

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2024

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2024

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2024

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COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Borough Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2024 and 2023, the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund and the Payroll Fund of the Borough as of December 31, 2024 and 2023, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis for the year ended December 31, 2024 and the statement of expenditures - regulatory basis for the year ended December 31, 2024 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the General Fixed Assets Account Group of the Borough as of December 31, 2024 and 2023 in accordance with the financial reporting provisions of the Division as described in Note 1.

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2024 and 2023 in accordance with the financial reporting provisions of the Division as described in Note 1.

Opinions (continued)

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the 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 the Borough as of December 31, 2024 and 2023, or the results its operations and the changes in fund balance for the years then ended.

Basis for Unmodified, Qualified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and provisions 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 unmodified, qualified and adverse audit opinions.

Matter Giving Rise to Qualified Opinions on Regulatory Basis of Accounting

The Borough does not comply with the general fixed assets capitalization policies as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost. It was not practicable to determine the effects of capitalizing all fixed assets acquired after December 31, 1985 at actual cost.

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 11.33% and 10.17% of the assets, and the liabilities and reserves of the Borough's Trust Fund as of December 31, 2024 and 2023, respectively.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

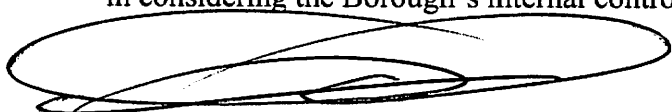
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Borough's basic financial statements. The supplementary schedules as listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the LOSAP Fund and General Fixed Assets Account Group supplementary schedules, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2026 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
January 28, 2026

**INDEPENDENT AUDITOR'S 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**

To the Honorable Mayor and
Members of the Borough Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2024, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated January 28, 2026, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund and the Payroll Fund as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial statements of the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial basis financial statements of the Trust Fund because the Length of Service Award Program Fund was not audited.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a 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.

Report on Internal Control over Financial Reporting (continued)

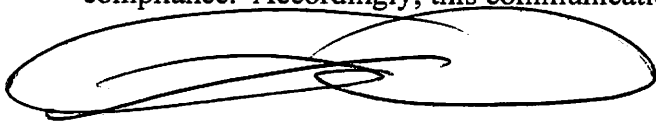
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
January 28, 2026

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$17,931,446	\$16,379,421
Change Funds		300	300
		<u>17,931,746</u>	<u>16,379,721</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	437,924	288,461
Tax Title Liens Receivable	A-7	394,194	378,765
Demolition Receivable		15,600	15,600
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	13,109	12,861
Due from General Capital Fund			13,191
Due from Animal Control Fund		10,369	16,256
	A	<u>1,072,496</u>	<u>926,434</u>
		<u>19,004,242</u>	<u>17,306,155</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	457,832	395,423
Due from Current Fund		424,158	662,836
		<u>881,990</u>	<u>1,058,259</u>
		<u>\$19,886,232</u>	<u>\$18,364,414</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Appropriation Reserves	A-3:A-9	\$2,982,004	\$3,713,399
Reserve for Encumbrances	A-12	715,442	562,427
Reserve for Tax Appeals		199,916	149,916
Reserve for FEMA		4,555	4,555
Reserve for Municipal Relief Fund Aid			152,768
Reserve for Easement		25,000	25,000
Reserve for Business Insurance Registrations		400	200
Accounts Payable		48,092	41,339
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		389,260	222,491
Tax Overpayments		144,226	12,807
Due to Other Trust Fund		465	153,338
Due to Federal and State Grant Fund		424,158	662,836
Due to General Capital Fund		2,123	
Due County for Added and Omitted Taxes		40,021	29,784
Marriage License Fees Payable		400	
DCA Fees Payable		17,031	
Due to State of New Jersey (PL 1971, Ch.20)		38,823	38,696
		<u>5,031,917</u>	<u>5,769,557</u>
Reserves for Receivables and Other Assets	A	1,072,496	926,434
Fund Balance	A-1	12,899,829	10,610,164
		<u>19,004,242</u>	<u>17,306,155</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-14	548,560	429,287
Encumbrances Payable	A-14	301,771	64,339
Unappropriated Reserves	A-15	31,659	564,633
		<u>881,990</u>	<u>1,058,259</u>
		<u><u>\$19,886,232</u></u>	<u><u>\$18,364,414</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$5,600,000	\$5,800,000
Miscellaneous Revenue Anticipated	A-2	10,699,381	6,027,165
Receipts from Delinquent Taxes	A-2	284,516	553,716
Receipts from Current Taxes	A-2	58,033,735	58,373,569
Non-Budget Revenues	A-2	776,249	738,598
Unexpended Balance of Appropriation Reserves	A-9	3,585,690	2,673,094
Other Credits to Income:			
Interfunds Returned		24,350	21,480
Total Revenue		<u>79,003,921</u>	<u>74,187,622</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	13,357,448	12,961,370
Other Expenses	A-3	12,237,099	11,598,370
Capital Improvements	A-3	168,450	193,995
Municipal Debt Service	A-3	2,240,030	2,616,536
Deferred Charges and Statutory Expenditures	A-3	3,252,426	2,990,156
County Taxes		8,110,185	8,102,930
Local District School Tax	A-10	19,413,576	18,323,284
Regional High School Tax	A-11	12,335,042	11,491,662
Other Trust Fund Reimbursement			94,815
Interfunds Advanced			13,191
Total Expenditures		<u>71,114,256</u>	<u>68,386,309</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended Decembers 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Excess in Revenue		\$7,889,665	\$5,801,313
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		-	-
Statutory Excess to Fund Balance		7,889,665	5,801,313
Fund Balance January 1	A	10,610,164	10,608,851
		18,499,829	16,410,164
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	5,600,000	5,800,000
Fund Balance December 31	A	<u>\$12,899,829</u>	<u>\$10,610,164</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$5,600,000		\$5,600,000	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-8	40,900		40,688	(\$212)
Other Licenses	A-8	20,300		19,310	(990)
Fees and Permits	A-8	256,300		204,746	(51,554)
Municipal Court Fines and Costs	A-8	170,500		190,087	19,587
Interest and Costs on Taxes	A-8	139,500		85,729	(53,771)
Interest on Investments	A-8	565,300		1,360,047	794,747
Energy Receipts Tax	A-8	1,482,080		1,482,080	
Municipal Relief Fund Aid	A-8	152,768		152,768	
Uniform Construction Code Fees	A-8	494,400		748,101	253,701
Mechanical Garage - Eatontown Board of Education	A-8	4,000		12,876	8,876
Drunk Driving Enforcement	A-13	22,140		22,140	
Clean Communities Program	A-13		\$36,586	36,586	
Municipal Alliance on Alcoholism and Drug Abuse	A-13	11,955		11,955	
Safe and Secure Communities Program	A-13	45,150		45,150	
Body Armor Fund	A-13	3,379	3,520	6,899	
Distracted Driving Crackdown	A-13		30,240	30,240	
Pedestrian Safety	A-13	10,080		10,080	
Coronavirus Local Fiscal Recovery Fund - Downtown					
Greenway Project	A-13	47,071		47,071	
DCA/REC Individuals with Disabilities	A-13	15,000		15,000	
Recycling Tonnage	A-13	55,630		55,630	
National Opioid Settlement	A-13	4,472	69,857	74,329	
Highway Safety	A-13		4,200	4,200	
NJDEP - Stormwater Assistance	A-13	10,000		10,000	
American Rescue Plan - Defibrillator	A-13		12,831	12,831	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>Ref.</u>	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
		<u>Budget</u>	<u>Special N.J.S. 40A:4-87</u>		
Miscellaneous Revenues (continued):					
American Rescue Plan - Forensic Enclosure Block	A-13		\$2,890	\$2,890	
American Rescue Plan - Bulletproof Vest	A-13		9,828	9,828	
American Rescue Plan - File Server	A-13		19,659	19,659	
American Rescue Plan - Police Vehicles	A-13		199,152	199,152	
American Rescue Plan - Police Laptop	A-13		3,223	3,223	
American Rescue Plan - Fire Pagers and Wiring in Bays	A-13		3,113	3,113	
Senior Citizens Housing (In Lieu of Taxes)	A-8	\$202,000		202,000	
Borough Community Center Programs	A-8	456,300		435,057	(\$21,243)
Uniform Fire Safety Act	A-8	92,100		110,952	18,852
Hotel Tax	A-8	531,800		549,631	17,831
Cell Tower Agreements	A-8	308,300		325,268	16,968
American Rescue Plan Act - Revenue Loss	A-8	261,766		261,766	
CATV Franchise Fees	A-8	90,400		89,702	(698)
Redevelopment Agreement Payment	A-8	3,581,292		3,630,970	49,678
Contribution from Sewerage Authority	A-8	177,627		177,627	
	A-1	9,252,510	395,099	10,699,381	1,051,772
Receipts from Delinquent Taxes	A-1:A-2	323,823		284,516	(39,307)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-6	17,376,116		18,728,260	1,352,144
Budget Totals		32,552,449	395,099	35,312,157	\$2,364,609
Non-Budget Revenues	A-2			776,249	
		<u>\$32,552,449</u>	<u>\$395,099</u>	<u>\$36,088,406</u>	
	<u>Ref.</u>	A-3	A-3		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>Ref.</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-6	\$58,033,735
Allocated to School and County Taxes		<u>40,996,975</u>
Balance for Support of Municipal Budget Appropriations		17,036,760
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,691,500</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$18,728,260</u></u>
<u>Receipts from Delinquent Taxes</u>		
Delinquent Tax Collections	A-6	\$284,516
Tax Title Lien Collections		-
	A-2	<u><u>\$284,516</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

Analysis of Non-Budget Revenues

Cannabis Taxes	\$391,175
Recreation Fees	83,390
Police Outside Employment Administrative Fees	45,434
Other Police Fees	44,464
Pilot Application Fee	38,000
Recycling	36,430
Sale of Assets	31,166
Board of Education Fuel Reimbursement	28,606
Trailer Tax	25,724
Unemployment Reimbursements	14,008
Shrewsbury Fire Prevention Fees	12,245
Senior Citizen Trips	7,700
Other Refunds and Reimbursements	6,541
Insurance Reimbursements	4,000
Zoning Application Fees	3,500
Community Garden	2,370
Senior Citizens and Veterans Administrative Fee	1,053
Copies	303
Returned Check Fees	140
	<u>\$776,249</u>

Ref. A-1:A-2:A-4

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
General Government:					
Administrative and Executive:					
Salaries and Wages	\$245,500	\$245,500	\$210,924	\$34,576	
Other Expenses	115,000	80,500	27,496	53,004	
Other Expenses - American Rescue Plan	39,250	39,250	39,250		
Labor Attorney:					
Other Expenses	20,000	20,000		20,000	
Mayor and Council:					
Salaries and Wages	70,000	70,000	70,000		
Other Expenses	9,000	9,000	37	8,963	
Advertising:					
Other Expenses	24,000	24,000	16,341	7,659	
Beautify Eatontown	3,570	3,570	1,306	2,264	
Complete Streets	1,000	1,000	75	925	
Elections:					
Other Expenses	6,000	6,000	5,508	492	
Municipal Clerk:					
Salaries and Wages	218,000	218,000	209,960	8,040	
Other Expenses	30,000	30,000	20,223	9,777	
Information Technology:					
Other Expenses	178,000	208,000	196,736	11,264	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
<u>Operations Within "CAPS"</u>					
Purchasing Department:					
Salaries and Wages	\$54,200	\$54,200	\$54,148	\$52	
Other Expenses	34,000	34,000	22,248	11,752	
Historical Association:					
Other Expenses	3,000	3,000	2,943	57	
Financial Administration:					
Salaries and Wages	240,500	240,500	240,062	438	
Other Expenses	40,500	30,500	10,361	20,139	
Bond Registration Fees	5,000	5,000	2,450	2,550	
Audit Services	48,000	48,000	5,900	42,100	
Assessment of Taxes:					
Salaries and Wages	107,440	107,440	107,346	94	
Other Expenses	65,400	65,400	40,408	24,992	
Collection of Taxes:					
Salaries and Wages	95,000	95,000	94,945	55	
Other Expenses	17,250	17,250	10,308	6,942	
Legal Services and Costs:					
Other Expenses	250,000	250,000	177,096	72,904	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS"					
Shop Local					
Other Expenses	\$10,000	\$10,000		\$10,000	
Municipal Prosecutor					
Salaries and Wages	50,000	50,000	\$36,000	14,000	
Engineering Service and Costs:					
Miscellaneous Other Expenses	95,000	95,000	91,876	3,124	
Public Buildings and Grounds:					
Salaries and Wages	185,529	185,529	166,892	18,637	
Other Expenses	171,500	171,500	151,416	20,084	
Planning Board:					
Other Expenses	38,450	38,450	21,592	16,858	
Board of Adjustment:					
Other Expenses	20,750	20,750	5,658	15,092	
Zoning Officer:					
Salaries and Wages	262,175	262,175	262,173	2	
Other Expenses	22,990	22,990	10,179	12,811	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Environmental Program:					
Other Expenses	\$3,285	\$3,285	\$470	\$2,815	
Green Team	3,000	3,000		3,000	
Community Garden	6,200	6,200	1,399	4,801	
Fire:					
Salaries and Wages	6,625	6,625	6,625		
Fire Hydrant Service	200,000	204,500	185,373	19,127	
Miscellaneous Other Expenses	116,737	116,737	107,433	9,304	
Insurance:					
Group Insurance	4,018,000	4,018,000	3,583,890	434,110	
Health Benefit Waiver	40,000	40,000	37,015	2,985	
Other Insurance	552,000	552,000	487,151	64,849	
Workman's Compensation	465,000	465,000	453,481	11,519	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	\$149,900	\$149,900	\$146,075	\$3,825	
Other Expenses	19,595	19,595	19,587	8	
Police:					
Salaries and Wages	7,627,850	7,627,850	7,373,776	254,074	
Other Expenses	426,650	426,650	378,340	48,310	
First Aid Organization Contribution:					
Salaries and Wages	6,625	6,625	6,625		
Other Expenses	59,500	59,500	19,550	39,950	
Emergency Management Services:					
Salaries and Wages	3,650	3,650	3,650		
Other Expenses	18,850	18,850	971	17,879	
Road Repair and Maintenance:					
Salaries and Wages	2,063,968	2,063,968	1,851,128	212,840	
Salaries and Wages - American Rescue Plan	132,516	132,516	132,516		
Other Expenses	1,311,000	1,311,000	824,333	486,667	
Other Expenses - American Rescue Plan	80,000	80,000	80,000		
Snow Removal					
Other Expenses	13,500	13,500	13,500		
Municipal Court:					
Salaries and Wages	55,000	55,000	54,500	500	
Other Expenses	38,000	38,000	28,429	9,571	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Operations Within "CAPS"</u>					
Public Defender:					
Salaries and Wages	\$60,000	\$60,000	\$60,000		
Street Lighting	170,000	170,000	130,738	\$39,262	
Monmouth County Reclamation Fees	500,000	500,000	494,123	5,877	
Recycling - Contractual:					
Sanitation - Apartment Collection	1,155,520	1,155,520	1,024,832	130,688	
Health and Welfare:					
Monmouth County Health Department					
Salaries and Wages	1,640	1,640		1,640	
Other Expenses	5,000	5,000	400	4,600	
Housing Inspection:					
Salaries and Wages	110,930	110,930	103,683	7,247	
Other Expenses	2,600	2,600	671	1,929	
Animal Control:					
Other Expenses	23,000	23,000	22,383	617	
Recreation:					
Salaries and Wages	234,500	234,500	198,545	35,955	
Other Expenses	78,295	78,295	72,438	5,857	
Celebration of Public Events:					
Other Expenses	41,900	41,900	36,892	5,008	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Within "CAPS"</u>					
Borough Community Center:					
Salaries and Wages	\$324,000	\$324,000	\$289,224	\$34,776	
Other Expenses	37,100	37,100	25,352	11,748	
Miscellaneous Other Expenses:					
Youth Committee	2,250	2,250	337	1,913	
Senior Citizen Programs:					
Salaries and Wages	60,000	60,000	43,334	16,666	
Other Expenses	18,600	18,600	17,168	1,432	
Inspection of Buildings:					
Salaries and Wages	593,200	593,200	447,131	146,069	
Other Expenses	34,000	34,000	27,479	6,521	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Operations Within "CAPS"</u>					
Unclassified:					
Salaries and Wages - Adjustment Program	\$20,000	\$20,000		\$20,000	
Tuition Reimbursement	50,500	40,500		40,500	
Employee Sick Time Buy - Back	75,000	75,000	\$49,783	25,217	
Accumulated Absences	150,000	140,000	80,000	60,000	
Electricity	170,000	170,000	111,288	58,712	
Telephone	201,200	201,200	147,558	53,642	
Water	45,000	45,000	25,097	19,903	
Natural Gas	70,000	70,000	53,917	16,083	
Total Operations within "CAPS"	24,427,690	24,397,690	21,570,047	2,827,643	
Contingent	4,000	4,000	1,050	2,950	
Total Operations Including Contingent within "CAPS"	24,431,690	24,401,690	21,571,097	2,830,593	
Detail:					
Salaries and Wages	12,978,748	12,978,748	12,169,262	809,486	
Other Expenses (Including Contingent)	11,452,942	11,422,942	9,401,835	2,021,107	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Deferred Charges and Statutory</u> <u>Expenditures Within "CAPS"</u>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of N.J.	\$694,477	\$694,477	\$694,477		
Social Security System (O.A.S.I.)	530,450	530,450	522,333	\$8,117	
Police and Firemen's Retirement System of N.J.	1,903,585	1,903,585	1,903,585		
Defined Contribution Retirement Program	35,000	35,000	28,539	6,461	
Early Retirement Incentive Program	23,914	23,914	23,914		
Unemployment Compensation Insurance	35,000	65,000	46,696	18,304	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>3,222,426</u>	<u>3,252,426</u>	<u>3,219,544</u>	<u>32,882</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>27,654,116</u>	<u>27,654,116</u>	<u>24,790,641</u>	<u>2,863,475</u>	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Operations Excluded from "CAPS"</u>					
Aid to Privately Owned Library 40:54-35:					
Salaries and Wages	\$87,700	\$87,700	\$72,367	\$15,333	
Other Expenses	13,203	13,203	4,957	8,246	
9-1-1 System (40A:4-45.3cc)					
Other Expenses	25,000	25,000		25,000	
Tax Appeal Reserve	50,000	50,000	50,000		
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	10,000	10,000		10,000	
Length of Service Award Program - Fire	50,000	50,000	31,050	18,950	
Length of Service Award Program - First Aid	<u>20,000</u>	<u>20,000</u>	<u> </u>	<u>20,000</u>	<u> </u>
Total Other Operations Excluded from "CAPS"	<u>255,903</u>	<u>255,903</u>	<u>158,374</u>	<u>97,529</u>	<u> </u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u>	<u>Balance</u> <u>Canceled</u>
<u>Operations Excluded from "CAPS"</u>					
Shared Service Agreements:					
Mechanical Garage - Eatontown					
Board of Education:					
Salaries and Wages	\$4,000	\$4,000		\$4,000	
Municipal Court - Tinton Falls					
Salaries and Wages	287,000	287,000	\$287,000		
Total Shared Service Agreements	<u>291,000</u>	<u>291,000</u>	<u>287,000</u>	<u>4,000</u>	
Public and Private Programs Offset by Revenues:					
Clean Communities Program (40A:4-87, \$36,586+)		36,586	36,586		
Drunk Driving Enforcement Fund	22,140	22,140	22,140		
Distracted Driving Crackdown (40A:4-87, \$30,240+)		30,240	30,240		
Body Armor Fund (40A:4-87, \$3,520+)	3,379	6,899	6,899		
Safe and Secure Communities Program	45,150	45,150	45,150		
National Opioid Settlement (40A:4-87, \$69,857+)	4,472	74,329	74,329		
NJDEP - Stormwater Assistance	10,000	10,000	10,000		
Municipal Alliance on Alcoholism					
and Drug Abuse	17,933	17,933	17,933		
DCA/REC Individuals with Disabilities	15,000	15,000	15,000		
Recycling Tonnage	55,630	55,630	55,630		
Highway Safety (40A:4-87, \$4,200+)		4,200	4,200		
Pedestrian Safety	10,080	10,080	10,080		
American Rescue Plan - Downtown Greenway	47,071	47,071	47,071		
American Rescue Plan - Defibrillator					
(40A:4-87, \$12,831+)		12,831	12,831		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balance</u>
		<u>Modification</u>	<u>Charged</u>		<u>Canceled</u>
<u>Operations Excluded from "CAPS"</u>					
Public and Private Programs Offset by Revenues (Continued):					
American Rescue Plan - Forensic Enclosure Block (40A:4-87, \$2,890+)		\$2,890	\$2,890		
American Rescue Plan - Bulletproof Vest (40A:4-87, \$9,828+)		9,828	9,828		
American Rescue Plan - File Server (40A:4-87, \$19,659+)		19,659	19,659		
American Rescue Plan - Police Vehicles (40A:4-87, \$199,152+)		199,152	199,152		
American Rescue Plan - Police Laptop (40A:4-87, \$3,223+)		3,223	3,223		
American Rescue Plan - Fire Pagers and Wiring in Bays (40A:4-87, \$3,113+)		3,113	3,113		
Matching Funds for Grants	<u>\$20,000</u>	<u>20,000</u>	<u>3,000</u>	<u>\$17,000</u>	
Total Public and Private Programs Offset by Revenues	<u>250,855</u>	<u>645,954</u>	<u>628,954</u>	<u>17,000</u>	
Total Operations Excluded from "CAPS"	<u>797,758</u>	<u>1,192,857</u>	<u>1,074,328</u>	<u>118,529</u>	
Detail:					
Salaries and Wages	378,700	378,700	359,367	19,333	
Other Expenses	<u>419,058</u>	<u>814,157</u>	<u>714,961</u>	<u>99,196</u>	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	<u>\$168,450</u>	<u>\$168,450</u>	<u>\$168,450</u>		
Total Capital Improvements Excluded from "CAPS"	<u>168,450</u>	<u>168,450</u>	<u>168,450</u>		
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	1,450,000	1,450,000	1,450,000		
Interest on Bonds	726,475	726,475	726,469		\$6
Interest on Notes	19,000	19,000	18,411		589
Capital Lease Obligations - Principal	43,000	43,000	43,000		
Interest	<u>2,150</u>	<u>2,150</u>	<u>2,150</u>		
Total Municipal Debt Service Excluded from "CAPS"	<u>2,240,625</u>	<u>2,240,625</u>	<u>2,240,030</u>		<u>595</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$3,206,833	\$3,601,932	\$3,482,808	\$118,529	\$595
Subtotal General Appropriations	30,860,949	31,256,048	28,273,449	2,982,004	595
Reserve for Uncollected Taxes	1,691,500	1,691,500	1,691,500		
Total General Appropriations	<u>\$32,552,449</u>	<u>\$32,947,548</u>	<u>\$29,964,949</u>	<u>\$2,982,004</u>	<u>\$595</u>
<u>Ref.</u>	A-2		A-1	A:A-1	
Budget	A-3	\$32,552,449			
Appropriation by 40A:4-87	A-2	395,099			
		<u>\$32,947,548</u>			

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$1,691,500
Disbursed	A-4	26,879,053
Reserve for Encumbrances	A-12	715,442
Reserve for Grants Appropriated	A-14	628,954
Reserve for Tax Appeals		50,000
		<u>\$29,964,949</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$22,541</u>	<u>\$29,197</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	6,735,184	6,611,284
Due from Current Fund		<u>465</u>	<u>153,338</u>
		<u>6,735,649</u>	<u>6,764,622</u>
Length of Service Award Program Fund:			
(LOSAP) - Unaudited Investments	B-4	<u>863,718</u>	<u>769,363</u>
		<u>\$7,621,908</u>	<u>\$7,563,182</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Liabilities and Reserves</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$9,231	\$10,199
Due to Current Fund		10,369	16,256
Prepaid Licenses		2,885	2,691
Due to State of New Jersey		56	51
		<u>22,541</u>	<u>29,197</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-3	<u>6,735,649</u>	<u>6,764,622</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award			
Program Fund	B-5	<u>863,718</u>	<u>769,363</u>
		<u>\$7,621,908</u>	<u>\$7,563,182</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$13,304,099	\$9,025,225
Deferred Charges to Future Taxation:			
Funded	C-9	17,520,000	14,855,000
Unfunded	C-10		1,402,722
Grants Receivable	C-11	2,226,976	2,568,139
Due from Current Fund		2,123	
Leased Assets under Capital Lease			43,000
		<u>\$33,053,198</u>	<u>\$27,894,086</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$17,520,000	\$14,855,000
Bond Anticipation Notes	C-7	1,400,000	1,402,722
Improvement Authorizations:			
Funded	C-5	10,188,575	6,556,055
Unfunded	C-5		1,402,722
Lease Obligations Payable	C-8		43,000
Reserve for Encumbrances	C-5	3,706,796	3,457,479
Reserve for Asset Acquisitions		27,500	27,500
Due to Current Fund			13,191
Capital Improvement Fund	C-4	134,217	136,217
Fund Balance	C-1	76,110	200
		<u>\$33,053,198</u>	<u>\$27,894,086</u>

On December 31, 2024 and 2023 there were no bonds and notes authorized but not issued.

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Balance, January 1	C	\$200	\$159,200
Increased by:			
Premium on Sale of Bonds	C-2	68,736	-
Premium on Sale of Notes	C-2	7,174	-
		<u>76,110</u>	<u>-</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue		<u>-</u>	<u>159,000</u>
Balance, December 31	C	<u><u>\$76,110</u></u>	<u><u>\$200</u></u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,641,487	\$11,563,124
Machinery and Equipment		<u>20,674,426</u>	<u>19,909,974</u>
Total General Fixed Assets		<u>\$32,315,913</u>	<u>\$31,473,098</u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	D-1	<u>\$32,315,913</u>	<u>\$31,473,098</u>

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash and Cash Equivalents	<u>\$109,200</u>	<u>\$16,245</u>
<u>Reserves</u>		
Reserve for Expenditures	<u>\$109,200</u>	<u>\$16,245</u>

See Accompanying Notes

BOROUGH OF EATONTOWN

NOTES TO FINANCIAL STATEMENTS **YEAR ENDED DECEMBER 31, 2024**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the school boards, first aid squad, volunteer fire department or the Eatontown Sewerage Authority (a component unit of the Borough), which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements.

B. Description of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by 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 differ from the fund structure required by GAAP.

Current Fund - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund - used to record animal license revenues and expenditures.

Payroll Fund - used to record payroll related transactions.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Other Trust Fund - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund - used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

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, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. 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 appropriations 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.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

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 - Until lapsed at the close of the succeeding year, appropriation reserves are available 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 respective balance sheets. 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.

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 Current Fund and the remaining obligations be recorded as a long-term obligation.

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

Sale of Municipal Assets - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Interfunds - Advances in 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.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, 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 used 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.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost.

D. Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in general purpose financial statements in accordance with GAAP. The Borough presents its financial statements, as listed in the table of contents, as required by the Division, which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements 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 represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

F. Impact of Recently Issued GASB Accounting Pronouncements

Management has determined that recently issued GASB accounting pronouncements, effective for the year ended December 31, 2024, would not have a significant impact upon the Borough's 2024 regulatory basis financial statements.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

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 insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act ("GUDPA") is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to pledge collateral for deposit of public funds that exceed insurance limits. GUDPA requires that 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 seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five 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.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2024 and 2023 the Borough's bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Uninsured and Uncollateralized	\$3,959,965	\$4,047,988
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	31,693,653	25,743,403
	<u>\$35,653,618</u>	<u>\$29,791,391</u>

In addition, as of December 31, 2024 and 2023, the Borough had \$2,125,130 and \$2,018,782 respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

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.
- (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) Local Government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, 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 GUDPA bank;
 - (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.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

Custodial Credit Risk - The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2024 and 2023 were \$863,718 and \$769,363, respectively.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2024 and 2023 no such investments were held by the Borough.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal 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 (the "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 notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. 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.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

3. DEBT (continued)

Long-Term Debt

The Borough's long-term bonded debt is summarized as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate(s)</u>	<u>Balance Dec. 31, 2024</u>
General Improvement	3/2/16	\$2,325,000	5.00%	\$655,000
General Improvement	1/9/18	3,640,000	5.00%	2,035,000
General Improvement	12/23/19	6,425,000	5.00%	4,310,000
General Improvement	12/22/22	7,030,000	3.00% - 5.00%	6,405,000
General Improvement	12/19/24	4,115,000	5.00%	4,115,000
				<u>\$17,520,000</u>

Long-term bonded debt service requirements are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$1,760,000	\$849,063	\$2,609,063
2026	1,840,000	770,975	2,610,975
2027	1,780,000	678,600	2,458,600
2028	1,950,000	586,100	2,536,100
2029	1,980,000	488,600	2,468,600
2030-2034	4,675,000	1,510,850	6,185,850
2035-2039	3,535,000	474,500	4,009,500
	<u>\$17,520,000</u>	<u>\$5,358,688</u>	<u>\$22,878,688</u>

Long-term debt transactions for the years ended December 31, 2024 and 2023 are summarized as follows:

	<u>Balance Dec. 31, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2024</u>
General Capital Fund:				
General Serial Bonds	<u>\$14,855,000</u>	<u>\$4,115,000</u>	<u>\$1,450,000</u>	<u>\$17,520,000</u>
	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2023</u>
General Capital Fund:				
General Serial Bonds	<u>\$16,630,000</u>	<u>-</u>	<u>\$1,775,000</u>	<u>\$14,855,000</u>

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

3. DEBT (continued)

Short-Term Debt

As of December 31, 2024 and 2023, outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2024</u>
Various Capital Improvements	3/14/24	3/14/25	4.00%	\$1,400,000

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
Various Capital Improvements	11/30/23	3/15/24	4.50%	\$1,402,722

Bond anticipation note transactions for the years ended December 31, 2024 and 2023 are summarized as follows:

	<u>Balance Dec. 31, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2024</u>
General Capital Fund: Bond Anticipation Notes	<u>\$1,402,722</u>	<u>\$1,400,000</u>	<u>\$1,402,722</u>	<u>\$1,400,000</u>
	<u>Balance Dec. 31, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Dec. 31, 2023</u>
General Capital Fund: Bond Anticipation Notes	<u>-</u>	<u>\$1,402,722</u>	<u>-</u>	<u>\$1,402,722</u>

Bonds and Notes Authorized but not Issued

As of December 31, 2024 and 2023, there were no bonds and notes authorized but not issued.

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. As of December 31, 2024 and 2023, the Borough's net debt, expressed as a percentage of the equalized valuation basis, was 0.523% and 0.515%, respectively. As of December 31, 2024 and 2023, the Borough's net debt was \$17,520,000 and \$16,257,722, respectively, and the Borough's remaining borrowing power was \$99,825,537 and \$94,222,206, respectively.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

4. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2024 and 2023, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2025 and 2024 were as follows:

For the year ended December 31, 2025,	
Current Fund	\$7,150,000
General Capital Fund	-

For the year ended December 31, 2024,	
Current Fund	\$5,600,000
General Capital Fund	-

5. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and set forth as cash liabilities in the financial statements were as follows:

	<u>Balance December 31,</u>	
	<u>2024</u>	<u>2023</u>
Prepaid Taxes	\$389,260	\$222,491

6. SCHOOL TAXES

Regulations provide for the deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2024 and 2023 as follows:

	<u>Local District</u>		<u>Regional High</u>	
	<u>School Tax</u>		<u>School Tax</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Balance of Tax	\$9,599,922	\$8,694,304	\$6,283,798	\$6,051,245
Deferred	9,599,922	8,694,304	6,283,797	6,051,244
Tax Payable	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

7. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2024 and 2023 were \$1,253,501 and \$1,062,995 respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, School Districts and County, the tax rate is struck by the County Tax 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 20, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before June 3. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

9. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2024 and 2023 was as follows:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Land, Buildings and Improvements	\$11,563,124	\$78,363		\$11,641,487
Machinery and Equipment	19,909,974	764,452		20,674,426
	<u>\$31,473,098</u>	<u>\$842,815</u>	<u>-</u>	<u>\$32,315,913</u>

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Adjustments/ Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Land, Buildings and Improvements	\$11,525,492	\$37,632		\$11,563,124
Machinery and Equipment	18,980,589	929,385		19,909,974
	<u>\$30,506,081</u>	<u>\$967,017</u>	<u>-</u>	<u>\$31,473,098</u>

10. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Monmouth Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Program Joint Insurance Fund, which has a contract for excess liability insurance for property. There were no settlements in excess of insurance coverage in the past three years.

11. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance on December 31, 2024, 2023 and 2022 was \$43,213.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS

Description of Systems

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were 7.50% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

Unfunded Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2024.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of \$7,076,902 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Borough's proportion was 0.052081821 percent, which was an increase of 0.0001205912 percent from its proportion measured as of June 30, 2023. The pension expense recognized in the Borough's financial statements based on the April 1, 2024 billing was \$718,391.

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. The actuarial valuation used the following assumptions:

	<u>June 30, 2024</u>
Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55%
Investment 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 disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term 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 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>June 30, 2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets 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%
	<u>100.00%</u>	

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

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 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 collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2024		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$9,403,462	\$7,076,902	\$5,097,011

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2024, the State reported deferred inflows of resources and deferred outflows of resources related to PERS from the following sources:

	<u>June 30, 2024</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$18,841	\$141,763
Changes of assumptions	80,519	8,792
Net difference between projected and actual earnings on pension plan investments	328,137	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	44,187	482,609
	<u>\$471,684</u>	<u>\$633,164</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$161,480, will be amortized in pension expense in future years.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$14,514,267 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Borough's proportion was 0.142055224 percent, which was a decrease of 0.00244531 percent from its proportion measured as of June 30, 2023.

The pension expense recognized in the Borough's financial statements based on the April 1, 2024 billing was \$1,903,585.

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

	<u>June 30, 2024</u>
Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	
Through all future years	3.25% - 16.25%
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scaled MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

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.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term 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 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 PFRS's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2024</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%
Private Equity	10.00%	10.10%
	<u>100.00%</u>	

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

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 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 collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$20,737,658	\$14,514,267	\$9,331,546

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2024, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	<u>June 30, 2024</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$496,887	\$914,388
Changes of assumptions	426,260	22,944
Net difference between projected and actual earnings on pension plan investments	113,600	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	267,647	700,584
	<u>\$1,304,394</u>	<u>\$1,637,916</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$333,522 will be recognized in pension expense by the Borough in future years.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed by the State on behalf of the Borough 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 Borough does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows or inflows to disclose in the notes to the financial statements of the Borough related to this legislation.

At June 30, 2024, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,861,457.

Borough's Proportionate Share of Net
Pension Liability

\$14,514,267

State of New Jersey Proportionate Share
of Net Pension Liability Associated with
the Borough

2,861,457

\$17,375,724

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

13. 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. In accordance with New Jersey Statutes 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.

14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As of December 31, 2024 and 2023, there were no deferred charges reflected on the balance sheets of the various funds of the Borough.

15. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2024 and 2023 are presented below:

	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<u>Receivables</u>		
Current Fund	\$10,369	\$29,447
Federal and State Grant Fund	424,158	662,836
General Capital Fund	2,123	
Other Trust Fund	465	153,338
	<u>\$437,115</u>	<u>\$845,621</u>
<u>Payables</u>		
Current Fund	\$426,746	\$816,174
General Capital Fund		13,191
Animal Control Fund	10,369	16,256
	<u>\$437,115</u>	<u>\$845,621</u>

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected or when payments were made between funds.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

16. LENGTH OF SERVICE AWARD PROGRAM

The Borough has established a Length of Service Award Program to recruit and retain the Borough's volunteer fire department and first aid squad members. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(11)(B) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria shall not exceed \$1,350 annually.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

17. DEFERRED COMPENSATION

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

18. POSTEMPLOYMENT BENEFITS

Plan Description

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

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

18. POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided

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

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

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

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

18. POSTEMPLOYMENT BENEFITS (continued)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighters 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

For additional information, please refer to the State of New Jersey, Division of Pensions and Benefits' Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

18. POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liability and Total OPEB Expense

As of June 30, 2024, the Plan reported a net OPEB liability of \$32,033,021 as the Borough's proportionate share of the collective total of the net OPEB liability of participating employers in the Plan. As of June 30, 2024, the Borough's proportionate share of the total net OPEB liability was 0.178901%. The Borough's net OPEB liability as of June 30, 2024, was determined by an actuarial valuation of the total OPEB liability amount as of July 1, 2023, as rolled forward to June 30, 2024, less the amount of the Borough's proportionate share of the Plan's Fiduciary Net Position. As reported by the Plan, the Borough's total OPEB expense for the year ended June 30, 2024 was \$570,700.

Employer Contributions to the Plan

The Plan's annual required employer contribution amount is based on a pay-as-you-go basis, rather than an annual contribution amount that is actuarially determined. The Borough's contributions to the Plan for the years ended December 31, 2024 and 2023 were \$1,307,942 and \$1,062,995, respectively, which equaled the Borough's required contribution amount for each year.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

June 30, 2024

Salary Increases*:

PERS

Rate for all future years 2.75% - 6.55%

PFRS

Rate for all future years 3.25% - 16.25%

*Salary increases are based on years of service within the respective plan.

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

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and the PERS experience studies were prepared for the periods July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

18. POSTEMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather than the discount rate is set at the municipal bond rate.

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

The following presents the net OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	June 30, 2024		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	2.93%	3.93%	4.93%
Net OPEB Liability	\$37,315,017	\$32,033,021	\$27,802,612

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

The following presents the net OPEB liability of the Borough, as well as what the Borough's net OPEB liability would be if they were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	June 30, 2024		
	1%	Healthcare	1%
	Decrease	Cost Trend Rate	Increase
Net OPEB Liability	\$27,093,397	\$32,033,021	\$38,383,989

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

18. POSTEMPLOYMENT BENEFITS (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2024, the State reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	<u>June 30, 2024</u>	
	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$5,427,496	\$1,622,246
Changes of assumptions	5,317,279	5,355,315
Net difference between projected and actual earnings on OPEB plan investments	14,500	-
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>2,552,211</u>	<u>8,949,630</u>
	<u><u>\$13,311,486</u></u>	<u><u>\$15,927,191</u></u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to OPEB, in the amount of \$2,615,705, will be amortized in OPEB expense.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

19. COMMITMENTS AND CONTINGENCIES

Grant Financial Assistance

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

Tax Appeals

There are tax appeal cases pending against the Borough before the New Jersey Tax Court. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

Legal Proceedings

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring after December 31, 2024 and through January 28, 2026, which is the date the financial statements were available to be issued.

Authorization of Bonds and Notes

On September 25, 2025, the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$4,318,109 to finance a portion of the costs providing for various capital improvements and the acquisition of various capital equipment.

Redevelopment Area Bonds

On October 22, 2025, the Borough adopted an ordinance approving a long term tax exemption and authorizing the execution of a financial agreement between the Borough and Netflix Eatontown Urban Renewal, LLC (the "LLC"). On December 17, 2025, the Borough adopted a resolution authorizing the issuance and sale of non-recourse Redevelopment Area Bonds (Downtown Village Redevelopment Project) in an aggregate principal amount not to exceed \$55,000,000. As security for the bonds, the financial agreement stipulates that an annual service charge from the LLC will be pledged and assigned to the repayment of the bonds. As of January 28, 2026, the Borough has yet to issue any bonds relative to this project.

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2024

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2024

Balance, December 31, 2023	<u>Ref.</u> A		\$16,379,421
Increased by Receipts:			
Collector	A-5	\$58,649,668	
Revenue Accounts Receivable	A-8	9,579,142	
State of New Jersey (PL 1971, Ch.20)		52,627	
Miscellaneous Revenue not Anticipated	A-2	776,249	
Grants Receivable	A-13	254,004	
Unappropriated Reserves	A-14	32,355	
Business Insurance Registration Fees		200	
Due from General Capital Fund		15,314	
Due from Other Trust Fund		465	
Due from Animal Control Fund		11,161	
Accounts Payable		1,751	
Marriage License Fees		3,175	
Training Fees		<u>67,325</u>	
			<u>69,443,436</u>
			85,822,857
Decreased by Disbursements:			
Budget Appropriations	A-3	26,879,053	
Appropriation Reserves	A-9	685,136	
Local District School Tax	A-10	19,413,576	
Regional High School Tax	A-11	12,335,042	
Appropriated Reserves	A-14	272,249	
County Taxes		8,099,949	
Training Fees		50,294	
Marriage Licenses		2,775	
Due to Other Trust Fund		<u>153,338</u>	
			<u>67,891,411</u>
Balance, December 31, 2024	A		<u><u>\$17,931,446</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
Year Ended December 31, 2024

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-6	\$58,030,453	
Tax Title Liens	A-7	-	
Prepaid Taxes		389,260	
Revenue Accounts Receivable -			
Interest and Costs on Taxes	A-8	85,729	
Tax Overpayments		<u>144,226</u>	
			<u><u>\$58,649,668</u></u>
Decreased by Disbursements:			
Payment to Treasurer - Current Fund	A-4		<u><u>\$58,649,668</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2024

<u>Year</u>	<u>Balance Dec. 31, 2023</u>	<u>2024 Levy</u>	<u>Added Taxes</u>	<u>Collection by Cash</u>		<u>Senior Citizens and Veterans Deductions</u>	<u>Canceled and Adjustments</u>	<u>Over- Payments Applied</u>	<u>Transferred to Tax Title Liens</u>	<u>Balance Dec. 31, 2024</u>
				<u>2023</u>	<u>2024</u>					
Prior	\$31									\$31
2023	288,430				\$284,516					3,914
	288,461				284,516					3,945
2024		\$58,631,021		\$222,491	57,745,937	\$52,500	\$147,878	\$12,807	\$15,429	433,979
	<u>\$288,461</u>	<u>\$58,631,021</u>	<u>-</u>	<u>\$222,491</u>	<u>\$58,030,453</u>	<u>\$52,500</u>	<u>\$147,878</u>	<u>\$12,807</u>	<u>\$15,429</u>	<u>\$437,924</u>
<u>Ref.</u>	A				A-5				A-7	A

Analysis of 2024 Property Tax Levy

Tax Yield:

General Purpose Tax	\$58,341,524
Added Taxes (54:4-63.1 Et Seq.)	259,579
Omitted Taxes (54:4-63.12 Et Seq.)	29,918
	<u>\$58,631,021</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
Year Ended December 31, 2024

Analysis of 2024 Property Tax Levy (continued)

	<u>Ref.</u>	
Tax Levy:		
Local District School Tax	A-10	\$20,319,194
Regional High School Tax	A-11	12,567,595
County Taxes:		
County Tax		6,539,925
County Library Tax		444,795
County Open Space Tax		962,581
County Health Tax		122,864
Due to County for Added and Omitted Taxes		40,021
Total County Taxes		<u>8,110,186</u>
Local Tax for Municipal Purposes	A-2	17,376,116
Add: Additional Tax Levied		257,930
Local Tax for Municipal Purposes Levied		<u>17,634,046</u>
		<u><u>\$58,631,021</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023	A	\$378,765
Increased by:		
Transfers from Taxes Receivable	A-6	15,429
Decreased by:		394,194
Cash Receipts	A-5	-
Balance, December 31, 2024	A	\$394,194

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2024

	<u>Ref.</u>	<u>Balance Dec. 31, 2023</u>	<u>Accrued in 2024</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2024</u>
Alcoholic Beverage Licenses	A-2		\$40,688	\$40,688	
Other Licenses	A-2		19,310	19,310	
Fees and Permits	A-2		204,746	204,746	
Municipal Court Fines and Costs	A-2	\$12,861	190,335	190,087	\$13,109
Interest and Costs on Taxes	A-2		85,729	85,729	
Interest on Investments	A-2		1,360,047	1,360,047	
Energy Receipts Tax	A-2		1,482,080	1,482,080	
Municipal Relief Fund Aid	A-2		152,768	152,768	
Uniform Construction Code Fees	A-2		748,101	748,101	
Mechanical Garage - Eatontown Board of Education	A-2		12,876	12,876	
Senior Citizen Housing (In Lieu of Taxes)	A-2		202,000	202,000	
Borough Community Center Programs	A-2		435,057	435,057	
Uniform Fire Safety Act	A-2		110,952	110,952	
Hotel Tax	A-2		549,631	549,631	
Cell Tower Agreements	A-2		325,268	325,268	
American Rescue Plan Act - Revenue Loss	A-2		261,766	261,766	
CATV Franchise Fees	A-2		89,702	89,702	
Contribution from Sewerage Authority	A-2		177,627	177,627	
Redevelopment Agreement Plan	A-2		3,630,970	3,630,970	
		<u>\$12,861</u>	<u>\$10,079,653</u>	<u>\$10,079,405</u>	<u>\$13,109</u>
	<u>Ref.</u>	A			A
Collected by:					
Treasurer	A-4			\$9,579,142	
Tax Collector:					
Interest and Costs on Taxes	A-5			85,729	
Revenue Realized				414,534	
				<u>\$10,079,405</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2024

	<u>Balance Dec. 31, 2023</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages:					
Administrative and Executive	\$26,767		\$26,767		\$26,767
Mayor and Council	817		817		817
Municipal Clerk	13,984		13,984		13,984
Purchasing Department	1,436		1,436		1,436
Financial Administration	4,146		4,146		4,146
Assessment of Taxes	8,065		8,065		8,065
Collection of Taxes	11,108		11,108		11,108
Municipal Prosecutor	14,000		14,000		14,000
Public Buildings and Grounds	43,365		43,365	\$381	42,984
Zoning Officer	5,469		5,469		5,469
Uniform Fire Safe	3,805		3,805	2,688	1,117
Police	649,668		649,668	20,342	629,326
Road Repair and Maintenance	370,970		370,970	72,118	298,852
Municipal Court	6,500		6,500		6,500
Public Defender	7,133		7,133	7,067	66
Health and Welfare	1,640		1,640		1,640
Housing Inspection	10,866		10,866	688	10,178
Recreation	35,644		35,644	342	35,302
Community Center	17,081	\$551	17,632	5,652	11,980
Miscellaneous	20,849	950	21,799	1,449	20,350
Senior Citizen Programs					
Inspection of Buildings	82,429		82,429	5,033	77,396
Adjustment Program	66,538		66,538		66,538
Aid to Privately Owned Library	22,779		22,779	2,431	20,348
Mechanical Garage - Eatontown					
Board of Education	4,000		4,000		4,000
Municipal Court - Tinton Falls	3,125		3,125		3,125
Other Expenses:					
Administrative and Executive	68,215	2,338	70,553	2,416	68,137
Labor Attorney	20,000		20,000		20,000
Mayor and Council	3,946	847	4,793	847	3,946
Advertising	5,406	10,531	15,937	9,502	6,435
Beautify Eatontown	2,049	52	2,101		2,101
Complete Streets	1,000		1,000		1,000
Elections	4,949		4,949		4,949
Municipal Clerk	7,120	1,940	9,060	1,940	7,120
Information Technology	13,485	5,347	18,832	5,160	13,672
Purchasing	6,192	4,120	10,312	3,165	7,147
Historical Association	422		422		422
Financial Administration	34,107	1,542	35,649	1,542	34,107

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2024

	Balance Dec. 31, 2023	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Bond Registration Fees	\$2,750		\$2,750		\$2,750
Audit Services	43,000		43,000	\$43,000	
Assessment of Taxes	43,137	\$1,200	44,337		44,337
Collection of Taxes	1,727	245	1,972	63	1,909
Legal Services and Costs	14,476	8,260	22,736	22,062	674
Engineering Services and Costs:					
Miscellaneous	9,551	10,990	20,541	12,450	8,091
Public Buildings and Grounds	2,390	23,570	25,960	10,064	15,896
Planning Board	35,707		35,707	105	35,602
Board of Adjustment	13,470		13,470		13,470
Zoning Officer	21,004		21,004		21,004
Environmental Program	2,860		2,860		2,860
Green Team	2,500		2,500		2,500
Community Garden	6,989	974	7,963		7,963
Fire Hydrant Service	35,595		35,595	16,433	19,162
Fire - Miscellaneous	13,572	26,385	39,957	25,822	14,135
Group Insurance	700,088	13,788	713,876	17,943	695,933
Health Benefit Waiver	14,652		14,652		14,652
Other Insurance	42,839		42,839	3,214	39,625
Workers Compensation	32,467		32,467		32,467
Uniform Fire Safety Act	768	603	1,371	693	678
Police	21,465	63,700	85,165	52,048	33,117
First Aid Contribution	40,726	18,050	58,776	7,298	51,478
Emergency Management Services	2,989	3,600	6,589	3,600	2,989
Road Repair and Maintenance	327,610	241,441	569,051	189,318	379,733
Municipal Court	9,242		9,242	1,350	7,892
Street Lighting	21,112		21,112	4,907	16,205
Monmouth County Reclamation	8,756		8,756	8,311	445
Sanitation - Apt. Collection	207,092	85,403	292,495	85,403	207,092
Health and Welfare	4,800		4,800		4,800
Housing Inspection	1,863	530	2,393	530	1,863
Animal Control	4,375		4,375	3,112	1,263
Recreation	11,058	9,582	20,640	8,209	12,431
Celebration of Public Events	32,115		32,115		32,115
Community Center	11,499	4,045	15,544	3,023	12,521
Youth Committee	269	525	794		794
Miscellaneous	3,406	844	4,250	723	3,527
Inspection of Buildings	5,541	1,804	7,345	666	6,679

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2024

	Balance Dec. 31, 2023	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Tuition Reimbursement	\$39,500		\$39,500		\$39,500
Electricity	84,986		84,986	\$887	84,099
Telephone	3,788	\$10,395	14,183	13,600	583
Water	5,006		5,006	516	4,490
Natural Gas	33,331	4,268	37,599	11,260	26,339
Landing Street Light 18-20		2,456	2,456		2,456
Contingent	3,175		3,175		3,175
Social Security System (O.A.S.I.)	24,825		24,825		24,825
Defined Contribution Retirement	6,420		6,420		6,420
Unemployment Compensation	15,798		15,798		15,798
Aid to Privately Owned Library	4,985	1,551	6,536	763	5,773
State Recycling Tax	14,800		14,800		14,800
9-1-1 System	25,000		25,000		25,000
Stormwater Management	10,000		10,000		10,000
Length of Service Award Program - Fire	50,000		50,000		50,000
Length of Service Award Program - First Aid	13,250		13,250		13,250
Matching Funds for Grants	26,000		26,000		26,000
	<u>\$3,713,399</u>	<u>\$562,427</u>	<u>\$4,275,826</u>	<u>\$690,136</u>	<u>\$3,585,690</u>

Ref.

A

A-12

A-1

Disbursed
Accounts Payable

Ref.

A-4

\$685,136

5,000

\$690,136

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023:		
School Tax Deferred		\$8,694,304
Increased by:		
Levy - School Year July 1, 2024 to June 30, 2025	A-6	20,319,194 29,013,498
Decreased by:		
Payments	A-4	19,413,576
Balance, December 31, 2024:		
School Tax Deferred		\$9,599,922
 <u>2024 Liability for Local District School Tax:</u>		
Tax Paid and Charged to 2024 Operations	A-10:A-1	\$19,413,576

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
Year Ended December 31, 2024

	<u>Ref.</u>		
Balance, December 31, 2023:			
School Tax Payable	A	\$1	
School Tax Deferred		<u>6,051,244</u>	
			\$6,051,245
Increased by:			
Levy - School Year July 1, 2024 to June 30, 2025	A-6	<u>12,567,595</u>	
			<u>18,618,840</u>
Decreased by:			
Payments	A-4	<u>12,335,042</u>	
Balance, December 31, 2024:			
School Tax Payable	A	1	
School Tax Deferred		<u>6,283,797</u>	
			<u><u>\$6,283,798</u></u>
<u>2024 Liability for Regional High School Tax:</u>			
Tax Paid and Charged to 2024 Operations	A-11:A-1	<u>\$12,335,042</u>	

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023	A	\$562,427
Increased by:		
Transferred from 2024 Appropriations	A-3	715,442
		1,277,869
Decreased by:		
Transfer to Appropriation Reserves	A-9	562,427
Balance, December 31, 2024	A	\$715,442

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2024

Grant	Ref.	Balance Dec. 31, 2023	2024 Anticipated Revenue	Cash Receipts	Unappropriated Reserves Realized	Canceled	Balance Dec. 31, 2024
Municipal Alliance on Alcoholism and Drug Abuse	A-2	\$33,474	\$11,955	\$5,217			\$40,212
DCA/REC Individuals with Disabilities	A-2	20,164	15,000	19,666			15,498
Safe and Secure Communities Program	A-2	8,100	45,150	30,303			22,947
Clean Communities Program	A-2		36,586	36,586			
Highway Safety	A-2		4,200	4,200			
Recycling Tonnage	A-2		55,630	55,630			
Distracted Driving Crackdown	A-2	210	30,240				30,450
NJ DOT - Downtown Eatontown Greenway Project		275,000					275,000
Body Worn Camera		25,475					25,475
Body Armor Fund	A-2		6,899	3,520	\$3,379		
Drunk Driving Enforcement	A-2		22,140	16,890			5,250
National Opioid Settlement	A-2		74,329	71,912	2,417		
Pedestrian Safety	A-2		10,080	10,080			
Local Recreation Improvement Grant		33,000					33,000
Coronavirus Local Fiscal Recovery Fund - Downtown Greenway Project	A-2		47,071		47,071		
NJDEP Stormwater Assistance	A-2		10,000				10,000
American Rescue Plan - Defibrillator	A-2		12,831		12,831		
American Rescue Plan - Forensic Enclosure Block	A-2		2,890		2,890		
American Rescue Plan - Bulletproof Vest	A-2		9,828		9,828		
American Rescue Plan - File Server	A-2		19,659		19,659		
American Rescue Plan - Police Vehicles	A-2		199,152		199,152		
American Rescue Plan - Police Laptop	A-2		3,223		3,223		
American Rescue Plan - Fire Pagers and Wiring in Bays	A-2		3,113		3,113		
		<u>\$395,423</u>	<u>\$619,976</u>	<u>\$254,004</u>	<u>\$303,563</u>	<u>-</u>	<u>\$457,832</u>
<u>Ref.</u>		<u>A</u>		<u>A-4</u>	<u>A-15</u>	<u>A-1</u>	<u>A</u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2024

Grant	Balance Dec. 31, 2023	2024 Budget Appropriations	Encumbrances Payable	Expended	Balance Dec. 31, 2024
Municipal Alcohol Education/Rehabilitation Program	\$4,613				\$4,613
Drunk Driving Enforcement Fund	4,189	\$22,140			26,329
Municipal Alliance on Alcoholism and Drug Abuse	22,099	17,933		\$14,832	25,200
DCA/REC Individuals with Disabilities	11,838	18,000		28,136	1,702
Clean Communities Program	24,757	36,586	\$276	34,036	27,583
Safe and Secure Communities Program		45,150		31,609	13,541
Bulletproof Vest	2,291			2,291	
Recycling Tonnage	142,655	55,630		16,361	181,924
NJ DOT - Downtown Eatontown Greenway Project	40,864		15,236	6,076	50,024
Body Worn Camera	26,678			26,678	
American Rescue Plan Act - Wampum Flood Study			20,492	20,492	
American Rescue Plan Act - Arboretum Drainage Study			1,486	1,486	
Distracted Driving Crackdown	8,112	30,240			38,352
National Opioid Settlement	48,421	74,329			122,750
American Rescue Plan - Husky Brook Pond Study			5,135	5,135	
Local Recreation Improvement Grant	33,000				33,000
New Jersey American Water EMS			1,962	1,962	
NJDEP - Stormwater Assistance	15,000	10,000		14,670	10,330
Body Armor Fund	2,863	6,899			9,762
American Rescue Plan - Downtown Greenway Project	41,907	47,071		88,978	
American Rescue Plan - VCS Workforce Software			11,172	11,172	
American Rescue Plan - Downtown Redevelopment Plan			8,580	8,580	
American Rescue Plan - Defibrillator		12,831		12,831	
American Rescue Plan - Forensic Enclosure Block		2,890			2,890
American Rescue Plan - Bulletproof Vest		9,828		9,828	
American Rescue Plan - File Server		19,659		19,659	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2024

Grant	Balance Dec. 31, 2023	2024 Budget Appropriations	Encumbrances Payable	Expended	Balance Dec. 31, 2024
American Rescue Plan - Police Vehicles		\$199,152		\$199,152	
American Rescue Plan - Police Laptop		3,223		3,223	
American Rescue Plan - Fire Pagers and Wiring in Bays		3,113		3,113	
Highway Safety		4,200		4,200	
Pedestrian Safety		10,080		9,520	\$560
	<u>\$429,287</u>	<u>\$628,954</u>	<u>\$64,339</u>	<u>\$574,020</u>	<u>\$548,560</u>
<u>Ref.</u>	A	A-3			A
			<u>Ref.</u>		
			A-4	\$272,249	
			A	301,771	
				<u>\$574,020</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2024

<u>Grant</u>	<u>Balance Dec. 31, 2023</u>	<u>Increased by Cash Receipts</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2024</u>
American Rescue Plan Act	\$558,837	\$1,486	\$559,533	\$790
Body Armor Fund	3,379		3,379	
National Opioid Settlement	2,417	30,869	2,417	30,869
	<u>\$564,633</u>	<u>\$32,355</u>	<u>\$565,329</u>	<u>\$31,659</u>
<u>Ref.</u>	A	A-4		A
		<u>Ref.</u>		
Federal and State Grants Receivable		A-13	\$303,563	
Transfer to Current Fund			261,766	
			<u>\$565,329</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2024

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2023	B	<u>\$29,197</u>	<u>\$6,611,284</u>
Increased by Receipts:			
Dog License Fees	B-2	2,663	
Other Fees	B-2	245	
State Dog License Fees		539	
Prepaid Licenses		2,029	
Due from Current Fund			153,338
Various Deposits	B-3		2,273,738
		<u>5,476</u>	<u>2,427,076</u>
Decreased by Disbursements:			
State Dog License Fees		534	
Due to Current Fund		11,161	465
Expenditures Under			
R.S. 4:19-15.11	B-2	437	
Various Deposits	B-3		2,302,711
		<u>12,132</u>	<u>2,303,176</u>
Balance, December 31, 2024	B	<u><u>\$22,541</u></u>	<u><u>\$6,735,184</u></u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2024

	<u>Ref.</u>		
Balance, December 31, 2023	B		\$10,199
Increased by:			
Dog License Fees Collected in 2024	B-1	\$2,663	
Prepaid Revenue Realized		1,835	
Other Fees	B-1	<u>245</u>	
			<u>4,743</u>
			14,942
Decreased by:			
Expenditures Under R.S. 4:19-15.11:			
Cash	B-1	437	
Statutory Excess Due to Current Fund		<u>5,274</u>	
			<u>5,711</u>
Balance, December 31, 2024	B		<u><u>\$9,231</u></u>

License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2023	\$4,389
	2022	<u>4,842</u>
		<u><u>\$9,231</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUST FUND DEPOSITS
Year Ended December 31, 2024

Purpose	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
Developers Escrow	\$1,095,024	\$636,556	\$425,078	\$1,306,502
Security Deposits	102,937	7		102,944
Law Enforcement	9,283	1,959		11,242
Unemployment	43,213			43,213
Municipal Alliance	7,096	6,496	6,925	6,667
Public Defender	28,272	44,577	2,695	70,154
Police Outside Employment	276,835	272,209	270,328	278,716
Recreation Contributions	71,452	30,589	37,443	64,598
Uniform Fire Safety Penalties	39,242	14,389	13,422	40,209
Premium on Tax Sale	1,032,283	794,257	1,318,399	508,141
POAA	10,341	602		10,943
Fire Contributions	4,936			4,936
Affordable Housing	3,404,043	339,632	151,756	3,591,919
Other Contributions	43,009	14,122	8,168	48,963
Accumulated Absences	449,294	80,000	45,915	483,379
Historical Museum Donations	9,617	300	1,500	8,417
Recycling	130			130
Storm Recovery	102,299	13,500		115,799
Disposal of Forfeited Property	21,316	1,187	21,082	1,421
Police Active Shooter	14,000	23,356		37,356
	<u>\$6,764,622</u>	<u>\$2,273,738</u>	<u>\$2,302,711</u>	<u>\$6,735,649</u>
<u>Ref.</u>	B	B-1	B-1	B

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF LENGTH OF SERVICE AWARD
PROGRAM FUND INVESTMENTS
Year Ended December 31, 2024

	<u>Ref.</u>		
Balance, December 31, 2023	B		\$769,363
Increased by:			
Borough Contributions	B-5	\$27,000	
Change in Market Value	B-5	<u>102,942</u>	
			<u>129,942</u>
			899,305
Decreased by:			
Distributions	B-5	34,012	
Return of Non-Vested Funds	B-5	-	
Change in Market Value	B-5	-	
Administrative Charges	B-5	<u>1,575</u>	
			<u>35,587</u>
Balance, December 31, 2024	B		<u><u>\$863,718</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD
PROGRAM FUND
Year Ended December 31, 2024

	<u>Ref.</u>		
Balance, December 31, 2023	B		\$769,363
Increased by:			
Borough Contributions	B-4	\$27,000	
Change in Market Value	B-4	<u>102,942</u>	
			<u>129,942</u>
			899,305
Decreased by:			
Distributions	B-4	34,012	
Return of Non-Vested Funds	B-4	-	
Change in Market Value	B-4	-	
Administrative Charges	B-4	<u>1,575</u>	
			<u>35,587</u>
Balance, December 31, 2024	B		<u><u>\$863,718</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2024

	<u>Ref.</u>		
Balance, December 31, 2023	C		\$9,025,225
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-4	\$168,450	
Grants Receivable	C-11	827,588	
General Serial Bonds	C-6	4,115,000	
Premium on Bonds Issued	C-10	526,272	
Premium on Bonds Issued	C-1	68,736	
Premium on Notes Issued	C-1	7,174	
		<u>5,713,220</u>	
			14,738,445
Decreased by Disbursements:			
Improvement Authorizations	C-5	1,416,310	
Due to Current Fund		15,314	
Bond Anticipation Notes	C-7	2,722	
		<u>1,434,346</u>	
Balance, December 31, 2024	C		<u><u>\$13,304,099</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2024

	Balance Dec. 31, 2024
Fund Balance	\$76,110
Capital Improvement Fund	134,217
Reserve for Encumbrances	3,706,796
Grants Receivable	(2,226,976) *
Reserve for Asset Acquisitions	27,500
Cash on Hand to Pay Notes	1,400,000
Due to Current Fund	(2,123) *

Improvement Authorizations:

Ordinance Number	Improvement Description	<u>Ref.</u>	
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	14,035
04-2017	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	335,169
09-2017/ 02-2018	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	416,924
04-2018/ 02-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	188,554
08-2018	Various Capital Improvements	C-5	384,621
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	678,002
16-2019	Various Capital Improvements	C-5	26,313
07-2020	General Capital Improvements	C-5	271,028
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	634,422
18-2021	Various Capital Improvements	C-5	298,226
14-2022	Various 2022 General Capital Improvements	C-5	290,626
20-2023	Various Capital Improvements	C-5	820,575
21-2023	Various Capital Improvements and Acquisitions	C-5	2,543,862
14-2024	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	3,286,218
			<u>\$13,304,099</u>
		<u>Ref.</u>	C

* Denotes Deduction

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023	C	\$136,217
Increased by:		
2024 Budget Appropriation	C-2	168,450
		304,667
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-5	170,450
Balance, December 31, 2024	C	\$134,217

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
STATE OF NEW JERSEY
Year Ended December 31, 2024

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2023			2024 Authoriz- ations	Paid or Charged	Authoriz- ations Canceled	Balance Dec. 31, 2024	
			Funded	Unfunded	Encumbered				Funded	Unfunded
08-2016	Various Capital Improvements and the Acquisition of Various Capital Equipment	\$1,866,544	\$14,035						\$14,035	
04-2017	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,445,773	46,632		\$371,142		\$82,605		335,169	
09-2017/ 02-2018	Various Capital Improvements and the Acquisition of Various Capital Equipment	8,165,000	49,893		367,031				416,924	
04-2018/ 02-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,904,160	214,333				25,779		188,554	
08-2018	Various Capital Improvements	1,122,791	466,157		188,544		270,080		384,621	
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	3,615,053	539,519		633,436		205,998	\$288,955	678,002	
16-2019	Various Capital Improvements	278,558	26,313		102,725		102,725		26,313	
07-2020	Various 2020 General Capital Improvements	2,029,402	348,861		384,036		91,575	370,294	271,028	
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	9,246,446	571,783		421,305		358,666		634,422	
18-2021	Various Capital Improvements	369,287	304,496				6,270		298,226	
14-2022	Various 2022 General Capital Improvements	2,747,100	348,000		88,300		114,674	31,000	290,626	
20-2023	Various Capital Improvements	2,520,550	1,117,828	\$1,402,722			1,699,975		820,575	
21-2023	Various Capital Improvements and Acquisitions	4,367,000	2,508,205		900,960		865,303		2,543,862	
12-2024	Various Capital Improvements and the Acquisition of Various Capital Equipment	4,585,674				\$4,585,674	1,299,456		3,286,218	
		<u>\$6,556,055</u>		<u>\$1,402,722</u>	<u>\$3,457,479</u>	<u>\$4,585,674</u>	<u>\$5,123,106</u>	<u>\$690,249</u>	<u>\$10,188,575</u>	<u>-</u>
	<u>Ref.</u>	C	C	C					C	C
	Deferred Charges to Future Taxation - Unfunded				<u>Ref.</u>		<u>Ref.</u>			
	Grants Receivable				C-10	\$3,238,550				
	Capital Improvement Fund				C-11	1,176,674		\$690,249		
					C-4	170,450		-		
						<u>\$4,585,674</u>		<u>\$690,249</u>		
					<u>Ref.</u>					
	Cash Disbursements				C-2	\$1,416,310				
	Reserve for Encumbrances				C	3,706,796				
						<u>\$5,123,106</u>				

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2024		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	Amount					
General Improvement	3/2/16	\$2,325,000	12/1/25	\$320,000	5.00%	\$960,000		\$305,000	\$655,000
			12/1/26	335,000	5.00%				
General Improvement	1/9/18	3,640,000	1/15/25	330,000	5.00%	2,350,000		315,000	2,035,000
			1/15/26	345,000	5.00%				
			1/15/27	360,000	5.00%				
			1/15/28	500,000	5.00%				
			1/15/29	500,000	5.00%				
General Improvement	12/23/19	6,425,000	12/1/25	540,000	5.00%	4,825,000		515,000	4,310,000
			12/1/26	570,000	5.00%				
			12/1/27	800,000	5.00%				
			12/1/28	800,000	5.00%				
			12/1/29	800,000	5.00%				
General Improvement	12/22/22	7,030,000	12/1/30	800,000	5.00%	6,720,000		315,000	6,405,000
			12/1/25	330,000	5.00%				
			12/1/26	345,000	5.00%				
			12/1/27	365,000	5.00%				
			12/1/28	380,000	5.00%				
			12/1/29	400,000	5.00%				
			12/1/30	420,000	3.00%				
			12/1/31	435,000	5.00%				
			12/1/32	455,000	5.00%				
			12/1/33	465,000	5.00%				
			12/1/34	465,000	5.00%				
			12/1/35	465,000	5.00%				
			12/1/36	465,000	5.00%				
			12/1/37	465,000	5.00%				
			12/1/28	465,000	5.00%				
			12/1/39	485,000	5.00%				

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2024

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2024		Interest Rate	Balance Dec. 31, 2023	Increased	Decreased	Balance Dec. 31, 2024
			Date	Amount					
General Improvement	12/19/24	\$4,115,000	12/1/25	\$240,000	5.00%		\$4,115,000		\$4,115,000
			12/1/26	245,000	5.00%				
			12/1/27	255,000	5.00%				
			12/1/28	270,000	5.00%				
			12/1/29	280,000	5.00%				
			12/1/30	295,000	5.00%				
			12/1/31	310,000	5.00%				
			12/1/32	325,000	5.00%				
			12/1/33	345,000	5.00%				
			12/1/34	360,000	5.00%				
			12/1/35	380,000	5.00%				
			12/1/36	395,000	5.00%				
			12/1/37	415,000	5.00%				
						<u>\$14,855,000</u>	<u>\$4,115,000</u>	<u>\$1,450,000</u>	<u>\$17,520,000</u>
					Ref.	C			C
			Issued for Cash		C-2		\$4,115,000		
			Paid by Budget						
			Appropriation		C-9		-	\$1,450,000	
							<u>\$4,115,000</u>	<u>\$1,450,000</u>	

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2024</u>
20-2023	Various Capital Improvements	11/30/23	11/30/23	3/15/24	4.50%	\$1,402,722		\$1,402,722	
20-2023	Various Capital Improvements	11/30/23	3/14/24	3/14/25	4.00%		\$1,400,000		\$1,400,000
						<u>\$1,402,722</u>	<u>\$1,400,000</u>	<u>\$1,402,722</u>	<u>\$1,400,000</u>
					<u>Ref.</u>	C			C
					Issued for Cash		-	-	
					Non-Cash Rollover		\$1,400,000	\$1,400,000	
					Paid by Bond Funds		-	2,722	
							<u>\$1,400,000</u>	<u>\$1,402,722</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF LEASE OBLIGATIONS PAYABLE
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023	C	\$43,000
Increased by:		
Lease Obligations Authorized		-
		<u>43,000</u>
Decreased by:		
Paid by Budget Appropriation		<u>43,000</u>
Balance, December 31, 2024	C	<u><u>\$0</u></u>

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - FUNDED
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023	C	\$14,855,000
Increased by:		
Improvement Costs Funded by:		
General Serial Bonds Issued	C-10	4,115,000
		18,970,000
Decreased by:		
Budget Appropriation to Pay Bonds:		
General Serial Bonds	C-6	1,450,000
Balance, December 31, 2024	C	\$17,520,000

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BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
Year Ended December 31, 2024

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2023</u>	<u>2024 Authoriz- ations</u>	<u>Authoriz- ations Canceled</u>	<u>Funded by Premium on Serial Bonds Issued</u>	<u>Transferred to Deferred Taxation - Funded</u>	<u>Balance Dec. 31, 2024</u>	<u>Analysis of Balance December 31, 2024</u>	
								<u>Financed by Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
20-2023	Various Capital Improvements	\$1,402,722			\$159,054	\$1,243,668			
12-2024	Various Capital Improvements and the Acquisition of Various Capital Equipment		\$3,238,550		367,218	2,871,332			
		<u>\$1,402,722</u>	<u>\$3,238,550</u>	<u>-</u>	<u>\$526,272</u>	<u>\$4,115,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Ref.</u>		C	C-5		C-2	C-9	C		

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2024

	<u>Ref.</u>	
Balance, December 31, 2023	C	\$2,568,139
Increased by:		
Ordinance Number 12-2024 for Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5	1,176,674
		<u>3,744,813</u>
Decreased by:		
Cash Receipts	C-2	\$827,588
Cancelled	C-5	690,249
		<u>1,517,837</u>
Balance, December 31, 2024	C	<u><u>\$2,226,976</u></u>

Detail:

<u>Ordinance Number</u>	<u>Description</u>	
08-2016	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	\$12,870
15-2019	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	158,759
04-2018/ 02-2020	Monmouth County Open Space for Various Capital Improvements and the Acquisition of Various Capital Equipment	60,000
14-2021	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	136,194
14-2022	N.J.D.O.T. for Various 2022 General Capital Improvements	372,095
20-2023	N.J.D.O.T. for Various Capital Improvements	156,857
20-2023	Captain Janes H. Gurbisz Park Program for Various Capital Improvements	600,000
12-2024	N.J.D.O.T. for Various Capital Improvements and the Acquisition of Various Capital Equipment	182,701
12-2024	Monmouth County Open Space for Various Capital Improvements and the Acquisition of Various Capital Equipment	251,000
12-2024	N.J. Department of Community Affairs for Various Capital Improvements and the Acquisition of Various Capital Equipment	87,500
12-2024	N.J. Department of Environmental Protection for Various Improvements and the Acquisition of Various Capital Equipment	209,000
		<u><u>\$2,226,976</u></u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENT IN GENERAL FIXED ASSETS
Year Ended December 31, 2024

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
General Fixed Assets:				
Land, Buildings and Improvements	\$11,563,124	\$78,363		\$11,641,487
Machinery and Equipment	19,909,974	764,452		20,674,426
	<u>\$31,473,098</u>	<u>\$842,815</u>	<u>-</u>	<u>\$32,315,913</u>
<u>Ref.</u>	D			D

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2024

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2024

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory limit within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. In addition, the minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Since the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not be reasonably ascertained.

Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor." In the auditing of the Borough's expenditures, we performed tests of the Borough's compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2024

Examination of Claims

In auditing the Borough's expenditures, we did not and were not required to determine or establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being subject to the Borough's system of internal control over the approval and payment of claims in accordance with N.J.S. 40A:5-16. However, we tested the Borough's compliance with its established internal control system over the approval and payment of claims in accordance with N.J.S. 40A:5-16 and noted no exceptions.

Payroll Withholdings

We did not and were not required to determine the propriety of withholdings from individual employee salaries for pensions, income taxes, social security and medicare taxes, and for other purposes.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S. 54:4-67 provides the method for authorizing interest and the maximum rates to be charged for nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution on January 1, 2024 authorizing interest and the maximum rates to be charged for the nonpayment of taxes on or before the date when they would become delinquent.

"Be it resolved that the interest to be charged on delinquent taxes during the year 2024 be and the same is hereby fixed at eight (8) per centum per annum on the first \$1,500.00 of delinquency and eighteen (18) per centum on any amount in excess of \$1,500.00, to be calculated from the date the tax was payable until the date of actual payment, provided, however, no interest shall be charged if the payment of the taxes due is made within the tenth (10) calendar day following the date upon which the same became payable."

Based upon our audit of the tax collector's records, interest on delinquent taxes was charged in accordance with the foregoing resolution.

Tax Title Liens

The 2024 tax sale was held on October 9, 2024 and was complete.

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

2024	17
2023	17
2022	13

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2024

SUMMARY OF MUNICIPAL DEBT

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Issued</u>			
General bonds and notes	\$18,920,000	\$16,257,722	\$16,630,000
Less:			
Funds on hand to pay bonds and notes	<u>1,400,000</u>	<u>-</u>	<u>-</u>
Net debt issued	17,520,000	16,257,722	16,630,000
<u>Authorized but not Issued</u>			
General bonds and notes	<u>-</u>	<u>-</u>	<u>4,096,650</u>
Net bonds and notes issued and authorized but not issued	<u><u>\$17,520,000</u></u>	<u><u>\$16,257,722</u></u>	<u><u>\$20,726,650</u></u>

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.523%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$14,280,000	\$14,280,000	-
Regional School	12,983,388	12,983,388	-
General Debt	<u>20,630,697</u>	<u>3,110,697</u>	<u>\$17,520,000</u>
	<u><u>\$47,894,085</u></u>	<u><u>\$30,374,085</u></u>	<u><u>\$17,520,000</u></u>

Net Debt \$17,520,000 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$3,352,729,633 equals 0.523%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3½% of Equalized Valuation Basis	\$117,345,537
Net Debt	<u>17,520,000</u>
Remaining Borrowing Power	<u><u>\$99,825,537</u></u>

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2024

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Municipal	\$.558	\$.664	\$.768
Local School	.652	.628	.703
Regional School	.403	.408	.424
County	.259	.271	.276
Total tax rate	<u>\$1.872</u>	<u>\$1.971</u>	<u>\$2.171</u>

ASSESSED VALUATIONS

2024	\$3,116,534,391
2023	2,970,187,411
2022	2,566,789,392

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>CURRENTLY</u>	
		<u>Cash</u>	<u>Percentage of</u>
		<u>Collections</u>	<u>Collections</u>
2024	\$58,631,021	\$58,033,735	98.98%
2023	58,759,588	58,373,569	99.34%
2022	56,290,686	55,596,045	98.77%

DELINQUENT TAXES AND TAX LIENS

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Tax title liens	\$394,194	\$378,765	\$363,850
Delinquent taxes	<u>437,924</u>	<u>288,461</u>	<u>553,497</u>
Total delinquent	<u>\$832,118</u>	<u>\$667,226</u>	<u>\$917,347</u>
% of tax levy	1.42%	1.14%	1.63%

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2024

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by tax title lien liquidation, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2024	\$201,300
2023	201,300
2022	201,300

COMPARATIVE SCHEDULE OF FUND BALANCE AT DECEMBER 31
YET TO BE COMPLETED

<u>Year</u>	<u>Current Fund Balance</u>	<u>Utilized in Succeeding Budget</u>
2024	\$12,899,829	\$7,150,000
2023	10,610,164	5,600,000
2022	10,608,851	5,800,000

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2024

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2024:

<u>Name</u>	<u>Title</u>
Anthony Talerico, Jr.	Mayor
Virginia M. East	Council President
David Gindi	Councilmember
Carl Lawson	Councilmember
Meir Araman	Councilmember
Danielle M. Jones	Councilmember
Candace M. Faust	Councilmember
William P. Lucia, III	Interim Administrator
John Gillooly	Tax Assessor
Julie Martin	Clerk and Assessment Searcher
Dena Amodea	Chief Financial Officer, Treasurer, Tax Collector and Tax Searcher
Eugene Melody	Magistrate

Borough employees are covered by a public employee dishonesty bond in the amount of \$50,000 by the Monmouth Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000 by the Municipal Excess Liability Insurance Fund.

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

Other Internal Control and Compliance Matters

There are no current year recommendations.

Status of Prior Year Recommendations

There were no prior year recommendations.