

BOROUGH OF UNION BEACH

COUNTY OF MONMOUTH

DECEMBER 31, 2024

ROBERT A. HULSART AND COMPANY
Certified Public Accountants

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BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

PART I

AUDITOR'S REPORT ON THE BOROUGH'S FINANCIAL STATEMENTS,

FINANCIAL STATEMENTS AND NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

1.

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Union Beach
County of Monmouth
Union Beach, New Jersey 07735

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Union Beach (the "Borough"), as of December 31, 2024 and 2023, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Borough's basis 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 financial position of each fund and account group of the Borough as of December 31, 2024 and 2023, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Borough as of December 31, 2024 and 2023, or the changes in financial position thereof for the years then ended.

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted 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 Division's regulatory basis of accounting and the budget laws 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.

In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division to audit the LOSAP fund financial statements as a part of our audit of the Borough's Financial Statements. The LOSAP fund financial statements are included in the Borough's Trust Fund and represent 43% and 45% of the assets and liabilities as of December 31, 2024 and 2023, respectively, of the Borough's Trust Fund.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted 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

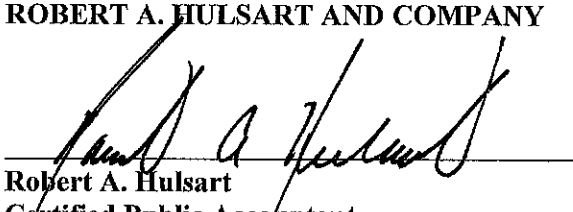
Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part the 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules are fairly stated, in all material respects, in relation to the various fund and account group 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 July 18, 2025, on our consideration of the Borough's internal control over financial reporting and 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 affection of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



Robert A. Hulsart
Certified Public Accountant
Registered Municipal Accountant
R.M.A. Number 158
Wall Township, New Jersey

July 18, 2025

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**CURRENT FUND****BALANCE SHEET****Exhibit A
Sheet 1 of 2****REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>
<u>Assets</u>			
Cash:			
Treasurer	A-4	\$ 2,895,319.92	1,064,602.40
Tax Collector	A-5	3,140,847.97	2,218,731.68
		<u>6,036,167.89</u>	<u>3,283,334.08</u>
Due From State of New Jersey Veterans and Senior Citizens	A-8	<u>34,470.03</u>	<u>34,970.03</u>
Receivables With Full Reserves:			
Delinquent Taxes	A-7	434,445.16	407,286.24
Labor Liens		1,025.00	1,025.00
Property Acquired for Taxes	A-12	2,191,000.00	2,191,000.00
Demolition Lien	A-9	64,007.34	64,007.34
Tax Title Liens	A-10	18,972.64	15,830.16
Interfunds:			
General Capital Fund	C		118,683.31
Dog Trust	A-6	3,310.39	3,485.91
		<u>2,712,760.53</u>	<u>2,801,317.96</u>
Deferred Charges:			
Emergency Authorizations:			
40A:4-55	A-3		50,000.00
		<u>8,783,398.45</u>	<u>6,169,622.07</u>
<u>State and Federal Grants</u>			
Interfund Current	Contra	428,171.08	733,211.95
Grants Receivable	A-18	31,092.03	87,192.03
		<u>459,263.11</u>	<u>820,403.98</u>
Total Assets		<u>\$ 9,242,661.56</u>	<u>6,990,026.05</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**CURRENT FUND****BALANCE SHEET****Exhibit-A
Page 2 of 2****REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Appropriation Reserves	A-3	219,958.02	355,335.66
Encumbrances	A-3	104,017.80	203,803.02
Reserve For Insurance Claims	A-11	10,751.02	10,751.02
Reserve For Revaluation	A-4	19,066.00	19,066.00
Added Taxes Due County	A-14	12,786.28	8,424.15
Interfund - Unemployment	B	26,029.39	26,899.00
Reserve for Municipal Relief Aid	A-4		69,514.26
Marriage Licenses	A-4	75.00	50.00
Tax Overpayments	A-4	5,096.57	8,255.74
Interfund Payroll Trust	A-4	3,504.60	3,504.60
Due to State of N.J. - Training Fees	A-4	2,888.00	1,525.00
Prepaid Taxes	A-5	175,786.71	156,769.26
Due to Grant Fund	Contra	428,171.08	733,211.95
Due to Capital Fund	C	2,978,094.36	
Due to Trust - Other	B	104,030.95	191,714.42
Reserve For Tax Appeals	A-17	705,033.49	605,033.49
Lead Treatment Fees	A-4	60.00	
Prepaid Revenue	A-4	2,550.00	4,545.00
Accounts Payable	A-4	260,707.65	226,771.06
Total Liabilities		5,058,606.92	2,625,173.63
Reserve for Receivables		2,712,760.53	2,801,317.96
Fund Balance	A-1	1,012,031.00	743,130.48
		8,783,398.45	6,169,622.07
<u>Federal and State Grant Fund</u>			
Appropriation Reserves	A-19	359,667.28	767,707.33
Encumbrances Payable		57,284.40	
Unappropriated Reserves	A-20	42,311.43	52,696.65
		459,263.11	820,403.98
Total Liabilities, Reserves and Fund Balance		\$ 9,242,661.56	6,990,026.05

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

CURRENT FUNDSTATEMENT OF OPERATIONS AND CHANGEIN FUND BALANCE - REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$ 600,000.00	625,000.00
Miscellaneous Revenue Anticipated	A-2	1,791,601.23	1,673,244.43
Receipts from Delinquent Taxes	A-2	392,890.24	267,234.15
Receipts from Current Taxes	A-2	20,310,680.66	19,506,845.51
Non-Budget Revenue	A-2	151,321.49	112,067.79
Other Credits to Income:			
Interfunds Liquidated	A	118,858.83	67,521.19
Appropriation Reserves Lapsed	A-16	268,258.86	426,702.36
Budget Appropriations Cancelled	A-3	288.00	7,505.49
		<u>23,633,899.31</u>	<u>22,686,120.92</u>
<u>Expenditures</u>			
Budget Appropriations:			
Inside CAP:			
Salaries and Wages	A-3	4,851,800.00	4,746,015.00
Other Expenses	A-3	4,230,250.00	3,803,100.00
Deferred Charges and Statutory Expenditures	A-3	1,327,424.91	1,242,245.00
Outside CAP:			
Salaries and Wages	A-3	12,390.00	
Other Expenses	A-3	269,656.65	471,675.43
Capital Improvements	A-3	248,250.00	281,750.00
Deferred Charges and Statutory Expenditures	A-3	50,000.00	
Debt Service	A-3	1,348,504.00	1,565,774.00
Transfer to Board of Education	A-3	60,000.00	60,000.00
County Taxes	A-14	2,132,915.23	2,075,558.04
Local District School Taxes	A-13	8,233,808.00	7,673,124.00
Prior Year Refund/Other Expenditures	A		177,154.99
		<u>22,764,998.79</u>	<u>22,096,396.46</u>
Excess in Revenue		868,900.52	589,724.46
Fund Balance January 1	A	<u>743,130.48</u>	<u>778,406.02</u>
		1,612,031.00	1,368,130.48
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>600,000.00</u>	<u>625,000.00</u>
Fund Balance December 31	A	<u>\$ 1,012,031.00</u>	<u>743,130.48</u>

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

CURRENT FUNDSTATEMENT OF REVENUES - REGULATORY BASISFOR THE YEAR ENDED DECEMBER 31, 2024

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 600,000.00	600,000.00	-
<u>Miscellaneous Revenue</u>				
Licenses:				
Alcoholic Beverages	A-15	5,000.00	4,900.00	(100.00)
Fees and Permits	A-15	168,000.00	168,949.00	949.00
Municipal Court	A-15	45,000.00	72,031.19	27,031.19
Interest and Costs on Taxes	A-15	70,000.00	137,099.58	67,099.58
Parking Meters	A-15	30,500.00	143,959.84	113,459.84
Energy Receipts Tax (P.L. 1997 Chapter 162 & 167)	A-15	674,393.00	674,393.26	0.26
Municipal Relief Aid	A	69,514.26	69,514.26	-
Uniform Construction Code Fees	A-15	104,536.00	169,792.00	65,256.00
Clean Communities Program	A-18	13,895.11	13,895.11	-
Recycling Tonnage	A-18	9,887.73	9,887.73	-
Body Armor Grant	A-18	1,523.81	1,523.81	-
Distracted Driving Enforcement	A-18	12,390.00	12,390.00	-
Stormwater Assistance Grant	A-18	15,000.00	15,000.00	-
Utility Operating Surplus	A-15	55,000.00	55,000.00	-
Recycling Costs	A-15	3,000.00	1,262.80	(1,737.20)
Optimum Franchise Fees	A-15	32,911.00	32,911.00	-
Cell Tower Rental - Verizon	A-15	34,000.00	37,119.00	3,119.00
Cell Tower Rental - AT&T Wireless	A-15	31,000.00	29,823.80	(1,176.20)
Cell Tower Rental - T Mobile	A-15	26,000.00	29,797.36	3,797.36
Verizon Franchise Fee	A-15	40,179.64	40,179.64	-
Off Duty Administration Fee	A-15	30,000.00	30,000.00	-
Reserve for Debt Service	A-15	42,171.85	42,171.85	-
Total Miscellaneous Revenue	A-1	1,513,902.40	1,791,601.23	277,698.83
Receipts from Delinquent Taxes	A-1	400,000.00	392,890.24	(7,109.76)
Amount to be Raised by Taxes for Support of the Municipal Budget	A-2	10,394,776.04	10,434,360.31	59,584.27
Total General Revenues		12,908,678.44	13,238,851.78	330,173.34
Miscellaneous Revenue Not Anticipated	A-1	-	151,321.49	151,321.49
Total Revenues		\$ 12,908,678.44	13,390,173.27	481,494.83

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Ref.</u>	<u>Realized</u>
<u>Allocation of Current Collections</u>		
Revenue from Collections	A-1	\$ 20,310,680.66
Less: Allocated to School and County Taxes	A-1	10,366,723.23
		<u>9,943,957.43</u>
Add: Reserve for Uncollected Taxes	A-3	510,402.88
		<u>\$ 10,454,360.31</u>
 <u>Miscellaneous Revenue Not Anticipated</u>		
Billboard Sign	A-4	\$ 20,044.53
Settlement	A-4	100,000.00
Prior Year Refunds	A-4	8,209.27
Interest Earned on Deposits	A-4	7,533.14
Insurance Refunds	A-4	8,295.96
LOSAP Refunds	A-4	2,700.00
Other	A-4	<u>4,538.59</u>
Total Miscellaneous Revenue Not Anticipated	A-1	<u>\$ 151,321.49</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 1 of 7

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Year Ending 2024 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>General Government</u>					
Administrative and Executive:					
Salaries and Wages - Governing Body	\$ 43,500.00	43,500.00	43,404.89	95.11	
Salaries and Wages - Borough Clerk's Office	213,000.00	213,000.00	206,315.26	6,684.74	
Salaries and Wages - Administrator's Office	142,000.00	142,000.00	142,000.00	-	
Other Expenses	75,000.00	79,600.00	79,600.00	-	
Office Expenses	70,000.00	70,000.00	68,847.12	1,152.88	
Contractual	50,000.00	34,000.00	29,754.76	4,245.24	
Election:					
Salaries and Wages	8,000.00	8,000.00	8,000.00	-	
Other Expenses	4,000.00	4,000.00	2,955.70	1,044.30	
Financial Administration:					
Salaries and Wages	63,000.00	63,000.00	62,754.96	245.04	
Other Expenses	50,000.00	50,000.00	42,941.00	7,059.00	
Audit Contract	24,000.00	24,000.00	24,000.00	-	
Assessment of Taxes:					
Salaries and Wages	28,500.00	28,500.00	28,175.00	325.00	
Other Expenses	3,000.00	3,000.00	2,165.10	834.90	
Collection of Taxes:					
Salaries and Wages	90,000.00	90,700.00	90,680.68	19.32	
Other Expenses	10,000.00	10,000.00	9,860.65	139.35	
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expenses	250.00	250.00		250.00	
Legal Services and Costs:					
Salaries and Wages	58,000.00	58,000.00	57,089.56	910.44	
Other Expenses	75,000.00	75,000.00	74,729.52	270.48	
Engineering Services and Costs:					
Salaries and Wages	3,000.00	3,000.00	3,000.00	-	
Other Expenses	115,000.00	92,850.00	88,315.59	4,534.41	

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 2 of 7

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

General Government (Continued)

Public Building and Grounds:

Salaries and Wages

Other Expenses

Shade Tree Commission

Other Expenses

Parks and Playgrounds:

Other Expenses

Zoning/Planning Costs:

Salaries and Wages

Other Expenses

Borough Prosecutor:

Salaries and Wages

Other Expenses

Public Safety

Fire:

Aid to Volunteer Companies

Hydrant Service

Alarms

Other Equipment

Fire Equipment Testing

Police:

Salaries and Wages

Other Expenses

Parking Meters

Bayshore Task Force:

Other Expenses

	Year Ending 2024 Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Salaries and Wages	370,000.00	370,000.00	369,299.45	700.55	
Other Expenses	140,000.00	151,000.00	146,950.32	4,049.68	
Shade Tree Commission					
Other Expenses	5,000.00	5,000.00		5,000.00	
Parks and Playgrounds:					
Other Expenses	73,000.00	73,000.00	64,049.25	8,950.75	
Zoning/Planning Costs:					
Salaries and Wages	11,500.00	11,500.00	11,250.00	250.00	
Other Expenses	81,250.00	69,250.00	68,842.24	407.76	
Borough Prosecutor:					
Salaries and Wages	42,000.00	42,000.00	38,091.81	3,908.19	
Other Expenses	150.00	150.00		150.00	
<u>Public Safety</u>					
<u>Fire:</u>					
Aid to Volunteer Companies	200,000.00	200,000.00	200,000.00	-	
Hydrant Service	165,000.00	165,000.00	165,000.00	-	
Alarms	10,000.00	10,000.00	4,104.01	5,895.99	
Other Equipment	12,000.00	12,000.00	12,000.00	-	
Fire Equipment Testing	13,000.00	13,000.00	13,000.00	-	
<u>Police:</u>					
Salaries and Wages	2,705,000.00	2,768,300.00	2,765,739.34	2,560.66	
Other Expenses	155,000.00	173,275.00	171,708.65	1,566.35	
Parking Meters	12,000.00	12,000.00	7,721.42	4,278.58	
Bayshore Task Force:					
Other Expenses	3,000.00	3,000.00	3,000.00	-	

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Year Ending 2024 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Public Safety (Continued)</u>					
Emergency Management Service:					
Other Expenses	9,500.00	9,500.00	8,505.52	994.48	
Life Hazard Use Fees:					
Other Expenses	150.00	150.00		150.00	
First Aid Organization:					
Contribution	50,000.00	50,000.00	50,000.00	-	
Clothing Allowance	2,000.00	2,000.00	2,000.00	-	
<u>Public Works</u>					
Road Repairs and Maintenance:					
Salaries and Wages	410,000.00	414,300.00	413,698.68	601.32	
Other Expenses	70,000.00	70,000.00	56,050.77	13,949.23	
Snow Removal	5,000.00	5,000.00		5,000.00	
Garbage and Trash Removal - Contractual	554,000.00	555,500.00	555,387.67	112.33	
Landfill Closure Aid (P.L. - 1981 c.396) Monitoring Wells	500.00	500.00		500.00	
Landfill Charge - Taxes	288,000.00	299,500.00	299,474.87	25.13	
Recycling Costs:					
Salaries and Wages	95,000.00	95,000.00	94,868.04	131.96	
Other Expenses	20,000.00	23,000.00	23,000.00	-	
<u>Health and Welfare</u>					
Board of Health:					
Salaries and Wages	44,000.00	40,000.00	40,000.00	-	
Other Expenses	4,000.00	4,000.00	1,455.10	2,544.90	
Rodent Extermination and Control:					
Other Expenses	6,000.00	6,000.00	4,042.40	1,957.60	
Recreation and Education:					
Senior Citizens	850.00	850.00	850.00	-	
Other Expenses	20,000.00	20,000.00	20,000.00	-	
Bayshore Youth Service Bureau:					
Other Expenses	12,000.00	12,000.00	8,738.01	3,261.99	
Community Celebrations					
Other Expenses	40,000.00	40,000.00	30,109.90	9,890.10	
Community Alliance Program:					
Other Expenses	3,000.00	3,000.00	3,000.00	-	

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-3
Sheet 4 of 7

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Year Ending 2024 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Health and Welfare (Continued)</u>					
Bayshore Senior Center:					
Other Expenses	725.00	725.00		725.00	
Municipal Court:					
Salaries and Wages	90,000.00	85,800.00	84,856.84	943.16	
Other Expenses	5,000.00	5,000.00	4,744.94	255.06	
Public Defender (P.L. 1997, c. 256):					
Salaries and Wages	500.00	500.00		500.00	
Other Expenses	100.00	100.00		100.00	
Insurance					
Liability Insurance	195,000.00	223,500.00	223,500.00	-	
Flood Insurance	40,000.00	40,000.00	33,065.50	6,934.50	
Worker's Compensation	269,100.00	269,100.00	266,200.00	2,900.00	
Employee Group Insurance	950,000.00	920,900.00	901,585.76	19,314.24	
Insurance Waiver	20,000.00	20,000.00	20,000.00	-	
<u>Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>					
Uniform Construction Code:					
Salaries and Wages	305,000.00	265,000.00	264,104.39	895.61	
Other Expenses	15,000.00	15,000.00	14,926.88	73.12	
Code Enforcement:					
Salaries and Wages	97,500.00	97,700.00	97,632.59	67.41	
Other Expenses	13,750.00	13,750.00	13,718.79	31.21	
Unclassified:					
Electricity	115,000.00	120,200.00	118,637.11	1,562.89	
Gasoline	80,000.00	80,100.00	80,037.19	62.81	
Heating Gas	35,000.00	31,000.00	23,422.89	7,577.11	
Telephone	40,000.00	35,000.00	31,057.33	3,942.67	
Irrigation	35,000.00	37,000.00	34,919.58	2,080.42	
Shipping Cost	2,000.00			-	
Total Operations Within "CAPS"	9,065,825.00	9,081,550.00	8,928,937.03	152,612.97	-
Contingent	500.00	500.00		500.00	
Total Operations Within "CAPS" Including Contingent	9,066,325.00	9,082,050.00	8,928,937.03	153,112.97	-

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Year Ending 2024 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>Deferred Charges and Statutory Expenditures</u>					
<u>Municipal Within "CAPS"</u>					
Deferred Charges: Dog License Trust Fund	5,327.91	5,327.91	5,327.91		
Statutory Expenditures:					
Public Employees Retirement System	302,516.00	302,516.00	302,516.00	-	
Social Security System (O.A.S.I.)	392,000.00	372,000.00	364,624.83	7,375.17	
Police & Firemen's Retirement System	647,081.00	647,081.00	647,081.00		
Unemployment Compensation Insurance	500.00	500.00	500.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,347,424.91	1,327,424.91	1,320,049.74	7,375.17	-
Total General Appropriations for Municipal Purposes Within "CAPS"	10,413,749.91	10,409,474.91	10,248,986.77	160,488.14	-
<u>Operations - Excluded From "CAPS"</u>					
Aid to Free Public Library	42,000.00	42,000.00	42,000.00	-	
Police - 911 System				-	
Police - Reverse 911 System	6,450.00	6,450.00	6,400.65	49.35	
Worker's Compensation	2,900.00	2,900.00	2,900.00		
Employee Group Insurance					
Length of Service Awards Program	35,000.00	35,000.00	450.00	34,550.00	-
Total Other Operations Excluded from "CAPS"	86,350.00	86,350.00	51,750.65	34,599.35	-
<u>Shared Services Agreements</u>					
Registrant Services-Keyport Borough	6,000.00	6,000.00	3,000.00	3,000.00	
911/Dispatch Services-Monmouth County	137,000.00	137,000.00	136,743.00	257.00	
Total Shared Services	143,000.00	143,000.00	139,743.00	3,257.00	-

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Year Ending 2024 Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
Public and Private Programs Offset by Revenues					
Clean Communities	13,895.11	13,895.11	13,895.11		
Recycling Tonnage	9,887.73	9,887.73	9,887.73		
Body Armor Grant	1,523.81	1,523.81	1,523.81		
Stormwater Assistance	15,000.00	15,000.00	15,000.00	-	
Distracted Driving Enforcement	12,390.00	12,390.00	12,390.00		
Total Public and Private Programs Offset by Revenues	52,696.65	52,696.65	52,696.65	-	-
Total Operations Excluded from "CAPS"	282,046.65	282,046.65	244,190.30	37,856.35	-
Capital Improvements - Excluded From "CAPS"					
Down Payments on Improvements				-	
Capital Improvement Fund	33,000.00	33,000.00	33,000.00		
Fire Chiefs Vehicle	13,375.00	13,375.00	13,373.33	1.67	
EMS Vehicle	13,375.00	13,375.00	13,373.33	1.67	
Police Building Renovations	9,000.00	9,000.00	7,034.66	1,965.34	
Various Recreational Improvements	16,500.00	16,500.00	11,700.00	4,800.00	
DPW - Lawnmowers	20,000.00	20,000.00	20,000.00	-	
Building Generator	41,000.00	41,000.00	36,914.47	4,085.53	
Improvements to Council Chambers	10,000.00	10,000.00		10,000.00	
Medical Transport	4,500.00	4,500.00	4,015.00	485.00	
Various DPW Equipment	35,000.00	35,000.00	35,000.00	-	
Acquisition of Borough Ambulance	52,500.00	52,500.00	52,225.68	274.32	
Total Capital Improvement - Excluded From "CAPS"	248,250.00	248,250.00	226,636.47	21,613.53	-
Municipal Debt Service Excluded From "CAPS"					
Payment of Bond Principals	315,000.00	315,000.00	315,000.00		
Payment of Bond Anticipation Notes and Capital Notes	485,509.00	485,509.00	485,509.00	-	
Interest on Bonds	53,120.00	57,395.00	57,394.95	0.05	
Interest on Notes	385,000.00	385,000.00	384,754.08	245.92	
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	105,600.00	105,600.00	105,557.97	42.03	
Total Municipal Debt Service Excluded From "CAPS"	1,344,229.00	1,348,504.00	1,348,216.00	-	288.00

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Year Ending 2024 Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Deferred Charges - Emergency Authorization	50,000.00	50,000.00	50,000.00		
Transferred to Board of Education	60,000.00	60,000.00	60,000.00		
Total General Appropriations Excluded from "CAPS"	1,984,525.65	1,988,800.65	1,929,042.77	59,469.88	288.00
Subtotal General Appropriation	12,398,275.56	12,398,275.56	12,178,029.54	219,958.02	288.00
Reserve for Uncollected Taxes	510,402.88	510,402.88	510,402.88		
Total General Appropriations	\$12,908,678.44	12,908,678.44	12,688,432.42	219,958.02	288.00
		A-1		A	A-1
<u>Paid or Charged</u>					
Disbursed			\$ 12,015,987.18		
Encumbrances			104,017.80		
Deficit in Animal Control			5,327.91		
Federal and State Grant Fund			52,696.65		
Reserve for Uncollected Taxes			510,402.88		
			\$ 12,688,432.42		

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**TRUST FUND****Exhibit B****BALANCE SHEET - REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
<u>Assets</u>			
<u>Dog License Fund</u>			
Deferred Charges - Deficit in Operations	B-2	\$ 5,508.39	5,327.91
		<u>5,508.39</u>	<u>5,327.91</u>
<u>Payroll</u>			
Cash	B-1	156,378.71	65,125.41
Interfund - Current Fund	A	3,504.60	3,504.60
		<u>159,883.31</u>	<u>68,630.01</u>
<u>Unemployment Trust</u>			
Cash	B-1	3,392.54	3,387.45
Interfund - Sewer Fund	D	10,000.00	9,000.00
Interfund - Current Fund	A	26,029.39	26,899.00
		<u>39,421.93</u>	<u>39,286.45</u>
<u>Trust - Other</u>			
Cash	B-1	810,569.15	603,526.18
Interfund - Current Fund	A	104,030.95	196,714.42
		<u>914,600.10</u>	<u>800,240.60</u>
<u>Length of Service Award Programs - Unaudited</u>			
Investments		855,340.59	748,353.43
Total Assets		<u>\$ 1,974,754.32</u>	<u>1,661,838.40</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Dog License Fund</u>			
Reserve for Dangerous Dog		\$ 1,400.00	1,400.00
Prepaid Fees		798.00	442.00
Interfund - Current Fund	B-3	3,310.39	3,485.91
		<u>5,508.39</u>	<u>5,327.91</u>
<u>Payroll</u>			
Reserve for Payroll Agency		159,883.31	68,630.01
<u>Unemployment Trust</u>			
Reserve for Unemployment	B-4	39,421.93	39,286.45
		<u>39,421.93</u>	<u>39,286.45</u>
<u>Trust - Other</u>			
Reserve for Performance Escrow	B-5	200,637.47	152,153.71
Reserve for Tax Title Liens	B-6	7,726.50	7,645.15
Reserve for National Night Out	B-8	48.80	48.68
Reserve for Law Enforcement Trust	B-9	2,584.16	2,266.56
Reserve for Tax Premium	B-7	293,030.86	234,321.96
Reserve for Special Duty Police	B-10	142,636.20	113,979.75
Reserve for Various Reserves	B-11	267,936.11	289,824.79
		<u>914,600.10</u>	<u>800,240.60</u>
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		855,340.59	748,353.43
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,974,754.32</u>	<u>1,661,838.40</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**GENERAL CAPITAL FUND**

Exhibit C

BALANCE SHEET**REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>
<u>Assets</u>			
Grants Receivable	C-8	\$ 662,242.82	458,669.82
Due from Current Fund	A	2,978,094.36	
Deferred Charges to Future Taxation:			
Funded		2,456,070.86	2,263,568.17
Unfunded	C-3	13,006,990.00	13,325,866.00
Total Assets		<u>\$ 19,103,398.04</u>	<u>16,048,103.99</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds	C-6	\$ 4,384,000.00	1,739,000.00
Bond Anticipation Notes	C-4	12,175,000.00	11,421,048.00
Capital Improvement Fund	C-7	696.70	11,232.70
Improvement Authorizations:			
Funded	C-5	58,953.66	500.00
Unfunded	C-5	1,710,919.85	2,172,918.22
Green Acres Loan	C-9	432,070.86	524,568.17
Due to Current Fund	A	-	118,683.31
Due to Sewer Fund	D	3,339.00	3,339.00
Reserve for Debt Service	C-2	323,775.23	42,171.85
Accounts Payable		14,521.40	14,521.40
Fund Balance	C-1	121.34	121.34
Total Liabilities, Reserves and Fund Balance		<u>\$ 19,103,398.04</u>	<u>16,048,103.99</u>

There were Bonds and Notes authorized but not issued for \$831,990.00. at December 31, 2024 and \$1,904,818.00 at December 31, 2023. (Exhibit C-10).

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL FUND BALANCE

REGULATORY BASIS

Exhibit C-1

	<u>Ref.</u>	
Balance December 31, 2023 and 2024	C	\$ <u>121.34</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D

SEWER UTILITY FUND**BALANCE SHEET****REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>
<u>Assets</u>			
<u>Sewer Operating</u>			
Cash - Checking	D-4	\$ 1,202,980.86	1,140,044.52
Receivables with Full Reserves:			
Sewer Rents Receivable	D-6	117,992.38	190,128.06
Total Sewer Operating		<u>1,320,973.24</u>	<u>1,330,172.58</u>
<u>Sewer Capital</u>			
Cash	D-4	55,620.48	55,620.48
Interfund - General Capital	C	3,339.00	3,339.00
Fixed Capital Authorized & Uncompleted	D-10	161,959.48	161,959.48
Fixed Capital	D-8	3,569,366.02	3,569,366.02
Total Sewer Capital		<u>3,790,284.98</u>	<u>3,790,284.98</u>
Total Assets		<u>\$ 5,111,258.22</u>	<u>5,120,457.56</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<u>Sewer Operating</u>			
Appropriation Reserves	D-3, D-7	\$ 66,994.90	172,248.08
Accounts Payable		195,353.39	99,940.00
Prepaid Sewer Rents	D-4	114,269.53	123,652.25
Accrued Interest on Notes		14,562.36	24,936.80
Accrued Interest on Loans		30,446.86	30,446.86
Reserve for Rent Reserve		784.70	784.70
Reserve for Sewer Inspection Fees	D-4		6,664.50
Interfund - SUI Trust	D-4	10,000.00	9,000.00
Sewer Overpayment	D-4	5,755.75	5,877.24
		<u>438,167.49</u>	<u>473,550.43</u>
Reserve for Receivables		117,992.38	190,128.06
Fund Balance	D-1	764,813.37	666,494.09
Total Sewer Operating		<u>1,320,973.24</u>	<u>1,330,172.58</u>
<u>Sewer Capital</u>			
Improvement Authorization Funded	D-12	161,959.48	161,959.48
Bond Anticipation Note Payable	D-11	865,000.00	880,461.00
Reserve For Deferred Amortization		315,000.00	315,000.00
Reserve for Amortization	D-5	1,086,287.09	1,023,777.59
U.S.D.A. Loan Payable	D-10	1,362,038.41	1,409,086.91
Total Sewer Capital		<u>3,790,284.98</u>	<u>3,790,284.98</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 5,111,258.22</u>	<u>5,120,457.56</u>

There were Bonds and Notes on December 31, 2024 authorized but not issued for \$103,000.00 and \$103,000.00 for December 31, 2023.

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SEWER UTILITY FUND****Exhibit D-1****STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE****REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Dec. 31, 2023</u>
<u>Revenue and Other Income Realized</u>			
Operating Surplus Anticipated	D-2	\$ -	170,000.00
Sewer Service Charge	D-2	1,272,904.26	1,216,879.46
Non-Budget Revenue	D-2	23,536.83	16,981.65
Other Credits to Income:			
Appropriation Reserves Lapsed	D-7	68,272.19	103,720.60
Budget Appropriations Cancelled	D-3	606.00	9.14
		<u>1,365,319.28</u>	<u>1,507,590.85</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating	D-3	1,015,000.00	1,009,750.00
Capital Improvements	D-3	25,000.00	270,000.00
Debt Service	D-3	163,000.00	185,250.00
Deferred Charges and Statutory Expenditures	D-3	9,000.00	10,000.00
		<u>1,212,000.00</u>	<u>1,475,000.00</u>
Excess/(Deficit) in Revenue		153,319.28	32,590.85
Fund Balance January 1	D	666,494.09	913,903.24
		<u>819,813.37</u>	<u>946,494.09</u>
Less: Anticipated as Current Year Revenue		-	170,000.00
Less Anticipated in Current Budget	D-4	55,000.00	110,000.00
		<u>55,000.00</u>	<u>110,000.00</u>
Fund Balance December 31	D	<u>\$ 764,813.37</u>	<u>666,494.09</u>

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SEWER UTILITY FUND****Exhibit D-2****STATEMENT OF REVENUES****REGULATORY BASIS****FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents	D-1	\$ 1,212,000.00	1,272,904.26	60,904.26
Total Sewer Utility Revenues		1,212,000.00	1,272,904.26	60,904.26
Miscellaneous Revenue Not Anticipated	D-1		23,536.83	23,536.83
Total Revenues		<u>\$ 1,212,000.00</u>	<u>1,296,441.09</u>	<u>84,441.09</u>
Interest on Delinquent Accounts	D-4		<u>\$ 23,536.83</u>	

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

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 2024

REGULATORY BASIS

	<u>Adopted Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and Wages	\$ 95,000.00	95,000.00	95,000.00	-	
Other Expenses	80,000.00	80,000.00	50,701.67	29,298.33	
B.S.R.S.A. - Share of Costs	840,000.00	840,000.00	827,303.43	12,696.57	
Capital Improvements					
Capital Outlay	25,000.00	25,000.00		25,000.00	
Debt Service:					
Payment on Bond Anticipation Note	16,000.00	16,000.00		-	-
Interest on Notes	33,000.00	33,000.00		-	-
U.S.D.A.- Loan Principal	66,500.00	66,500.00		-	-
U.S.D.A.- Loan-Interest	47,500.00	47,500.00		-	606.00
Statutory Expenditures:					
Social Security System	8,000.00	8,000.00		-	
Unemployment Compensation Insurance	1,000.00	1,000.00		-	
	<u>\$ 1,212,000.00</u>	<u>1,212,000.00</u>	<u>1,144,399.10</u>	<u>66,994.90</u>	<u>606.00</u>
Ref.		Ref.		D	D-1
Cash Disbursed		D-4	1,111,399.10		
Accrued Interest on Notes		D	<u>33,000.00</u>		
			<u>1,144,399.10</u>		

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E

PUBLIC ASSISTANCE TRUST FUNDS

BALANCE SHEET

REGULATORY BASIS

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
<u>Assets</u>			
Cash	E-1	\$ 9,666.64	9,652.12
<u>Liabilities</u>			
Reserve For:			
Public Assistance I		\$ 9,666.64	9,652.12

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

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**GENERAL FIXED ASSETS****Exhibit F****BALANCE SHEET - REGULATORY BASIS**

	Balance Dec. 31, 2024	Balance Dec. 31, 2023
<u>Assets</u>		
Land	\$ 11,747,200.00	11,747,200.00
Building and Building Improvements	1,383,180.00	1,383,180.00
Machinery and Equipment	1,584,702.28	1,566,378.55
Total Assets	<u>\$ 14,715,082.28</u>	<u>14,696,758.55</u>
<u>Liabilities</u>		
Reserve for Fixed Assets	<u>\$ 14,715,082.28</u>	<u>14,696,758.55</u>

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

BOROUGH OF UNION BEACH – COUNTY OF MONMOUTH

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Union Beach, County of Monmouth, New Jersey (the “Borough”), include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Union Beach as required by N.J.S. 40A:5-5.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles. GASB Codification establishes seven major fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”). Such principles and practices 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. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds, which differs from the fund structure required by generally accepted accounting principles:

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Dog Trust Fund – dog license revenues and expenditures.

Trust Other Funds – sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

General Capital Fund – receipt and disbursement of funds for the acquisition of general capital facilities, other than those required in the Current Fund.

Sewer Operating Fund – revenue and expenditures necessary to operate a municipally owned sewer supply system from user fees. The Borough only has a sewer system.

Public Assistance Fund – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. The more significant policies in New Jersey follow.

A modified accrual basis of accounting is followed with minor exceptions.

Property Taxes and Other Revenues – property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Expenditures – unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances – contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

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 additions to income. Appropriation reserves do not exist under GAAP.

Deferred Charges – the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the Current Fund balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance. The status of deferred charges at December 31, 2024 is set forth in Note 7.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Compensated Absences – expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation. (See Note 4).

Property Acquired for Taxes – is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Interfunds – advances from the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

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 balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

Net Pension and OPEB Liability – New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability and OPEB liability as liabilities on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 and GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68 and GASB 75.

General Fixed Assets – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

Expenditures for construction in progress are required to be recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

NOTE 1: Summary of Significant Accounting Policies (Continued)**Leases**

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expenses as incurred and these leases are not included as lease liabilities or right-to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

Changes in Fixed Assets

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>(Decreased)</u> <u>Increased</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Land	\$ 11,747,200.00		11,747,200.00
Buildings	1,383,180.00		1,383,180.00
Machinery & Equipment	<u>1,566,378.55</u>	<u>18,323.73</u>	<u>1,584,702.28</u>
	<u>\$ 14,696,758.55</u>	<u>18,323.73</u>	<u>14,715,082.28</u>

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general-purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

E. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represents amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

NOTE 1: Summary of Significant Accounting Policies (Continued)**F. Reporting Entity**

GASB Statement 14 establishes criteria to be used to determine component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Borough to be reported separately.

NOTE 2: Cash and Cash Equivalents**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

The carrying amount of the Borough's deposits at year-end was \$9,817,548.47. Of this amount \$750,000.00 was covered by Federal depository insurance and the remaining \$9,067,548.47 was covered by a collateral pool maintained by the banks as required by New Jersey statute.

B. Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the Borough:

- 1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- 2) Government money market mutual funds.
- 3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- 4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.

NOTE 2: Cash and Cash Equivalents (Continued)**B. Investments (Continued)**

- 5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- 6) Municipal investment pools.
- 7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1997, c. 281; or
- 8) Agreements for the repurchase of fully collateralized securities, if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.
- c. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

Other than cash equivalents that would otherwise qualify as investments, except for their maturity or the withdrawal provisions of their deposit, the Borough had no investments in qualified securities at December 31, 2024.

C. Cash Management Plan

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The Chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

NOTE 2: Cash and Cash Equivalents (Continued)**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Insured:		
FDIC	\$ 750,000.00	750,000.00
GUDPA	<u>9,067,548.47</u>	<u>5,721,850.81</u>
	<u>\$ 9,817,548.47</u>	<u>6,471,850.81</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

NOTE 3: Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal and utility capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note, a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid of the notes are to be renewed beyond the fourth anniversary date of the original issuance. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

NOTE 3: Debt (Continued)**Long-Term Debt****General Capital Fund Bonds**

Variable Rate General Improvement Bonds (4% to 5%) Issued July 1, 2011 through July 1, 2027	\$ 380,000.00
2% to 3% General Improvement Bonds Issued February 15, 2015 through February 15, 2030	1,044,000.00
General Improvements Bonds Issued March 13, 2024 Through March 31, 2029 at 3.5% to 3.9%	600,000.00
General Improvement Bonds Issued December 19, 2024 Through December 31, 2041 at 5%	<u>2,360,000.00</u>
	<u>\$ 4,384,000.00</u>

Sewer Utility Fund

U.S.D.A. Loan Interest Rate 4.75% Issued July 17, 2002 Through July 17, 2043	<u>\$ 1,362,038.41</u>
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The debt principal and interest requirements for the long term debt during the next five fiscal years are as follows:

Green Acres Loans

Year Ending December 31	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 91,508.35	9,450.26
2026	89,766.55	8,650.57
2027	84,306.50	6,872.50
2028	30,030.74	4,312.27
2029	26,110.02	3,753.46
Remaining	<u>110,348.70</u>	<u>11,122.93</u>
	<u>\$ 432,070.86</u>	<u>44,161.99</u>

General Improvements

Year Ending December 31	<u>General Capital Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 540,000.00	183,995.00
2026	540,000.00	162,470.00
2027	415,000.00	146,145.00
2028	420,000.00	129,445.00
2029	425,000.00	112,495.00
2030-2034	834,000.00	403,985.00
2035-2039	820,000.00	224,250.00
2040-2041	<u>390,000.00</u>	<u>29,500.00</u>
	<u>\$ 4,384,000.00</u>	<u>1,392,285.00</u>

NOTE 3: Debt (Continued)

<u>Year Ending December 31</u>	<u>Sewer Utility Fund – U.S.D.A. Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 49,309.84	64,084.16
2026	51,679.87	61,714.13
2027	54,163.81	59,230.19
2028	56,767.10	56,626.86
2029	59,495.60	53,898.40
2030-2034	343,937.33	223,748.07
2035-2039	434,024.39	132,945.57
2040-2042	<u>312,660.47</u>	<u>26,435.38</u>
	<u>\$ 1,362,038.41</u>	<u>678,682.76</u>

NOTE 4: Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Borough has a potential liability of \$158,278.00 at December 31, 2024. Of this amount, \$71,408.50 has been reserved as of December 31, 2024. In accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

NOTE 5: Fund Balances Appropriated

The fund balance at December 31, 2024 which was appropriated and included as anticipated revenue in the year ending December 31, 2025 as follows:

Current Fund:	
Fund Balance	\$ 700,000.00

NOTE 6: Assessment and Collections of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (Board) by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (Collector) on or before May 13th.

NOTE 6: Assessment and Collections of Property Taxes (Continued)

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on August 1st and November 1st, and the final payments are due and payable on February 1st and May 1st. The N.J. statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien on real estate as of July 1st of the current tax year even though the amount due is not known.

NOTE 7: Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

NOTE 8: Pensions**A. Plan Description**

Employees of the Borough are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employee's Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey, which are administered by the New Jersey Division of Pensions and Benefits. These plans provide retirement, disability, annual cost of living adjustments and death benefits to plan members. Each plan has a Board of Trustees that implement benefit provisions which are established and amended by State statute. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained in writing to:

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

As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems.

NOTE 8: Pensions (Continued)**A. Plan Description (Continued)**

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L.1994, plan members enrolled in the Public Employees' Retirement System are required to contribute 5.5% of their annual covered salary. In accordance with Chapter 204, P.L. 1989, plan members enrolled in the Police and Firemen's Retirement Systems are required to contribute 10% of their annual covered salary. Contributions during the last three years for the plans are as follows from the Borough.

	<u>PERS</u>	<u>PFRS</u>
2024	\$ 302,516.00	647,081.00
2023	299,805.00	690,899.00
2022	258,389.00	575,971.00

NOTE 9: Pension Obligations**A. Public Employee's Retirement System (PERS)**

Based on the latest available information provided by the State of New Jersey.

Plan Description – The State of New Jersey, Public Employee's Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Financial Statements which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

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

NOTE 9: Pension Obligations (Continued)

Contributions – The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer's portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was less than the actuarial determined amount. The local employer's contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$302,516.00 for 2024.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

NOTE 9: Pension Obligations (Continued)

Components of Net Pension Liability – At December 31, 2024, the Borough reported a liability of \$2,618,618 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Borough's proportion measured as of June 30, 2024, was .01927%, which was .00268% less as its proportion measured as of June 30, 2023.

	<u>Dec. 31, 2024</u>	<u>Dec. 31, 2023</u>
Actuarial Valuation Date	July 1, 2023	July 1, 2022
Net Pension Liability	\$ 2,618,618	3,206,275
Borough's Portion of the Plan's Total Net Pension Liability	0.01927%	0.02195%

For the year ended December 31, 2024, the Borough had an allocated pension expense of \$102,238.

Actuarial Assumptions – The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PERS</u>
Measurement Date	June 30, 2024
Actuarial Valuation Date	July 1, 2023
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 - 6.55%
Inflation Rate of Return	7.00%

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

NOTE 9: Pension Obligations (Continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% 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.

NOTE 9: Pension Obligations (Continued)**Sensitivity of the Borough's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>Increase (8.0%)</u>
Borough's Proportionate Share Of Net Pension Liability	<u>\$ 3,508,518</u>	<u>2,618,618</u>	<u>1,901,742</u>

B. Police and Fireman's Retirement System (PFRS)

Plan Description – The State of New Jersey, Police and Fireman's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to Division's Annual Financial Statements which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:16A*. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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, as defined, 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 if 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 cash benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions – The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. 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. For fiscal year 2023, the State contributed an amount less than the actuarially determined amount.

NOTE 9: Pension Obligations (Continued)

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Special Funding Situation – 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 that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Components of Net Pension Liability – At December 31, 2024, the Borough reported a liability of \$4,337,541 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, to the measurement date of June 30, 2024. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Borough's proportion measured as of December 31, 2024, was .04200%, which was a decrease of .00175% from its proportion measured as of December 31, 2023.

Collective Balances at December 31, 2023 and December 31, 2022

	<u>Dec. 31, 2024</u> July 1, 2023	<u>Dec. 31, 2023</u> July 1, 2022
Actuarial Valuation Date		
Net Pension Liability	\$ 4,337,541	5,266,942
District's Portion of the Plan's Total Net Pension Liability	0.04200%	0.04025%

For the year ended December 31, 2023, the Borough had an allocated pension expense of \$306,872.

NOTE 9: Pension Obligations (Continued)

Actuarial Assumptions – The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PFRS</u>
Measurement Date	June 30, 2024
Actuarial Valuation Date	July 1, 2023
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	All Future Years 3.25 - 16.25% Based on Years of Service
Inflation Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return – In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

NOTE 9: Pension Obligations (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>Increase (8.0%)</u>
Borough's Proportionate Share Of Net Pension Liability	\$ 7,418,550	4,337,541	3,338,204

NOTE 10. Other Post Employment Benefits (OPEB)

In addition to the pension described in Note 9, the Borough does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan; however, it does have a special funding situation.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Borough, as of December 31, 2022, has 27 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Borough is \$5,540,942. Per the latest information released by the State of New Jersey.

NOTE 11: Sewer Utility

The Borough in fiscal year 2002, established a self liquidating sewer utility fund. This was an agreement with the federal government to fund the rehabilitation of the Borough's sewer system.

NOTE 12: Interfunds Receivable and Payable

The following interfund balances remained on the balance sheet at December 31, 2024:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Current Fund	\$ 3,310.39	3,539,830.38
Trust – Unemployment	36,029.39	
Trust - Other	104,030.95	
Trust – Dog		3,310.39
Trust – Payroll	3,504.60	
General Capital	2,978,094.36	3,339.00
Grants	428,171.08	
Sewer – Operating		10,000.00
Sewer - Capital	<u>3,339.00</u>	<u> </u>
Total	<u>\$ 3,556,479.77</u>	<u>3,556,479.77</u>

Fees collected of expenses paid from one fund due another.

NOTE 12: Interfunds Receivable and Payable (Continued)

Interfund Explanations

The interfund between Current and Trust – Dog is for expenses paid out of Current which belong to Trust – Dog.

The interfund between Gants and Current is for budgeted funds not yet received in the Grant Fund.

The interfund between Current and Trust – Other is for funds received in Current for the Trust.

The interfund between Current and Trust – Unemployment is for funds received in current for the Trust.

The interfund between Current and Sewer-Operating is for funds received in Current for Sewer-Operating.

The interfund between Sewer-Operating and Trust – Unemployment is for budget appropriation due Unemployment.

The interfund between Current and General Capital is for funds loaned which will be paid back.

The interfund between Sewer Capital and General Capital is for funds loaned which will be paid back.

It is anticipated that all interfunds will be liquidated in 2025.

NOTE 13: Length of Service Award Program

On November 4, 2003 the voters of the Borough approved the creation of a Length of Service Award Program (“LOSAP”). Subsequently, the Division approved the Borough’s LOSAP plan, provided by Lincoln Financial Group. The purpose of this program is to enhance the Borough’s ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial Group will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The program shall provide for a fixed annual contribution of \$800 for the fire company and the first aid squad to each eligible volunteer who accumulates a minimum of 80 service points based on criteria established by Borough Ordinance No. 2003-32. The Borough’s contribution shall be included in the current year’s budget.

All amounts awarded under a length of service award program shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subjected to the claims of the sponsoring agency’s general creditors until distributed to any or all participants.

NOTE 13: Length of Service Award Program (Continued)

The Borough's estimated contribution for the year ended December 31, 2025 is \$35,000.00. We did review the plan for the year ended December 31, 2024 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement of Standards for Accounting and Review Services in conjunction with the Annual audit of the Borough's financial statements.

At December 31, 2024, the value of the plan is \$855,340.59.

NOTE 14: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years.

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Amount</u> <u>Resulting</u> <u>From 2024</u>	<u>2024</u> <u>Budget</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Dog Trust:				
Deficit in Dog Fund	<u>\$ 5,327.91</u>	<u>5,508.39</u>	<u>5,327.91</u>	<u>5,508.39</u>

NOTE 15: Contingencies

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

Negligence and other types of liability suits of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

NOTE 16: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error or omission, injuries to employees; and natural disaster. The Borough is a member of the Monmouth County Municipal Joint Insurance Fund. The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program which has a contract for excess liability insurance for property.

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective share of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

NOTE 17: Leases

In 2014, the Borough entered into lease agreements with CBS Outdoor for advertising privileges on Borough property. The lease is for 20 years and the rent is the greater of \$20,000.00 or 20% of the Net Advertising revenue received by the tenant.

The Borough received \$20,044.53 from CBS Outdoor.

The Borough has entered into various lease agreements for cellular companies for the Borough property for communications. Each lease is for 5 years with four 5 year renewal options for a maximum of 25 years.

<u>Company</u>	<u>Year Agreement Started</u>	<u>Increase % Per Year</u>	<u>Base Amount</u>
T-Mobile	2015	2%	\$ 21,000.00
AT&T	2003	2%	20,000.00
Verizon	2008	2%	24,000.00

In 2024, the Borough received \$96,740.16 from these leases.

NOTE 18: Subsequent Events

Subsequent events have been evaluated through July 18, 2025, which is the date the financial statements were available to be issued. No additional subsequent event disclosures are required.

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

PART II

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2024

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>% of Collection</u>
2024	\$ 20,876,786.09	20,410,680.66	97.76%
2023	19,927,561.79	19,520,275.55	97.88%
2022	18,348,143.58	18,078,816.02	98.47%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage of the total delinquent taxes and tax title liens, in relation to the tax levies of the last three auditing periods.

<u>Year Ended</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2024	\$ 18,972.64	434,445.16	453,417.80	2.24%
2023	15,830.16	407,286.24	423,116.40	2.12%
2022	12,990.38	269,327.56	282,317.94	1.57%

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, was as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 2,191,000.00
2023	2,191,000.00
2022	2,191,000.00

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER-SEWER UTILITY PER N.J.S. 40A:2-45

Cash Receipts Form Fees, Rents or Other Charges for the Year	\$ 1,276,808.52
Deductions:	
Operating and Maintenance Cost	\$ 1,036,303.43
Debt Service Per Water-Sewer Account	162,394.00
Total Deductions	<u>1,198,697.43</u>
Excess in Revenues	<u>\$ 78,111.09</u>

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties were acquired in 2024 by foreclosure as a result of liquidation tax title liens.

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collection</u>
2024	\$ 1,200,768.58	1,272,904.26
2023	1,283,984.98	1,216,879.46
2022	1,234,313.04	1,349,896.44

COMPARATIVE SCHEDULE OF FUND BALANCES**Current Fund**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2024	\$ 1,012,031.00	700,000.00
2023	743,130.48	600,000.00
2022	778,406.02	625,000.00

Sewer Fund

<u>Year</u>		
2024	\$ 764,813.37	None
2023	666,494.09	None
2022	913,903.24	170,000.00

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**LIST OF OFFICIALS AND SURETY BOND COVERAGE****DECEMBER 31, 2024**

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

<u>Name</u>	<u>Position</u>	<u>Amount of Bond</u>
Charles W. Cocuzza	Mayor	
Albin J. Wicki	Councilman - President	
Louis Andreuzzi	Councilman	
Cherlanne Roche	Councilwoman	
Albert Lewandowski	Councilman	
Eileen Woodruff	Councilwoman	
Louis Riccardi	Councilman	
Anne Marie Friscia	Borough Clerk - Until July 31, 2024	
Alexandra Sweeney	Borough Clerk - From August 1, 2024	
Robert M Howard Jr.	Administrator	
Desiree Durkin	Tax Collector	\$ 1,000,000.00
Joseph Faccone	Chief Financial Officer	1,000,000.00
Michael Pugliese	Municipal Court Judge	50,000.00
Sharon Devaney	Municipal Court Administrator	50,000.00
Edward G. Broberg	Engineer	
John T. Lane, Jr.	Attorney	
Victoria A. Flynn	Attorney - From August 22, 2024	

All surety bonds are in accordance with state statutes.

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**CURRENT FUND**

Exhibit A-4

SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>		
Balance December 31, 2023	A		\$ 1,064,602.40
Increased by:			
Tax Collector	A-5	20,038,537.76	
State of New Jersey Veterans and Senior Citizens	A-8	35,348.63	
Revenue Accounts Receivable	A-15	1,671,390.35	
Federal and State Grants Receivable	A-18	108,796.65	
Federal and State Grants Unappropriated	A-20	42,311.43	
Reserve for Tax Appeal	A-17	100,000.00	
Prepaid Revenue	A	2,550.00	
Prepaid Taxes	A	175,786.71	
State Training Fees	A	1,363.00	
Miscellaneous Fees	A	636.31	
General Capital	A	2,859,411.05	
Miscellaneous Revenue Not Anticipated	A-2	151,321.49	
			<u>25,187,453.38</u>
			26,252,055.78
Decreased by:			
Budget Appropriations	A-3	12,015,987.18	
Appropriation Reserves	A-16	290,879.82	
Federal and State Grants	A-19	460,736.70	
Local District School Taxes	A-13	8,233,808.00	
County Taxes Payable	A-14	2,128,553.10	
Accounts Payable	A	226,771.06	
			<u>23,356,735.86</u>
Balance December 31, 2024	A		<u>\$ 2,895,319.92</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHCURRENT FUND

Exhibit A-5

SCHEDULE OF CASH - TAX COLLECTOR

	<u>Ref.</u>		
Balance December 31, 2023	<u>A</u>		\$ 2,218,731.68
Increased by:			
Taxes Receivable	A-7	20,611,953.01	
Prepaid Taxes	A	175,786.71	
Interest and Costs on Taxes	A-15	137,099.58	
Miscellaneous		<u>35,814.75</u>	
			<u>20,960,654.05</u>
			23,179,385.73
Decreased by:			
Paid to Treasurer	A-4		<u>20,038,537.76</u>
Balance December 31, 2024	<u>A</u>		<u>\$ 3,140,847.97</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-6

SCHEDULE OF DUE TO/FROM DOG TRUST FUND

	<u>Ref.</u>	
Balance December 31, 2023 Due From	A	\$ 3,485.91
Increased by:		
Funds Disbursed	A-4	<u>13,760.40</u>
		17,246.31
Decreased by:		
Funds Received		<u>13,935.92</u>
Balance December 31, 2024 Due From	A	<u>\$ 3,310.39</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-7

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2023	Tax Levy	2023	Cash 2024	Veterans and Senior Citizens Deductions	Transferred To Liens	Cancelled	Balance Dec. 31, 2024
Prior Years	\$ 407,286.24	-	-	392,890.24	-	-	5,975.10	8,420.90
2024	-	20,876,786.09	156,769.26	20,219,062.77	34,848.63	3,142.48	36,938.69	426,024.26
	\$ 407,286.24	20,876,786.09	156,769.26	20,611,953.01	34,848.63	3,142.48	42,913.79	434,445.16
Ref.	A		A	A-5	A-8	A		A

Analysis of Property Tax Levy

General Year Tax Levy	\$ 20,752,008.08
Added and Omitted Taxes	124,778.01
	<u>\$ 20,876,786.09</u>

Tax Levy

Local District School Tax	A-14	\$ 8,223,808.00
General County Tax		1,718,139.00
County Library Tax		116,879.76
County Health Tax		32,281.02
Open Space Preservation		252,829.17
Added Taxes Due County	A-15	<u>12,786.28</u>
		2,132,915.23
Amount to be Raised in Support of Municipal Budget	A-2	10,397,776.04
Added Taxes		<u>122,286.82</u>
		10,520,062.86
		<u>\$ 20,876,786.09</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-8

SCHEDULE OF SENIOR CITIZEN AND VETERANS

DEDUCTIONS DUE FROM STATE OF NEW JERSEY

	<u>Ref.</u>		
Balance December 31, 2023	A		\$ 34,970.03
Increased by:			
Veterans Per Tax Billings		28,500.00	
Senior Citizens Per Tax Billings		5,750.00	
Veterens Deductions Allowed by Tax Collector		<u>1,500.00</u>	
	A-7		<u>35,750.00</u>
			70,720.03
Decreased by:			
Deductions Disallowed by Tax Collector		901.37	
Received from State	A-4	<u>35,348.63</u>	
			<u>36,250.00</u>
Balance December 31, 2024	A		<u>\$ 34,470.03</u>

SCHEDULE OF DEMOLITION LIENS

Exhibit A-9

Balance December 31, 2023 and 2024	A	<u>\$ 64,007.34</u>
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SCHEDULE OF TAX TITLE LIENS

Exhibit A-10

	<u>Ref.</u>		
Balance December 31, 2023	A		\$ 15,830.16
Transferred from Property Taxes:			
2024 Tax Year	A-7		<u>3,142.48</u>
Balance December 31, 2024	A		<u>\$ 18,972.64</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**CURRENT FUND****Exhibit A-11****SCHEDULE OF RESERVE FOR INSURANCE CLAIMS**

Balance December 31, 2023 and 2024	<u>Ref.</u> A	<u>\$ 10,751.01</u>
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SCHEDULE OF FORECLOSED PROPERTY**Exhibit A-12**

Balance December 31, 2023 and 2024	<u>Ref.</u> A	<u>\$ 2,191,000.00</u>
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BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**CURRENT FUND****Exhibit A-13****SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES**

	<u>Ref.</u>	
Levy School Year:		
January 1, 2024 to Dec. 31, 2024	A-1	<u>\$ 8,233,808.00</u>
Decreased by:		
Paid	A-4	<u>\$ 8,233,808.00</u>

SCHEDULE OF COUNTY TAXES PAYABLE**Exhibit A-14**

	<u>Ref.</u>	
Balance December 31, 2023	A	\$ 8,424.15
County Tax Levy:		
General County		1,718,139.00
County Library		116,879.76
County Health		32,281.02
County Open Space Preservation		252,829.17
Due County for Added Taxes		<u>12,786.28</u>
	A-1	<u>2,132,915.23</u>
		2,141,339.38
Decreased by:		
Paid	A-4	<u>2,128,553.10</u>
Balance Due December 31, 2024	A	<u>\$ 12,786.28</u>

CURRENT FUND**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE****FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024**

	<u>Ref.</u>	<u>Accrued</u>	<u>Receipts</u>
Licenses:			
Alcoholic Beverages	A-2	\$ 4,900.00	4,900.00
Fees and Permits	A-2	168,949.00	168,949.00
Municipal Court	A-2	72,031.19	72,031.19
Interest and Costs on Taxes	A-2	137,099.58	137,099.58
Parking Meters	A-2	143,959.87	143,959.87
Energy Receipts Tax	A-2	676,393.26	676,393.26
Uniform Construction Code Fees	A-2	169,792.00	169,792.00
Water Sewer Operating Surplus	A-2	55,000.00	55,000.00
Recycling Costs	A-2	1,262.80	1,262.80
Optimum Franchise Fees	A-2	32,911.00	32,911.00
Cell Tower Rental - Verizon	A-2	37,119.00	37,119.00
Cell Tower Rental - AT&T Wireless	A-2	29,823.80	29,823.80
Cell Tower Rental - T Mobile	A-2	29,797.36	29,797.36
Verizon Franchise Fee	A-2	40,179.64	40,179.64
Off Duty Administrative Fee	A-2	30,000.00	30,000.00
Reserve to Pay Debt	A-2	42,171.85	42,171.85
Total Revenue		<u>\$ 1,671,390.35</u>	<u>1,671,390.35</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

CURRENT FUND

Exhibit A-17

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>Ref.</u>	
Balance December 31, 2023	A	\$ 605,033.49
Add:		
2024 Taxes Collected which are		
Pending State Appeal	A-1	<u>100,000.00</u>
Balance December 31, 2024	A	<u><u>\$ 705,033.49</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

FEDERAL AND STATE GRANT FUND

Exhibit A-18

SCHEDULE OF GRANTS RECEIVABLE

<u>Purpose</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Budget</u> <u>Revenue</u> <u>Realized</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
DCA Zoning Grant - Phase II	\$ 10,332.03			10,332.03
Police Body Cameras	40,760.00		40,000.00	760.00
Clean Communities		13,895.11	13,895.11	
Post Sandy Planning Grant - Phase III	20,000.00			20,000.00
Stormwater Assistance		15,000.00	15,000.00	
Body Armor Grant		1,523.81	1,523.81	
Recycling Tonnage Grant		9,887.73	9,887.73	
Drunk Driving Enforcement Fund		12,390.00	12,390.00	
Bayshore Satuation Patrol - 23-24	16,100.00		16,100.00	-
	<u>\$ 87,192.03</u>	<u>52,696.65</u>	<u>108,796.65</u>	<u>31,092.03</u>
Ref.	A	A-3	A-4	A

FEDERAL AND STATE GRANT FUNDSCHEDULE OF APPROPRIATION RESERVES

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Transfer</u> <u>From</u> <u>Budget</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Clean Communities	\$ 13,504.27	13,895.11	12,127.22	15,272.16
Police Body Armor	3,223.55	1,523.81	3,101.04	1,646.32
Federal Beachfront Grant	303,399.75			303,399.75
Alcohol Education and Rehabilitation	6,390.66		6,390.66	-
Jewish Foundation of New Jersey	2,155.68			2,155.68
Drunk Driving Enforcement Fund	3,981.28		3,981.28	-
Police Body Camera	40,760.00		40,000.00	760.00
Bayshore Saturation - Beach Patrol	7,665.00		7,665.00	-
DWI - Court Sessions	8,308.11		1,400.00	6,908.11
American Rescue Plan	373,681.50		373,681.50	-
Distracted Driver Grant		12,390.00	12,390.00	
Recycling Tonnage Grant	4,024.22	9,887.73		13,911.95
Stormwater Assistance		15,000.00		15,000.00
Equitable Sharing Grant - FBI	613.31			613.31
	<u>\$ 767,707.33</u>	<u>52,696.65</u>	<u>460,736.70</u>	<u>359,667.28</u>
Ref.	A	A-18	A-4	A

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit A-20

FEDERAL AND STATE GRANT FUND

SCHEDULE OF UNAPPROPRIATED RESERVES

	Balance Dec. 31, 2023	Transferred To Budget Appropriations	Received	Balance Dec. 31, 2024
Body Armor	\$ 1,523.81	1,523.81	1,573.95	1,573.95
Recycling Tonnage	9,887.73	9,887.73	9,656.04	9,656.04
Stormwater Assistance	15,000.00	15,000.00		-
FBI - Equitable Sharing Grant			2,349.12	2,349.12
Distracted Driver Grant	12,390.00	12,390.00	12,950.00	12,950.00
Clean Communities	13,895.11	13,895.11	15,782.32	15,782.32
	<u>\$ 52,696.65</u>	<u>52,696.65</u>	<u>42,311.43</u>	<u>42,311.43</u>
Ref.	A	A-18	A-4	A

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

TRUST FUND

Exhibit B-1

SCHEDULE OF CASH - TREASURER

	Ref.	State Unemployment Insurance	Dog Fund	Payroll Account	Trust Other	Total
Balance December 31, 2023	B	\$ 3,387.45	-	65,125.41	603,526.18	672,039.04
Increased by Receipts:						
Dog Licenses Fees	B, B-2		8,620.36			8,620.36
Interest	B-4	5.09				5.09
Payroll/Agency	B					
Interfund - Current	A			6,603,205.18	140,879.07	6,603,205.18
Tax Title Liens	B-6				144,769.44	140,879.07
National Night Out	B-8				0.12	144,769.44
Performance Escrow	B-5				104,451.26	0.12
Various Reserves	B-11				1,973.56	104,451.26
Law Enforcement	B-9				317.60	1,973.56
Special Duty Police	B-10				478,153.50	317.60
Tax Premium	B-7				314,322.05	478,153.50
Total Receipts		5.09	8,620.36	6,603,205.18		314,322.05
Total Receipts and Balances		3,392.54	8,620.36	6,668,330.59	1,788,392.78	7,796,697.23
Decreased by Disbursements:						
Dog Licenses Fees	B		8,620.36			8,620.36
Payroll/Agency	B			6,511,951.88		6,511,951.88
Interfund - Current	A				48,195.60	48,195.60
Performance Escrow	B-5				55,967.50	55,967.50
Tax Title Lien	B-6				144,688.09	144,688.09
Various Reserves	B-11				23,862.24	23,862.24
Special Duty Police	B-10				449,497.05	449,497.05
Tax Premium	B-7				255,613.15	255,613.15
Total Disbursements		-	8,620.36	6,511,951.88	977,823.63	7,498,395.87
Balance December 31, 2024	B	\$ 3,392.54	-	156,378.71	810,569.15	970,340.40

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-2****TRUST FUND****SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ (5,327.91)
Increased by:		
Deferred Charge - 2024 Budget	A-3	<u>5,327.91</u>
		-
Decreased by:		
Expenditures Made in Current	B-3	<u>5,508.39</u>
Balance December 31, 2024	B	<u><u>\$ (5,508.39)</u></u>

SCHEDULE OF INTERFUND - CURRENT**Exhibit B-3****DOG TRUST**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 3,485.91
Increased by:		
Expenditures Made in Current	A	<u>13,772.75</u>
		17,258.66
Decreased by:		
Turned Over to Current	B-1, B-2	<u>13,948.27</u>
Balance December 31, 2024	B	<u><u>\$ 3,310.39</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-4****SCHEDULE OF RESERVE FOR UNEMPLOYMENT INSURANCE**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 39,286.45
Increased by:		
Interest	B-1	5.09
2024 Sewer Budget	D-3	1,000.00
2024 Current Budget	A-3	<u>500.00</u>
		<u>1,505.09</u>
		40,791.54
Decreased by:		
Payments Made in Current Fund	B	<u>1,369.61</u>
Balance December 31, 2024	B	<u><u>\$ 39,421.93</u></u>

SCHEDULE OF RESERVE FOR PERFORMANCE ESCROW**Exhibit B-5**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 152,153.71
Increased by:		
Receipts	B-1	<u>104,451.26</u>
		256,604.97
Decreased by:		
Disbursements	B-1	<u>55,967.50</u>
Balance December 31, 2024	B	<u><u>\$ 200,637.47</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-6****SCHEDULE OF RESERVE FOR TAX TITLE LIENS**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 7,645.15
Increased by:		
Receipts	B-1	144,769.44
		<u>152,414.59</u>
Decreased by:		
Disbursements	B-1	144,688.09
		<u>144,688.09</u>
Balance December 31, 2024	B	<u><u>\$ 7,726.50</u></u>

SCHEDULE OF RESERVE FOR TAX SALE PREMIUM**Exhibit B-7**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 234,321.96
Increased by:		
Receipts	B-1	314,322.05
		<u>548,644.01</u>
Decreased by:		
Disbursements	B-1	255,613.15
		<u>255,613.15</u>
Balance December 31, 2024	B	<u><u>\$ 293,030.86</u></u>

SCHEDULE OF RESERVE FOR NATIONAL NIGHT OUT**Exhibit B-8**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 48.68
Increased by:		
Receipts	B-1	0.12
		<u>0.12</u>
Balance December 31, 2024	B	<u><u>\$ 48.80</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**Exhibit B-9****SCHEDULE OF RESERVE****FOR LAW ENFORCEMENT TRUST**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 2,266.56
Increased by:		
Receipts	B-1	<u>317.60</u>
Balance December 31, 2024	B	<u><u>\$ 2,584.16</u></u>

SCHEDULE OF SPECIAL DUTY POLICE**Exhibit B-10**

	<u>Ref.</u>	
Balance December 31, 2023	B	\$ 113,979.75
Increased by:		
Receipts	B, B-1	<u>478,153.50</u>
		592,133.25
Decreased by:		
Disbursements	B-1	<u>449,497.05</u>
Balance December 31, 2024	B	<u><u>\$ 142,636.20</u></u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SCHEDULE OF RESERVE FOR VARIOUS RESERVES**

	Ref.	Fire Safety	Public Defender	POAA	Police Forfeitures	Union Beach Day	Abandoned Homes	Centennial Celebration	Compensated Balances	Police Dare	Snow Removal	Total
Balance December 31, 2023	B	\$ 23,643.96	13,307.02	1,822.00	1,243.32	2,380.66	138,408.29		71,408.50	2,155.72	35,455.32	289,824.79
Increased by:												
Receipts	B, B-1	798.00	700.00	368.00		3.50		100.04		4.02		1,973.56
		24,441.96	14,007.02	2,190.00	1,243.32	2,384.16	138,408.29	100.04	71,408.50	2,159.74	35,455.32	291,798.35
Decreased By:												
Disbursements	B, B-1	288.60	5,090.04			100.00					18,383.60	23,862.24
Balance December 31, 2024	B	\$ 24,153.36	8,916.98	2,190.00	1,243.32	2,284.16	138,408.29	100.04	71,408.50	2,159.74	17,071.72	267,936.11

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTHGENERAL CAPITAL FUNDANALYSIS OF CASH

	Balance Dec. 31, 2023	Receipts	Disbursements	Transfers		Balance Dec. 31, 2024
				From	To	
Fund Balance	\$ 121.34			-	-	121.34
Capital Improvement Fund	11,232.70			43,536.00	33,000.00	696.70
Serial Bonds	1,739,000.00			315,000.00	2,960,000.00	4,384,000.00
Grants Receivable	(458,669.82)			439,292.00	235,719.00	(662,242.82)
Reserve for Debt Service	42,171.85				281,603.38	323,775.23
Interfund Current	118,683.31			3,096,777.67		(2,978,094.36)
Interfund - Sewer Capital	3,339.00					3,339.00
Accounts Payable	14,521.40					14,521.40
Bond Anticipation Notes Payable	11,421,048.00			1,146,048.00	1,900,000.00	12,175,000.00
Green Acres Loan	524,568.17			92,497.31		432,070.86
Improvement Authorizations	(13,416,015.95)			1,804,160.31	1,526,988.91	(13,693,187.35)
	\$ -	-	-	6,937,311.29	6,937,311.29	-

Ref.

C

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-3

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Description	Balance Dec. 31, 2023	Authorized 2024	Decreased	Balance Dec. 31, 2024
2013-194	Various Improvements	808,841.00		808,841.00	-
2014-203	Various Improvements	760,267.00		29,387.00	730,880.00
2015-221	Reconstruction of Streets	631,254.00		22,724.00	608,530.00
2016-230	Various Improvements	904,332.00		31,042.00	873,290.00
2017-248	Various Improvements	486,392.00		26,016.00	460,376.00
2017-248	Various Improvements	52,500.00		52,500.00	-
2017-252	Various Improvements	3,050,431.00		70,816.00	2,979,615.00
2018-267	Various Improvements	505,045.00		16,081.00	488,964.00
2019-277	Various Improvements	571,100.00		20,240.00	550,860.00
2019-281	Various Improvements	261,370.00		5,960.00	255,410.00
2019-282	Various Improvements	294,920.00		8,444.00	286,476.00
2020-289	Various Improvements	567,487.00		17,734.00	549,753.00
2021-868	Various Improvements	293,550.00		6,527.00	287,023.00
2021-869	Various Improvements	489,250.00		14,909.00	474,341.00
2021-871	Various Improvements	652,298.00		-	652,298.00
2022-314	Reconstruction of Streets	528,454.00		2,615.00	525,839.00
2022-215	Acquisition of Easements	950,000.00		-	950,000.00
2023-326	Various Improvements	568,375.00		2,812.00	565,563.00
2023-331	Acquisition of Land	950,000.00		4,700.00	945,300.00
2024-339	Various Capital Improvements	-	827,172.00	4,700.00	822,472.00
		<u>\$ 13,325,866.00</u>	<u>827,172.00</u>	<u>1,146,048.00</u>	<u>13,006,990.00</u>
Ref.		C	C-5	C-4	C

Exhibit C-4

Exhibit C-4

72.

GENERAL CAPITAL FUNDSCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Balance Dec. 31, 2023		2024		Balance Dec. 31, 2024		
		Funded	Unfunded	Authorizations	Other	Expended	Funded	Unfunded
805E	Acquisition of Land Block 29 Lot 5	\$ -	4,023.80				4,023.80	-
823	Reconstruction of Various Streets		36.78				36.78	-
2003-22J	Acquisition of Street Sweeper		159.79				159.79	-
2003-22K	Acquisition of First Aid Vehicle		459.79				459.79	-
2004-37A	Reconstruction of Bayview Ave.		7.02				7.02	-
2004-37F	Reconstruction of Columbia Ave.		520.68				520.68	-
2010-154C	Parking Meters - Purchase & Installation		210.00				210.00	-
2012-190	Public Works Roof		17,280.00				17,280.00	-
2012-190	Emergency Management Vehicle	500.00	9,500.00				10,000.00	-
2012-190	Police Software and Hand Scanners		5,237.28				5,237.28	-
2015-221B	Reconstruction of West Street		4,837.92				4,837.92	-
2015-221C	Reconstruction of Isabelle Ave.		25.54				25.54	-
2015-221D	Reconstruction of Central Ave.		923.14				923.14	-
2016-230B	Road Improvements-Johnson Avenue		150.55				150.55	-
2016-230F	Acquisition of Scott Air Packs-Fire Co.		222.10				222.10	-
2016-238	Impvts to Scholer Park Hockey Rink		2,397.69				2,397.69	-
2017-248	Reconstruction Harrison Ave.		11,772.49				11,772.49	-
2017-248	Construction of a Park-Columbia Union Ave.		689.09				689.09	-
2018-267	Improvements to Arlington & Newark		33,930.03					33,930.03
2018-267	St. James Street		29,117.63					29,117.63
2018-267	Banks Street		45,733.06					45,733.06
2018-267	State Street		2,721.32					2,721.32
2018-270	Ash Street		1,373.46					1,373.46
2019-277	Ocean Avenue		50,910.88					50,910.88
2019-277	Campbell Street Improvements		31,332.66					31,332.66
2020-289	Ocean Avenue Phase 11		61,949.40					61,949.40
2020-289	Lorillard Ave		55,900.44					55,900.44

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-5
Page 2 of 2

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Balance Dec. 31, 2023		2024 Authorizations	Other	Expended	Balance Dec. 31, 2024	
		Funded	Unfunded				Funded	Unfunded
2021-299	Prosepect & Vitoria	\$ -	58,333.72		(55,025.00)	40,377.21		72,981.51
2022-314	Reconstruction of Seagate Avenue		7,804.94			7,804.94		-
2022-314	Reconstruction of Seventh Avenue		6,090.07			5,194.56		895.51
2022-314	Reconstruction of Second Street		45,520.07			42,530.48		2,989.59
2022-215	Acquisition of Easements		873,773.51			708,186.31		165,587.20
2023-326	Reconstruction of Park Avenue		90,769.91		(35,590.60)	90,769.91		35,590.60
2023-326	Reconstruction of Cambridge		23,011.51			23,011.51		-
2023-326	Reconstruction of Aumack		9,011.51			2,401.26		6,610.25
2023-326	Acquisition of Police Radios		448.30					448.30
2023-331	Acquisition of Land		686,732.14		(673,378.89)	13,353.25		-
2024-339	Various Capital Improvements			1,310,000.00		869,578.63		440,421.37
2024-344	Purchase and Installation of Cameras		-		673,378.89	952.25		672,426.64
		\$ 500.00	2,172,918.22	1,310,000.00	(90,615.60)	1,804,160.31	58,953.66	1,710,919.85
Ref.		C	C			C-3	C	C
	Capital Improvement Fund			\$ 43,536.00				
	Grants Receivable			439,292.00				
	Deferred Charges to Future Taxation - Unfunded			827,172.00				
				<u>\$ 1,310,000.00</u>				

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

GENERAL CAPITAL FUND

Exhibit C-6

SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2023	Issued	Paid	Balance Dec. 31, 2024
			Date	Amount					
Refunding of 2011 Bonds	1/1/2022	\$ 890,000.00	12/1/2025	\$ 190,000.00	4.00%	\$ 570,000.00		190,000.00	380,000.00
			12/1/2026	190,000.00	5.00%				
General Improvements	2/15/2015	2,059,000.00	2/15/2025	130,000.00	2.00%	1,169,000.00		125,000.00	1,044,000.00
			2/15/2026	140,000.00					
			2/15/27-29	195,000.00	2.50%				
			2/15/2030	199,000.00	3.00%				
General Improvements	3/13/2024	600,000.00	3/1/25-29	120,000.00	3.5-3.9%		600,000.00		600,000.00
General Improvements	12/19/2024	2,360,000.00	12/31/2025-27	100,000.00	5.00%		2,360,000.00		2,360,000.00
			12/31/2028	105,000.00					
			12/31/2029	110,000.00					
			12/31/2030	115,000.00					
			12/31/2031	120,000.00					
			12/31/2032	125,000.00					
			12/31/2033	135,000.00					
			12/31/2034	140,000.00					
			12/31/2035	150,000.00					
			12/31/2036	155,000.00					
			12/31/2037	165,000.00					
			12/31/2038	170,000.00					
			12/31/2039	180,000.00					
			12/31/2040	190,000.00					
			12/31/2041	200,000.00					
						\$ 1,739,000.00	2,960,000.00	315,000.00	4,384,000.00
Ref.						C		A-3	C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**GENERAL CAPITAL FUND****Exhibit C-7****SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2023	<u>Ref.</u> C	\$ 11,232.70
Increased by:		
2024 Appropriations	A-3	<u>33,000.00</u>
		44,232.70
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-5	<u>43,536.00</u>
Balance December 31, 2024	C	<u>\$ 696.70</u>

GENERAL CAPITAL FUND**Exhibit C-8****SCHEDULE OF GRANTS RECEIVABLE**

	Balance Dec. 31, 2023	Added	Receipts	Balance Dec. 31, 2024
Ord# 2020-289 - Open Space	\$ 8,242.32			8,242.32
Ord# 2021-869 - Open Space	375,000.00			375,000.00
Ord# 2023-326 - Department of Transportation	75,427.50			75,427.50
Ord# 2024-339 - NJ DOT Grant		314,292.00	235,719.00	78,573.00
Ord# 2024-339 - Open Space	-	125,000.00		125,000.00
	<u>\$ 458,669.82</u>	<u>439,292.00</u>	<u>235,719.00</u>	<u>662,242.82</u>
	C			C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit C-9

GENERAL CAPITAL FUND

SCHEDULE OF GREEN ACRES LOAN

Date of Issue	Original Amount	Maturities of Bonds Outstanding		Interest Rate	Balance	
		Date	Amount		Dec. 31, 2023	Dec. 31, 2024
11/10/05	\$ 500,000.00	2/16/24 to 2/16/25	Various	2.00%	\$ 60,659.14	30,631.33
6/18/07	250,000.00	3/21/24 to 3/21/26	Various	2.00%	39,395.35	23,872.00
9/7/07	220,000.00	7/01/24 to 7/01/27	Various	2.00%	52,338.63	39,641.94
9/3/08	144,075.80	9/03/24 to 6/05/28	Various	2.00%	16,602.49	8,369.87
5/6/08	86,250.00	10/25/24 to 10/25/28	Various	2.00%	38,371.86	32,947.45
12/31/15	480,250.00	12/31/24 to 12/31/35	Various	2.00%	317,200.70	296,608.27
					<u>\$ 524,568.17</u>	<u>432,070.86</u>

Ref.

C

C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**GENERAL CAPITAL FUND****SCHEDULE OF BONDS AND NOTES AUTHORIZED****Exhibit C-10****BUT NOT ISSUED**

<u>Purpose</u>	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2023</u>	<u>2024 Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2024</u>
Various Improvements	2021-871	\$ 2,298.00			2,298.00
Acquisition of Easments	2022-315	950,000.00		950,000.00	-
Various Improvements	2023-326	2,520.00			2,520.00
Acquisition of Land	2023-331	950,000.00		950,000.00	
Various Improvements	2024-339	-	827,172.00		827,172.00
		<u>\$ 1,904,818.00</u>	<u>827,172.00</u>	<u>1,900,000.00</u>	<u>831,990.00</u>
Ref.		C	C-5	C-4	C

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

SEWER UTILITY FUND

Exhibit D-4

SCHEDULE OF CASH

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2023	D	\$ 1,140,044.52	55,620.48
Increased by:			
Sewer Receipts	D, D-6	1,149,252.01	
Prepaid Sewer Fees	D	114,269.53	
Due to SUI Trust Fund	D	1,000.00	
Miscellaneous Revenue Not Anticipated	D-2	23,536.83	
		<u>1,288,058.37</u>	<u>-</u>
		2,428,102.89	55,620.48
Decreased by:			
2024 Appropriations	D-3	1,111,399.10	
Appropriation Reserves	D-7	8,562.50	
Sewer Overpayments	D	121.49	
Accrued Interest on Notes	D	43,374.44	
Sewer Inspections Fees	D	6,664.50	
Payments to Current Fund	D-1	55,000.00	
		<u>1,225,122.03</u>	<u>-</u>
Balance December 31, 2024	D	<u>\$ 1,202,980.86</u>	<u>55,620.48</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Exhibit D-5

Balance December 31, 2023	<u>Ref.</u> D		\$ 1,023,777.59
Increased by:			
Bond Anticipation Notes Paid	D-11	15,461.00	
Loans Paid by Budget	D-10	<u>47,048.50</u>	
			<u>62,509.50</u>
Balance December 31, 2024	D		<u>\$ 1,086,287.09</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SEWER UTILITY FUND****Exhibit D-6****SCHEDULE OF SEWER RENTS RECEIVABLE**

Balance December 31, 2023	<u>Ref.</u> D		\$ 190,128.06
Increased by:			
Rents Levied			<u>1,200,768.58</u>
			1,390,896.64
Decreased by:			
Prepaid Sewer Fees	D	123,652.25	
Receipts - Sewer Account	D-4	<u>1,149,252.01</u>	
			<u>1,272,904.26</u>
Balance December 31, 2024	D		<u>\$ 117,992.38</u>

SCHEDULE OF APPROPRIATION RESERVES**Exhibit D-7**

Balance December 31, 2023	<u>Ref.</u> D		\$ 172,248.08
Increased by:			
2024 Appropriations	D-3		<u>66,994.90</u>
			239,242.98
Decreased by:			
Lapsed to Operations	D-1	68,272.19	
Transfer to Accounts Payable	D	95,413.39	
Disbursed	D-4	<u>8,562.50</u>	
			<u>172,248.08</u>
Balance December 31, 2024	D		<u>\$ 66,994.90</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH**SEWER OPERATING UTILITY FUND****Exhibit D-8****SCHEDULE OF FIXED CAPITAL**

	<u>Ref.</u>	
Balance December 31, 2023 and 2024	D	<u>\$ 3,569,366.02</u>

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**Exhibit D-9**

	<u>Ref.</u>	
Balance December 31, 2023 and 2024	D	<u>\$ 161,959.48</u>

SCHEDULE OF U.S.D.A. LOAN

Description	Date of Issue	Original Amount Issued	Date	Amount	Interest Rate	Balance Dec. 31, 2023	Paid	Balance Dec. 31, 2024
Improvements to Sewer System	7/17/02	\$ 2,022,000.00	1/17/25	\$ 49,309.84	4.75%			
			1/17/26	51,679.87				
			1/17/27	54,163.81				
			1/17/28	56,767.10				
			1/17/29	59,495.60				
			1/17/30	62,355.20				
			1/17/31	65,352.25				
			1/17/32	68,493.30				
			1/17/33	71,785.41				
			1/17/34	75,235.72				
			1/17/35	78,851.84				
			1/17/36	82,641.79				
			1/17/37	86,613.89				
			1/17/38	90,776.90				
		1/17/39	95,140.01					
		1/17/40	99,712.82					
		1/17/41	104,505.42					
		1/17/42	108,442.23					
						\$ 1,409,086.91	47,048.50	1,362,038.41

SEWER UTILITY FUNDSCHEDULE OF BOND ANTICIPATION NOTES

<u>Description</u>	<u>Original Amount Issued</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>	<u>Issued</u>	<u>Paid by Budget</u>	<u>Balance Dec. 31, 2024</u>
Addition to Municipal Building #17-253	\$ 600,000.00	10/31/21	3/14/25	4.00%	\$ 565,461.00		9,310.00	556,151.00
Addition to Municipal Building #19-283	315,000.00	10/31/21	3/14/25	4.00%	315,000.00		6,690.00	308,310.00
Improvements to Building #31-303	539.00	3/14/25	3/14/25	4.00%		539.00		539.00
					<u>\$ 880,461.00</u>	<u>539.00</u>	<u>16,000.00</u>	<u>865,000.00</u>
Ref.					D		D-3, D	D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit D-12

SEWER CAPITAL UTILITY FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. #	Description	Balance		Balance	
		Dec. 31, 2023		Dec. 31, 2024	
		Funded	Unfunded	Funded	Unfunded
1019-276	Improvements to Sewer System	\$ 6,959.48		6,959.48	
2022-319	Sanitary Sewer Improvements	155,000.00		155,000.00	
		\$161,959.48	-	161,959.48	-
Ref.		D	D	D	D

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

Exhibit E-I

PUBLIC ASSISTANCE FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND RECONCILIATION

PER N.J.S.A. 40A:5-5

	<u>Ref.</u>	
Balance December 31, 2023	E	\$ 9,652.12
Increased by:		
Interest		<u>14.52</u>
Balance December 31, 2024	E	<u>\$ 9,666.64</u>

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

PART III

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

AND ON COMPLIANCE AND OTHER MATTERS

YEAR ENDED DECEMBER 31, 2024

Robert A. Hulsart and Company
 CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
 ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
 ROBERT A. HULSART, JR., C.P.A., P.S.A.

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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

Honorable Mayor and Members
 of the Borough Council
 Borough of Union Beach
 County of Monmouth
 Union Beach, New Jersey 07735

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 18, 2025, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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.

Internal Control Over Financial Reporting (Continued)

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all efficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's consolidated financial statements are free of material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

This report is intended solely for the information and use of the Borough's management, the Borough Council, others within the organization, the Division, and federal and state awarding agencies and pass through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Robert A. Hulsart and Company
Independent Auditors

July 18, 2025

BOROUGH OF UNION BEACH - COUNTY OF MONMOUTH

PART IV

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

GENERAL COMMENTS

Scope of Audit

The audit covered the financial activities of the Treasurer, Chief Financial Officer, Tax and Utility Collector, the activities of the Mayor and Council, and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payments had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control approved of such claims by the governing body.

Cash on hand was counted and cash balances reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statement of Revenue and Schedule of Revenue Accounts Receivable are presented as recorded in the Borough records.

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate amount set forth in, or the amount calculated by the governor pursuant to Section 3 of P.L. 1971, c.198 (c.40A:11-2), except by contract or agreement". The amount set forth pursuant to the above statute was \$12,800 effective July 1, 1999. Effective July 1, 2020, the public contracts law was amended to change to the bid threshold to \$ \$44,000.00 if there is a certified purchasing agent. Effective January 1, 2020 if there was no Qualified Purchasing Agent the bid threshold remained at \$17,500.00 and \$2,625.00 for quotes. The quote threshold was increased to \$6,600.00 with a certified purchasing agent.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the above statutory limitation within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute the Borough Counsel's opinion should be sought before a commitment is made.

There were miscellaneous purchases through state contracts.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contract or agreements for "Professional Services" per N.J.S. 40A:11-4.

A test of quotes for purchases in excess of \$6,600.00 was made with no exceptions noted.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring or any materials or supplies, the results of such an accumulation would not reasonably be ascertained. Disbursements were reviewed; however, to determine whether any clear-cut violations existed.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on April 10, 1980, adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Borough of Union Beach that the RATE OF INTEREST to be CHARGED for the Non-Payment of Taxes or Assessments shall be EIGHT (8) PERCENT (%), per Annum on the first \$1,500.00 of delinquency and EIGHTEEN (18) PERCENT (%), per Annum on any amount in excess of \$1,500.00, to be calculated from the date the taxes are payable until the date of actual payment; and

BE IT FURTHER RESOLVED, the pursuant the N.J.S.A. 54:5-32 the maximum interest rate required for redemption of the Tax Sale Certificates shall be EIGHTEEN (18) PERCENT (%), per Annum; and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 54:5-34, the rate of interest for those Tax Sale Certificates for which there shall be no other purchaser and which are therefore struck off to the Borough of Union Beach, shall be 18% per Annum.

It is noted that a ten-day "grace period" is allowed in accordance with the provisions of the 1980 resolution.

On March 20, 1997 the governing body adopted a resolution authorizing the tax collector to charge 6% year end penalty on all properties with a delinquency in excess of \$10,000.00.

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 11, 2024 and was complete.

Inspection of tax sale certificates on file revealed that all certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2024	1
2023	1
2022	1

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current charges has been made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Delinquent Taxes	6
Delinquent Sewer Charges	6

For those confirmation notices which were not returned by taxpayers, we examined subsequent cash collections as an alternative procedure when possible.

Foreclosed Property

The foreclosed property is the total from exempt property, so marked, appearing in the tax duplicate.

Certification of Funds Available

The Chief Financial Officer certified that funds are available for award of contracts by issuing a purchase order. Other expenditures over \$1,000.00 are authorized by the Mayor and Council at public meetings after informal review by the Chief Financial Officer as to the availability of funds.

Follow-Up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings:

None reported in 2023.

RECOMMENDATIONS

None

Appreciation

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

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.