	1,005.11						1,005.11
Historical Preservation	1,395.36	177,246.09		175,519.91		44.98	3,076.56
Municipal Alliance Grant	29,125.10			3,576.71			25,548.39
Outside Liens Redemption	5,421.76	145,755.56		150,525.51			651.81
Tax Title Lien Premiums	320,800.00	293,200.00		144,900.00			469,100.00
Outside Police Employment	51,916.97	133,175.53		119,511.63			65,580.87
Parking Offense Adjudication Act	604.00	92.00					696.00
Payroll Deductions Payable	3,534.81	1,540,769.27		1,511,060.56			33,243.52
Net Payroll		2,150,241.85		2,150,241.85			
Police Training	5,533.62	1,225.00		1,243.00			5,515.62
Public Defender	11,457.00	2,648.00			$ 2,648.00		11,457.00
Snow Removal	6,149.41			5,158.93			990.48
Special Law Enforcement	8,529.58	57.40					8,586.98
Unemployment Claims Payable	16,899.94	13,276.51	15,688.81	39,009.17			6,856.09
Uniform Construction Code and Local Enforcement Agency	218,601.51	202,863.58	107.67	161,364.55			260,208.21
	$ 944,572.42	$ 4,801,882.78	$ 17,296.48	$ 4,574,925.07	$ 2,648.00	$ 2,524.98	$ 1,183,653.63

BOROUGH OF STRATFORD
TRUST - OTHER FUND
Statement of Due from/to Current Fund
For the Year Ended December 31, 2025

	Total	Reserve for Public Defender	Reserve for Unemployment
Balance December 31, 2024 (Due from)	$ 10,000.00		$ 10,000.00
Decreased by:			
Receipts:			
Interfunds Received	10,000.00		10,000.00
Increased by:			
Disbursed by Current Fund on behalf of Trust Other	2,648.00	$ 2,648.00	
Balance December 31, 2025 (Due to)	$ 2,648.00	$ 2,648.00	$ -

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, 2025

Balance December 31, 2024		$ 547,972.95
Increased by Receipts:		
Capital Improvement Fund	$ 21,964.00	
Improvement Authorizations	734.32	
Bond Anticipation Notes	417,308.00	
		440,006.32
		987,979.27
Decreased by Disbursements:		
Due Federal and State Grant Fund	321,322.01	
Contracts Payable	259,964.35	
Improvement Authorization	312,105.44	
		893,391.80
Balance December 31, 2025		$ 94,587.47

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

		Balance (Deficit) Dec. 31, 2024	Receipts: Bond Anticipation Notes	Receipts: Improvement Authorizations	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Disbursements: Miscellaneous	Transfers From	Transfers To	Balance (Deficit) Dec. 31, 2025
Due Federal and State Grant Fund							$ 321,322.01			$ (321,322.01)
Reserve for Encumbrances		$ 43,240.00						$ 43,240.00	$ 65,021.35	65,021.35
Contracts Payable		16,718.58					259,964.35	1,094.20	256,184.10	11,844.13
Capital Improvement Fund		5,763.83			$ 21,964.00			21,964.00		5,763.83
Improvement Authorizations:										
Ordinance Number:										
2015:06; (2024:12)	Various Capital Improvements	76,316.88				$ 1,815.00		5,740.00		68,761.88
2016:05	Various Capital Improvements	516.23								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	186.55								186.55
2020:05	Various Capital Improvements	8,036.94								8,036.94
2021:13	Various Capital Improvements	41,360.22								41,360.22
2021:17	Solid Waste Collection Vehicles/Equipment	22,934.17								22,934.17
2022:09	Various Capital Improvements	12,474.34				12,474.34				
2023:08	Various Capital Improvements	66,736.60				35,565.54			1,094.20	32,265.26
2024:08	Various Capital Improvements	240,000.78		$ 734.32		93,229.98		183,115.91	43,240.00	7,629.21
2025:04	Various Capital Improvements		$ 417,308.00			169,020.58		132,349.54	21,964.00	137,901.88
		$ 547,972.95	$ 417,308.00	$ 734.32	$ 21,964.00	$ 312,105.44	$ 581,286.36	$ 387,503.65	$ 387,503.65	$ 94,587.47

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	Increased by 2025 Authorizations	Decreased by Notes Paid by Budget Appropriation	Balance Dec. 31, 2025	Analysis of Balance, December 31, 2025: Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
General Improvements:								
2015:06; (2024:12)	Various Capital Improvements	$ 88,350.00		$ 88,350.00				
2016:05	Various Capital Improvements	102,800.00		51,400.00	$ 51,400.00	$ 51,400.00		
2017:08	Various Capital Improvements	332,062.00		110,700.00	221,362.00	221,362.00		
2018:04	Various Capital Improvements	177,539.00		44,384.00	133,155.00	133,155.00		
2019:01	Various Capital Improvements	14,250.00		2,850.00	11,400.00	11,400.00		
2019:10	Various Capital Improvements	259,702.50		51,942.00	207,760.50	207,760.50		
2020:05	Various Capital Improvements	242,059.75		40,343.00	201,716.75	201,716.75		
2021:13	Various Capital Improvements	399,000.00		57,000.00	342,000.00	342,000.00		
2021:17	Solid Waste Collection Vehicles/Equipment	332,500.00		47,500.00	285,000.00	285,000.00		
2022:09	Various Capital Improvements	304,000.00		38,000.00	266,000.00	266,000.00		
2023:08	Various Capital Improvements	555,750.00		61,750.00	494,000.00	494,000.00		
2024:08	Various Capital Improvements	395,105.00		39,510.50	355,594.50	355,594.50		
2025:04	Various Capital Improvements		$ 417,308.00		417,308.00	417,308.00		
		$ 3,203,118.25	$ 417,308.00	$ 633,729.50	$ 2,986,696.75	$ 2,986,696.75	$ -	$ -
Improvement Authorizations - Unfunded								$ 264,368.29
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:								
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							8,036.94	
Ordinance Number 2021:13							41,360.22	
Ordinance Number 2021:17							22,934.17	
Ordinance Number 2023:08							32,265.26	
Ordinance Number 2024:08							7,629.21	
Ordinance Number 2025:04							137,751.88	
								264,368.29
								$ -

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

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded	2025 Authorizations: Capital Improvement Fund	2025 Authorizations: Deferred Charges to Future Taxation - Unfunded	Other Increases	Paid or Charged	Refunds	Balance Dec. 31, 2025 Funded	Balance Dec. 31, 2025 Unfunded
General Improvements:												
2015:06; (2024:12)	Various Capital Improvements: Municipal Improvements	5/12/15; 09/05/24	$ 76,316.88		$ 76,316.88				$ 7,555.00		$ 68,761.88	
2016:05	Various Capital Improvements: Police Equipment	04/26/16	25,000.00		516.23							$ 516.23
2018:04	Various Capital Improvements:	05/08/18										
	Alcotest/Breathalyzer		19,750.00		9,104.35							9,104.35
	Recording System		3,495.00		1,710.27							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:	05/14/19										
	Tree Maintenance Project		25,000.00		186.55							186.55
2020:05	Various Capital Improvements:	07/14/20										
	Tree Maintenance Project		60,000.00		8,036.94							8,036.94
2021:13	Various Capital Improvements:	07/13/21										
	Property Upgrades		10,000.00		7,406.34							7,406.34
	Fire Department Equipment		34,000.00									
	Police Body Cameras/Equipment		113,000.00		33,953.88							33,953.88
2021:17	Solid Waste Collection Vehicles/Equipment	09/14/21	500,000.00		22,934.17							22,934.17
2022:09	Various Capital Improvements:	07/12/22										
	Municipal Road Improvements		244,000.00		6,572.04				6,572.04			
	Police Vehicles/ Equipment		98,000.00		1,074.74				1,074.74			
	Fire Equipment		34,000.00		4,827.56				4,827.56			
2023:08	Various Capital Improvements:	07/11/23										
	Municipal Road Improvements		288,000.00					$ 1,094.20	454.22			639.98
	Police Vehicles/ Equipment		125,000.00		8,541.76				5,013.67			3,528.09
	Fire Equipment		39,000.00		28,755.50				21,742.91			7,012.59
	Municipal Property Improvements		126,000.00		8,354.74				8,354.74			
	Park Improvements		50,000.00		21,084.60							21,084.60
2024:08	Various Capital Improvements:	06/11/24										
	Municipal Road Improvements		300,000.00		194,519.36			35,540.00	230,059.36			
	Police Vehicles/ Equipment		67,900.00		7,106.42							7,106.42
	Police Equipment		10,000.00		375.00			7,700.00	7,836.00			239.00
	DPW Equipment		30,000.00	$ 1,500.00	28,500.00				30,000.00			
	Municipal Property Improvements		8,000.00	400.00	7,600.00				8,450.53	$ 734.32		283.79
2025:04	Various Capital Improvements:	06/12/25										
	Municipal Road Improvements		230,000.00			$ 11,500.00	$ 218,500.00		99,574.62			130,425.38
	Police Vehicles/ Equipment		156,272.00			7,814.00	148,458.00		151,795.50			4,476.50
	Fire Equipment		3,000.00			150.00	2,850.00				$ 150.00	2,850.00
	DPW Equipment		50,000.00			2,500.00	47,500.00		50,000.00			
				$ 1,900.00	$ 480,350.54	$ 21,964.00	$ 417,308.00	$ 44,334.20	$ 633,310.89	$ 734.32	$ 68,911.88	$ 264,368.29
Reserve for Encumbrances								$ 43,240.00	$ 65,021.35			
Change Orders on Contracts								1,094.20				
Contracts Payable									256,184.10			
Disbursements									312,105.44			
								$ 44,334.20	$ 633,310.89			

Exhibit SC-5

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

Balance December 31, 2024	$ 43,240.00
Increased by:	
2025 Purchase Orders	65,021.35
	108,261.35
Decreased by:	
Transferred to Statement of Improvement Authorizations	43,240.00
Balance December 31, 2025	$ 65,021.35

Exhibit SC-6

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

Balance December 31, 2024		$ 16,718.58
Increased by:		
2025 Contracts Awarded		256,184.10
		272,902.68
Decreased by:		
Change Orders	$ 1,094.20	
Disbursements	259,964.35	
		261,058.55
Balance December 31, 2025		$ 11,844.13

Analysis of Balance December 31, 2025

Contractor	Ordinance	Contract No.	Balance
Earle Asphalt Company	Ordinance 2025:04	25-00001	$ 11,844.13

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

Balance December 31, 2024	$ 5,763.83
Increased by:	
Receipts:	
2025 Budget Appropriation	21,964.00
	27,727.83
Decreased by:	
Appropriation to Finance Improvement Authorizations	21,964.00
Balance December 31, 2025	$ 5,763.83

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

Ordinance Number	Improvement Description	Date of Issue of Original Note	Original Amount Issued	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
2015:06; (2024:12)	Various Capital Improvements	04/15/15	$ 883,500.00	07/03/24	07/02/25	4.160%	$ 88,350.00		$ 88,350.00	
2016:05	Various Capital Improvements	05/10/16	514,000.00	07/03/24	07/02/25	4.160%	102,800.00		102,800.00	
				07/02/25	07/01/26	3.550%		$ 51,400.00		$ 51,400.00
2017:08	Various Capital Improvements	05/09/17	1,106,962.00	07/03/24	07/02/25	4.160%	332,062.00		332,062.00	
				07/02/25	07/01/26	3.550%		221,362.00		221,362.00
2018:04	Various Capital Improvements	05/08/18	443,843.00	07/03/24	07/02/25	4.160%	177,539.00		177,539.00	
				07/02/25	07/01/26	3.550%		133,155.00		133,155.00
2019:01	Various Capital Improvements	02/12/19	28,500.00	07/03/24	07/02/25	4.160%	14,250.00		14,250.00	
				07/02/25	07/01/26	3.550%		11,400.00		11,400.00
2019:10	Various Capital Improvements	05/14/19	519,412.50	07/03/24	07/02/25	4.160%	259,702.50		259,702.50	
				07/02/25	07/01/26	3.550%		207,760.50		207,760.50
2020:05	Various Capital Improvements	09/24/20	403,431.75	09/21/23	09/20/24	4.140%	242,059.75		242,059.75	
				09/19/25	09/18/26	3.360%		201,716.75		201,716.75
2021:13	Various Capital Improvements	09/23/21	570,000.00	09/21/23	09/20/24	4.140%	399,000.00		399,000.00	
				09/19/25	09/18/26	3.360%		342,000.00		342,000.00
2021:17	Solid Waste Collection Vehicles/Equipment	01/28/22	427,500.00	01/27/23	01/26/24	4.140%	332,500.00		332,500.00	
				01/24/25	01/23/26	3.460%		285,000.00		285,000.00
2022:09	Various Capital Improvements	09/22/22	380,000.00	09/21/23	09/20/24	4.140%	304,000.00		304,000.00	
				09/19/25	09/18/26	3.360%		266,000.00		266,000.00
2023:08	Various Capital Improvements:	01/26/24	555,750.00	01/26/24	01/25/25	4.100%	555,750.00		555,750.00	
				01/24/25	01/23/26	3.460%		494,000.00		494,000.00
2024:08	Various Capital Improvements:	09/20/24	395,105.00	09/20/24	09/19/25	3.750%	395,105.00		395,105.00	
				09/19/25	09/18/26	3.360%		355,594.50		355,594.50
2025:04	Various Capital Improvements:	07/02/25	417,308.00	07/02/25	07/01/26	3.550%		417,308.00		417,308.00
							$ 3,203,118.25	$ 2,986,696.75	$ 3,203,118.25	$ 2,986,696.75

Renewal	$ 2,569,388.75	$ 2,569,388.75
Issued for Cash	417,308.00	
Paid by Budget Appropriation:		
Current Fund		628,979.50
Open Space Trust Fund		4,750.00
	$ 2,986,696.75	$ 3,203,118.25

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2024	Increased by 2025 Authorizations	Decreased by Bond Anticipation Notes Issued	Balance Dec. 31, 2025
General Improvements:					
2025:04	Various Capital Improvements:		$ 417,308.00	$ 417,308.00	
		$ -	$ 417,308.00	$ 417,308.00	$ -

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

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

		Operating Fund		Capital Fund
Balance December 31, 2024		$ 1,237,189.86		$ 14,069.54
Increased by Receipts:				
Collector	$ 551,012.10			
Miscellaneous Revenue	37,523.50			
Appropriation Refunds	615.64			
		589,151.24		
		1,826,341.10		14,069.54
Decreased by Disbursements:				
2025 Appropriations	527,195.22			
2024 Appropriation Reserves	2,674.75			
Accrued Interest on Notes	9,333.36			
Improvement Authorizations			$ 4,507.04	
		539,203.33		4,507.04
Balance December 31, 2025		$ 1,287,137.77		$ 9,562.50

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

Increased by:		
Receipts:		
Interest and Costs on Delinquent Sewer Rents	$ 7,130.47	
Connection Fees	630.00	
Prepaid Sewer Rents	2,105.01	
Sewer Rents Receivable	541,146.62	
		$ 551,012.10
Decreased by:		
Turnovers to Treasurer		$ 551,012.10

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Cash
For the Year Ended December 31, 2025

		Balance Dec. 31, 2024	Disbursements: Improvement Authorizations	Transfers: From	Transfers: To	Balance Dec. 31, 2025
Reserve for Encumbrances		$ 9,439.64		$ 9,439.64		
Improvement Authorizations:						
2020:07	Sewer Utility Emergency Repairs	4,629.90				$ 4,629.90
2023:14	Sewer Utility Emergency Repairs		$ 4,507.04		$ 9,439.64	4,932.60
		$ 14,069.54	$ 4,507.04	$ 9,439.64	$ 9,439.64	$ 9,562.50

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Sewer Rents Receivable
For the Year Ended December 31, 2025

Balance December 31, 2024		$ 25,436.45
Increased by:		
Sewer Rents Levied		541,439.69
		566,876.14
Decreased by:		
Collections	$ 541,146.62	
Prepayments Applied	2,007.02	
		543,153.64
Balance December 31, 2025		$ 23,722.50

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital
As of December 31, 2025

Account	Balance Dec. 31, 2025
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
Stihl 460 Saw	725.00
7 HP/60 G Oil Lube Compressor	577.61
	$ 3,523,942.36

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Schedule of Fixed Capital Authorized and Uncompleted
As of December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2025
Sewer Utility Improvements:				
2020:07	Sewer Utility Emergency Repairs	7/14/2020	$ 170,000.00	$ 170,000.00
2023:14	Sewer Utility Emergency Repairs	12/27/2023	130,000.00	130,000.00
				$ 300,000.00

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

	Balance December 31, 2024 Encumbered	Balance December 31, 2024 Reserved	Balance After Transfers	Paid or Charged	Lapsed to Fund Balance
Operating:					
Salaries and Wages		$ 1,346.66	$ 1,346.66		$ 1,346.66
Other Expenses	$ 660.16	38,283.25	38,943.41	$ 2,674.75	36,268.66
Total Operating	660.16	39,629.91	40,290.07	2,674.75	37,615.32
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		3,590.70	3,590.70		3,590.70
Unemployment Compensation Insurance & Disability (N.J.S. 43:21-3 et seq.)		40.10	40.10		40.10
Total Deferred Charges and Statutory Expenditures		3,630.80	3,630.80		3,630.80
	$ 660.16	$ 43,260.71	$ 43,920.87	$ 2,674.75	$ 41,246.12
Disbursements				$ 2,674.75	

BOROUGH OF STRATFORD
SEWER UTILITY OPERATING FUND
Statement of Prepaid Sewer Rents
For the Year Ended December 31, 2025

Balance December 31, 2024	$	2,007.02
Increased by:		
Receipts -- Collector		2,105.01
		4,112.03
Decreased by:		
Prepayments Applied to Sewer Rents Receivable		2,007.02
Balance December 31, 2025	$	2,105.01

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

Balance December 31, 2024	$ 5,997.84
Increased by:	
Charged to Budget Appropriation - Interest on Notes	7,520.93
	13,518.77
Decreased by:	
Interest Paid:	
Disbursed	9,333.36
Balance December 31, 2025	$ 4,185.41

Analysis of Accrued Interest, December 31, 2025

Principal Outstanding December 31, 2025	Interest Rate	From	To	Period (Days)	Amount
Bond Anticipation Notes:					
$ 104,000.00	3.460%	01-24-25	12-31-25	342	$ 3,371.65
85,000.00	3.360%	09-19-25	12-31-25	104	813.76
					$ 4,185.41

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Dec. 31, 2024 Unfunded	Transferred from Reserve for Encumbrances	Paid or Charged	Dec. 31, 2025 Unfunded
Sewer Utility Improvements:							
2020:07	Sewer Utility Emergency Repairs	7/14/2020	$ 170,000.00	$ 4,629.90			$ 4,629.90
2023:14	Sewer Utility Emergency Repairs	12/27/2023	130,000.00		$ 9,439.64	$ 4,507.04	4,932.60
				$ 4,629.90	$ 9,439.64	$ 4,507.04	$ 9,562.50
	Disbursed					$ 4,507.04	

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

Balance December 31, 2024	$	3,587,842.36
Increased by:		
Bond Anticipation Notes paid by Budget Appropriation		47,100.00
Balance December 31, 2025	$	3,634,942.36

BOROUGH OF STRATFORD
SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2025

Ordinance Number	Improvement Description	Amount of Original Issue	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2024	Increased	Decreased	Balance Dec. 31, 2025
Sewer Utility Improvements:										
2015:07	Pump Station #2 Upgrades	$ 171,000.00	6/17/2015	7/3/2024	7/2/2025	4.160%	$ 17,100.00		$ 17,100.00	
2020:07	Sewer Utility Emergency Repairs	170,000.00	9/24/2020	9/20/2024	9/19/2025	3.750%	102,000.00		102,000.00	
				9/19/2025	9/18/2026	3.360%		$ 85,000.00		$ 85,000.00
2023:14	Sewer Utility Emergency Repairs	117,000.00	1/26/2024	1/26/2024	1/25/2025	4.100%	117,000.00		117,000.00	
				1/24/2025	1/23/2026	3.460%		104,000.00		104,000.00
							$ 236,100.00	$ 189,000.00	$ 236,100.00	$ 189,000.00
					Renewals			$ 189,000.00	$ 189,000.00	
					Paid by Budget Appropriation				47,100.00	
								$ 189,000.00	$ 236,100.00	

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2025

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

Schedule of Financial Statement Findings

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

None.

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:

Name	Title	Amount of Surety Bonds
Linda Hall	Mayor	(A); (B)
Michael Tolomeo	President of Council	(A); (B)
Stephen Gandy	Councilman	(A); (B)
Patrick Gilligan	Councilman	(A); (B)
Bob Bove	Councilman	(A); (B)
Tina Lomanno	Councilwoman (Through July 2025)	(A); (B)
Dawn Martin	Councilwoman	(A); (B)
Jessica Farrell	Councilwoman (Effective August 2025)	(A); (B)
John Keenan	Borough Administrator (Through September 1, 2025)	(A); (B)
Michelle Hack	Borough Administrator and Clerk (Effective September 1, 2025)	(A); (B)
Stephenie Cianfrani	Deputy Borough Clerk (Through August 2025)	(A); (B)
Robin Sarlo	Chief Financial Officer, Tax Collector and Tax Search Officer	(A); (B)
Patrick Dymond	Tax Assessor	(A); (B)
Jeffrey Brennan	Solicitor (Effective May 2025)	
Charles Shimberg	Judge of the Municipal Court (Through June 2025)	(A); (B)
William Stopper	Judge of the Municipal Court (Effective June 2025)	(A); (B)
Jean Phillips	Court Administrator (Through June 2025)	(A); (B)
Dawn Hirst	Court Administrator (Effective June 2025)	(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)

APPRECIATION

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

PKF O'Connor Davies, LLP

PKF O'CONNOR DAVIES, LLP

Scott P. Barron
Certified Public Accountant
Registered Municipal Accountant