

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2023

Oliwa & Company
Certified Public Accountants

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

Year Ended December 31, 2023

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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, 2023

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COUNTY OF MONMOUTH
STATE OF NEW JERSEY

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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, 2023

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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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, 2023 and the statement of expenditures - regulatory basis for the year ended December 31, 2023 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, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, or the results of 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 10.17% and 10.02% of the assets, and the liabilities and reserves of the Borough's Trust Fund as of December 31, 2023 and 2022, 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 October 3, 2024 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
October 3, 2024

Oliwa & Company

Certified Public Accountants

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, 2023, 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 October 3, 2024, 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
October 3, 2024

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	\$16,379,421	\$16,143,008
Change Funds		300	300
		<u>16,379,721</u>	<u>16,143,308</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	288,461	553,497
Tax Title Liens Receivable	A-7	378,765	363,850
Demolition Receivable		15,600	15,600
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	12,861	9,281
Due from General Capital Fund		13,191	21,480
Due from Animal Control Fund		16,256	11,160
	A	<u>926,434</u>	<u>1,176,168</u>
		<u>17,306,155</u>	<u>17,319,476</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	395,423	369,253
Due from Current Fund		662,836	1,051,591
		<u>1,058,259</u>	<u>1,420,844</u>
		<u>\$18,364,414</u>	<u>\$18,740,320</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Appropriation Reserves	A-3:A-9	\$3,713,399	\$2,898,089
Reserve for Encumbrances	A-12	562,427	479,669
Reserve for Tax Appeals		149,916	301,693
Reserve for FEMA		4,555	4,555
Reserve for Municipal Relief Fund Aid		152,768	76,400
Reserve for Opioid Settlement			32,247
Reserve for Easement		25,000	25,000
Reserve for Business Insurance Registrations		200	13,000
Accounts Payable		41,339	
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		222,491	304,646
Tax Overpayments		12,807	235,743
Due to Other Trust Fund		153,338	
Due to Federal and State Grant Fund		662,836	1,051,591
Due County for Added and Omitted Taxes		29,784	71,969
Due to State of New Jersey (PL 1971, Ch.20)		38,696	39,854
		<u>5,769,557</u>	<u>5,534,457</u>
Reserves for Receivables and Other Assets	A	926,434	1,176,168
Fund Balance	A-1	<u>10,610,164</u>	<u>10,608,851</u>
		<u>17,306,155</u>	<u>17,319,476</u>
 Federal and State Grant Fund:			
Appropriated Reserves	A-14	429,287	367,088
Encumbrances Payable	A-14	64,339	
Unappropriated Reserves	A-15	564,633	1,053,756
		<u>1,058,259</u>	<u>1,420,844</u>
		<u>\$18,364,414</u>	<u>\$18,740,320</u>

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, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Anticipated	A-2	\$5,800,000	\$4,800,000
Miscellaneous Revenue Anticipated	A-2	6,027,165	5,096,805
Receipts from Delinquent Taxes	A-2	553,716	288,971
Receipts from Current Taxes	A-2	58,373,569	55,596,045
Non-Budget Revenues	A-2	738,598	666,497
Unexpended Balance of Appropriation Reserves	A-9	2,673,094	2,820,611
Other Credits to Income:			
Appropriated Reserves Cancelled			267,374
Interfunds Advanced		21,480	
Total Revenue		<u>74,187,622</u>	<u>69,536,303</u>

Expenditures

Budget and Emergency Appropriations:

Operations:			
Salaries and Wages	A-3	12,961,370	12,083,319
Other Expenses	A-3	11,598,370	10,458,165
Capital Improvements	A-3	193,995	160,830
Municipal Debt Service	A-3	2,616,536	2,093,203
Deferred Charges and Statutory Expenditures	A-3	2,990,156	2,764,636
County Taxes		8,102,930	7,158,139
Local District School Tax	A-10	18,323,284	17,847,606
Regional High School Tax	A-11	11,491,662	10,479,499
Grants Receivable Cancelled			210,534
Other Trust Fund Reimbursement		94,815	
Interfunds Advanced		13,191	21,480
Total Expenditures		<u>68,386,309</u>	<u>63,277,411</u>

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, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Excess in Revenue		\$5,801,313	\$6,258,892
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		5,801,313	6,258,892
Fund Balance January 1	A	<u>10,608,851</u>	<u>9,149,959</u>
		<u>16,410,164</u>	<u>15,408,851</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	<u>5,800,000</u>	<u>4,800,000</u>
Fund Balance December 31	A	<u>\$10,610,164</u>	<u>\$10,608,851</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2023

	Ref.	Anticipated			Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87	Realized	
Fund Balance Anticipated	A-1	\$5,800,000		\$5,800,000	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-8	40,000		40,938	\$938
Other Licenses	A-8	14,000		20,398	6,398
Fees and Permits	A-8	259,000		256,311	(2,689)
Municipal Court Fines and Costs	A-8	150,000		170,544	20,544
Interest and Costs on Taxes	A-8	92,000		139,584	47,584
Interest on Investments	A-8	179,000		606,810	427,810
Energy Receipts Tax	A-8	1,474,739		1,474,739	
Municipal Relief Fund Aid	A-8	76,400		76,400	
Uniform Construction Code Fees	A-8	1,130,000		494,474	(635,526)
Mechanical Garage - Eatontown Board of Education	A-8	4,000		9,693	5,693
Clean Communities Program	A-13		\$32,211	32,211	
Municipal Alliance on Alcoholism and Drug Abuse	A-13	11,955		11,955	
Safe and Secure Communities	A-13		32,400	32,400	
Bulletproof Vest	A-13	2,291		2,291	
Body Armor Fund	A-13	2,864		2,864	
Distracted Driving Crackdown	A-13	7,902		7,902	
Coronavirus Local Fiscal Recovery Fund - Downtown Greenway Project	A-13		41,907	41,907	
New Jersey American Waters EMS	A-13		1,962	1,962	
DCA/REC Individuals with Disabilities	A-13	20,000		20,000	
Coronavirus Local Fiscal Recovery Fund - VCS Workforce Software	A-13		11,172	11,172	
Recycling Tonnage	A-13	26,103		26,103	
American Rescue Plan - Husky Brook Pond Study	A-13	7,495		7,495	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2023

Miscellaneous Revenues (continued):

	Anticipated			Excess or (Deficit)
Ref.	Budget	Special	Realized	
National Opioid Settlement	A-13	\$32,248	\$16,174	\$48,422
Local Recreation Improvement Grant	A-13	33,000		33,000
NJDEP - Stormwater Assistance	A-13		15,000	15,000
Coronavirus Local Fiscal Recovery Fund - Downtown Redevelopment Plan	A-13		8,580	8,580
Senior Citizens Housing (In Lieu of Taxes)	A-8	164,000		202,000
Borough Community Center Programs	A-8	365,000		456,370
General Capital Fund Surplus	A-8	159,000		159,000
Uniform Fire Safety Act	A-8	88,000		92,112
Hotel Tax	A-8	434,000		531,830
Cell Tower Agreements	A-8	389,000		308,332
American Rescue Plan Act - Revenue Loss	A-8	415,000		(80,668)
CATV Franchise Fees	A-8	91,000		90,465
Contribution from Sewerage Authority	A-8	178,901		(535)
Receipts from Delinquent Taxes	A-1	<u>5,846,898</u>	<u>159,406</u>	<u>6,027,165</u>
	A-1:A-2	<u>498,753</u>	<u>553,716</u>	<u>20,861</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-2:A-6	19,712,870		21,185,194
Budget Totals				1,472,324
Non-Budget Revenues	A-2	31,858,521	159,406	33,566,075
				<u>\$1,548,148</u>
		<u>738,598</u>		
	Ref.	\$31,858,521	\$159,406	\$34,304,673
		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, 2023

Ref.

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	A-1:A-6	\$58,373,569
Allocated to School and County Taxes		<u>38,845,875</u>
Balance for Support of Municipal Budget Appropriations		19,527,694
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,657,500</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$21,185,194</u>

Receipts from Delinquent Taxes

Delinquent Tax Collections	A-6	\$553,716
Tax Title Lien Collections		-
	A-2	<u><u>\$553,716</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2023

Analysis of Non-Budget Revenues

Cannabis Taxes	\$326,772
Recycling	91,420
Recreation Fees	75,795
Police Outside Employment Administrative Fees	44,811
Other Police Fees	34,837
Board of Education Fuel Reimbursement	32,487
Trailer Tax	29,446
Legal Settlement	17,414
Other Refunds and Reimbursements	17,347
Unemployment Reimbursements	15,335
FMERA Reimbursement	14,825
Pilot Application Fee	13,500
Shrewsbury Fire Prevention Fees	10,000
Senior Citizen Trips	5,875
Board of Education Reimbursements	3,375
Community Garden	2,645
Polling Place Reimbursement	1,600
Senior Citizens and Veterans Administrative Fee	1,094
Returned Check Fees	20
	<u>\$738,598</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, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled	
	<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	\$240,500	\$232,500	\$205,733	\$26,767		
Other Expenses	111,000	108,000	39,785	68,215		
Labor Attorney:						
Other Expenses	20,000	20,000		20,000		
Mayor and Council:						
Salaries and Wages	68,400	68,400	67,583	817		
Other Expenses	9,000	9,000	5,054	3,946		
Advertising:						
Other Expenses	23,500	23,500	18,094	5,406		
Beautify Eatontown	3,570	3,570	1,521	2,049		
Complete Streets	1,000	1,000		1,000		
Elections:						
Other Expenses	6,000	6,000	1,051	4,949		
Municipal Clerk:						
Salaries and Wages	215,050	215,050	201,066	13,984		
Other Expenses	30,500	30,500	23,380	7,120		
Information Technology:						
Other Expenses	178,000	178,000	164,515	13,485		

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Purchasing Department:					
Salaries and Wages	\$52,700	\$52,700	\$51,264	\$1,436	
Other Expenses	31,620	31,620	25,428	6,192	
Historical Association:					
Other Expenses	3,000	3,000	2,577	423	
Financial Administration:					
Salaries and Wages	230,000	233,000	228,854	4,146	
Other Expenses	49,000	43,000	8,893	34,107	
Bond Registration Fees	4,500	4,500	1,750	2,750	
Audit Services	48,000	48,000	5,000	43,000	
Assessment of Taxes:					
Salaries and Wages	104,740	112,740	104,675	8,065	
Other Expenses	80,771	80,771	37,634	43,137	
Collection of Taxes:					
Salaries and Wages	91,000	91,000	79,892	11,108	
Other Expenses	12,400	12,400	10,673	1,727	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS"					
Legal Services and Costs:					
Other Expenses	\$250,000	\$250,000	\$235,524	\$14,476	
Municipal Prosecutor					
Salaries and Wages	50,000	50,000	36,000	14,000	
Engineering Service and Costs:					
Miscellaneous Other Expenses	105,000	105,000	95,449	9,551	
Public Buildings and Grounds:					
Salaries and Wages	226,820	226,820	183,455	43,365	
Other Expenses	158,500	158,500	156,110	2,390	
Planning Board:					
Other Expenses	44,300	44,300	8,593	35,707	
Board of Adjustment:					
Other Expenses	24,050	24,050	10,580	13,470	
Zoning Officer:					
Salaries and Wages	256,000	261,000	255,531	5,469	
Other Expenses	28,540	28,540	7,536	21,004	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Environmental Program:					
Other Expenses	\$3,285	\$3,285	\$425		\$2,860
Green Team	2,500	2,500			2,500
Community Garden	10,100	10,100	3,111		6,989
Fire:					
Salaries and Wages	6,625	6,625	6,625		
Fire Hydrant Service	200,000	200,000	164,406		35,594
Miscellaneous Other Expenses	116,737	116,737	103,165		13,572
Insurance:					
Group Insurance	3,604,120	3,604,120	2,904,032		700,088
Health Benefit Waiver	40,000	40,000	25,348		14,652
Other Insurance	487,600	487,600	444,761		42,839
Workman's Compensation	460,000	460,000	427,533		32,467

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	\$146,200	\$146,200	\$142,395	\$3,805	
Other Expenses	20,750	20,750	19,982	768	
Police:					
Salaries and Wages	7,007,200	7,007,200	6,357,532	649,668	
Salaries and Wages - American Rescue Plan	200,000	200,000	200,000		
Other Expenses	340,650	340,650	319,185	21,465	
Other Expenses - American Rescue Plan	50,000	50,000	50,000		
First Aid Organization Contribution:					
Salaries and Wages	6,625	6,625	6,625		
Other Expenses	66,750	66,750	26,024	40,726	
Emergency Management Services:					
Salaries and Wages	3,650	3,650	3,650		
Other Expenses	14,900	14,900	11,911	2,989	
Road Repair and Maintenance:					
Salaries and Wages	2,096,990	2,096,990	1,726,020	370,970	
Salaries and Wages - American Rescue Plan	85,000	85,000	85,000		
Other Expenses	1,281,000	1,281,000	953,390	327,610	
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	54,000	60,000	53,500	6,500	
Other Expenses	35,000	35,000	25,758	9,242	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Public Defender:					
Salaries and Wages	\$60,000	\$60,000	\$52,867	\$7,133	
Street Lighting	160,000	160,000	138,888	21,112	
Monmouth County Reclamation Fees	410,000	410,000	401,244	8,756	
Recycling - Contractual:					
Sanitation - Apartment Collection	900,450	900,450	693,358	207,092	
Health and Welfare:					
Monmouth County Health Department					
Salaries and Wages	1,640	1,640		1,640	
Other Expenses	5,000	5,000	200	4,800	
Housing Inspection:					
Salaries and Wages	110,930	110,930	100,064	10,866	
Other Expenses	2,600	2,600	737	1,863	
Animal Control:					
Other Expenses	22,000	22,000	17,625	4,375	
Recreation:					
Salaries and Wages	230,000	230,000	194,356	35,644	
Other Expenses	79,745	79,745	68,687	11,058	
Celebration of Public Events:					
Other Expenses	42,300	42,300	10,185	32,115	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Borough Community Center:					
Salaries and Wages	\$313,600	\$313,600	\$296,519	\$17,081	
Other Expenses	37,100	37,100	25,601	11,499	
Miscellaneous Other Expenses:					
Youth Committee	2,250	2,250	1,981	269	
Salaries and Wages	64,000	64,000	43,151	20,849	
Other Expenses	19,100	19,100	15,694	3,406	
Inspection of Buildings:					
Salaries and Wages	575,000	575,000	492,571	82,429	
Other Expenses	36,950	36,950	31,409	5,541	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Within "CAPS"</u>					
Unclassified:					
Salaries and Wages - Adjustment Program	\$70,000	\$70,000	\$3,462	\$66,538	
Tuition Reimbursement	50,500	39,500		39,500	
Employee Sick Time Buy - Back	75,000	75,000	75,000		
Accumulated Absences	150,000	150,000	150,000		
Electricity	170,000	170,000	85,014	84,986	
Telephone	225,000	225,000	221,212	3,788	
Water	40,000	46,000	40,994	5,006	
Natural Gas	80,000	80,000	46,669	33,331	
Total Operations within "CAPS"	<u>23,123,808</u>	<u>23,123,808</u>	<u>19,634,566</u>	<u>3,489,242</u>	
Contingent	<u>4,000</u>	<u>4,000</u>	<u>825</u>	<u>3,175</u>	
Total Operations Including Contingent within "CAPS"	<u>23,127,808</u>	<u>23,127,808</u>	<u>19,635,391</u>	<u>3,492,417</u>	
Detail:					
Salaries and Wages	12,566,670	12,580,670	11,178,390	1,402,280	
Other Expenses (Including Contingent)	10,561,138	10,547,138	8,457,001	2,090,137	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Deferred Charges and Statutory Expenditures Within "CAPS"</u>					
Deferred Charges:					
Prior Year Bills:					
Weston Landing, 2018-2020, Street Lighting	\$2,456	\$2,456	\$2,456		
Auto Parts Center, 2021, DPW Auto Parts	175	175	175		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of N.J.	566,983	566,983	566,983		
Social Security System (O.A.S.I.)	515,000	515,000	490,175	\$24,825	
Police and Firemen's Retirement System of N.J.	1,812,269	1,812,269	1,812,269		
Defined Contribution Retirement Program	35,000	35,000	28,580	6,420	
Early Retirement Incentive Program	23,274	23,274	23,274		
Unemployment Compensation Insurance	<u>35,000</u>	<u>35,000</u>	<u>19,202</u>	<u>15,798</u>	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>2,990,156</u>	<u>2,990,156</u>	<u>2,943,113</u>	<u>47,043</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>26,117,964</u>	<u>26,117,964</u>	<u>22,578,504</u>	<u>3,539,460</u>	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS"					
Aid to Privately Owned Library 40:54-35:					
Salaries and Wages	\$91,700	\$91,700	\$68,921	\$22,779	
Other Expenses	13,800	13,800	8,815	4,985	
9-1-1 System (40A:4-45.3cc)					
Other Expenses	25,000	25,000		25,000	
State Recycling Tax (C.311, P.L. 2007)	14,800	14,800		14,800	
Tax Appeal Reserve	50,000	50,000	50,000		
Employee Group Health	322,380	322,380	322,380		
Solid Waste Collection	157,550	157,550	157,550		
PERS	54,438	54,438	54,438		
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	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	20,000	20,000	6,750	13,250	
Total Other Operations Excluded from "CAPS"	<u>809,668</u>	<u>809,668</u>	<u>668,854</u>	<u>140,814</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, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS"					
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	285,000	285,000	\$281,875	3,125	
Total Shared Service Agreements	<u>289,000</u>	<u>289,000</u>	<u>281,875</u>	<u>7,125</u>	
Public and Private Programs Offset by Revenues:					
Clean Communities Program (40A:4-87, \$32,211+)			32,211	32,211	
NJ American Water EMS (40A:4-87, \$1,962+)			1,962	1,962	
Distracted Driving Crackdown	7,902	7,902	7,902		
Bulletproof Vest	2,291	2,291	2,291		
Safe and Secure Communities Program (40A:4-87, \$32,400.00+)			32,400	32,400	
Stormwater Assistance (40A:4-87, \$15,000+)			15,000	15,000	
Municipal Alliance on Alcoholism and Drug Abuse	11,955	11,955	11,955		
DCA/REC Individuals with Disabilities	20,000	20,000	20,000		
Recycling Tonnage	26,103	26,103	26,103		

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Operations Excluded from "CAPS"</u>					
Public and Private Programs Offset by Revenues (Continued):					
Body Armor Grant	\$2,864	\$2,864	\$2,864		
National Opioid Settlement (40A:4-87, \$16,174+)	32,248	48,422	48,422		
American Rescue Plan - Downtown Redevelopment (40A:4-87, \$8,580+)		8,580	8,580		
American Rescue Plan - Husky Brook Pond Study	7,495	7,495	7,495		
American Rescue Plan - VCS Workforce (40A:4-87, \$11,172+)		11,172	11,172		
Local Recreation Improvement Grant	33,000	33,000	33,000		
American Rescue Plan - Downtown Greenway (40A:4-87, \$41,907+)		41,907	41,907		
Matching Funds for Grants	30,000	30,000	4,000	\$26,000	
Total Public and Private Programs Offset by Revenues	<u>173,858</u>	<u>333,264</u>	<u>307,264</u>	<u>26,000</u>	
Total Operations Excluded from "CAPS"	<u>1,272,526</u>	<u>1,431,932</u>	<u>1,257,993</u>	<u>173,939</u>	
Detail:					
Salaries and Wages	380,700	380,700	350,796	29,904	
Other Expenses	<u>891,826</u>	<u>1,051,232</u>	<u>907,197</u>	<u>144,035</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, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<u>Capital Improvements Excluded from "CAPS"</u>					
Capital Improvement Fund	\$193,995	\$193,995	\$193,995	_____	_____
Total Capital Improvements Excluded from "CAPS"	193,995	193,995	193,995	_____	_____
<u>Municipal Debt Service Excluded from "CAPS"</u>					
Payment of Bond Principal	1,775,000	1,775,000	1,775,000	_____	_____
Interest on Bonds	796,336	796,336	796,336	_____	_____
Capital Lease Obligations -					
Principal	41,000	41,000	41,000	_____	_____
Interest	4,200	4,200	4,200	_____	_____
Total Municipal Debt Service Excluded from "CAPS"	2,616,536	2,616,536	2,616,536	_____	_____

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	APPROPRIATIONS		EXPENDED		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>\$4,083,057</u>	<u>\$4,242,463</u>	<u>\$4,068,524</u>	<u>\$173,939</u>	_____
Subtotal General Appropriations	30,201,021	30,360,427	26,647,028	3,713,399	
Reserve for Uncollected Taxes	<u>1,657,500</u>	<u>1,657,500</u>	<u>1,657,500</u>		
Total General Appropriations	<u><u>\$31,858,521</u></u>	<u><u>\$32,017,927</u></u>	<u><u>\$28,304,528</u></u>	<u><u>\$3,713,399</u></u>	_____
	<u>Ref.</u>	A-2		A-1	A:A-1
Budget	A-3		\$31,858,521		
Appropriation by 40A:4-87	A-2		159,406		
			<u><u>\$32,017,927</u></u>		

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2023

	<u>Ref.</u>	<u>Paid or Charged</u>
Reserve for Uncollected Taxes	A-2	\$1,657,500
Disbursed	A-4	25,727,337
Reserve for Encumbrances	A-12	562,427
Reserve for Grants Appropriated	A-14	307,264
Reserve for Tax Appeals		50,000
		<u>\$28,304.528</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	<u>\$29,197</u>	<u>\$25,037</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-1	6,611,284	6,052,664
Due from Current Fund		153,338	-
		<u>6,764,622</u>	<u>6,052,664</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Investments	B-4	<u>769,363</u>	<u>676,892</u>
		<u>\$7,563,182</u>	<u>\$6,754,593</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

<u>Liabilities and Reserves</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$10,199	\$11,327
Due to Current Fund		16,256	11,160
Prepaid Licenses		2,691	2,498
Due to State of New Jersey		51	52
		<u>29,197</u>	<u>25,037</u>
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-3	<u>6,764,622</u>	<u>6,052,664</u>
Length of Service Award			
Program Fund:			
(LOSAP) - Unaudited			
Reserve for Length of Service Award			
Program Fund	B-5	769,363	676,892
		<u>\$7,563,182</u>	<u>\$6,754,593</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash and Cash Equivalents	C-2	\$9,025,225	\$9,037,760
Deferred Charges to Future Taxation:			
Funded	C-9	14,855,000	16,630,000
Unfunded	C-10	1,402,722	4,096,650
Grants Receivable	C-11	2,568,139	1,910,977
Leased Assets under Capital Lease		43,000	84,000
		<u>\$27,894.086</u>	<u>\$31,759,387</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	\$14,855,000	\$16,630,000
Bond Anticipation Notes	C-7	1,402,722	
Improvement Authorizations:			
Funded	C-5	6,556,055	5,363,946
Unfunded	C-5	1,402,722	3,757,322
Lease Obligations Payable	C-8	43,000	84,000
Reserve for Encumbrances	C-5	3,457,479	5,699,891
Reserve for Asset Acquisitions		27,500	27,500
Due to Current Fund		13,191	
Capital Improvement Fund	C-4	136,217	16,050
Fund Balance	C-1	200	159,200
		<u>\$27,894.086</u>	<u>\$31,737,909</u>

On December 31, 2023 there were no bonds and notes authorized but not issued. There were bonds and notes authorized but not issued on December 31, 2022 of \$4,096,650. (Schedule C-12)

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS

Years Ended December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Balance, January 1	C	\$159,200	\$45,084
Increased by:			
Premium on Sale of Bonds		-	114,116
Premium on Sale of Notes		-	-
		<u>-</u>	<u>114,116</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2	<u>159,000</u>	-
Balance, December 31	C	<u>\$200</u>	<u>\$159,200</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
General Fixed Assets:			
Land, Buildings and Improvements		\$11,563,124	\$11,525,492
Machinery and Equipment		<u>19,909,974</u>	<u>18,980,589</u>
Total General Fixed Assets		<u>\$31,473,098</u>	<u>\$30,506,081</u>
<u>Liabilities and Reserves</u>			
Investment in General Fixed Assets	D-1	<u>\$31,473,098</u>	<u>\$30,506,081</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash and Cash Equivalents	<u>\$16,245</u>	<u>\$16,228</u>
<u>Reserves</u>		
Reserve for Expenditures	<u>\$16,245</u>	<u>\$16,228</u>

BOROUGH OF EATONTOWN

NOTES TO FINANCIAL STATEMENTS **YEAR ENDED DECEMBER 31, 2023**

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, 2023

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, 2023

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, 2023

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, 2023, would not have a significant impact upon the Borough's 2023 regulatory basis financial statements.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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, 2023 and 2022 the Borough’s bank balances were exposed to custodial credit risk as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Uninsured and Uncollateralized	\$4,047,988	\$3,329,557
GUDPA Insured and Collateralized		
with Securities Held by Pledging		
Financial Institutions	<u>25,743,403</u>	<u>25,879,590</u>
	<u>\$29,791,391</u>	<u>\$29,209,147</u>

In addition, as of December 31, 2023 and 2022, the Borough had \$2,018,782 and \$1,921,664 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, 2023

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, 2023

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, 2023 and 2022 were \$769,363 and \$676,892, respectively.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2023 and 2022 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, 2023

3. DEBT (continued)

Long-Term Debt

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

Purpose	Date of Issue	Original Issue	Interest Rate(s)	Balance Dec. 31, 2023
General Improvement	3/2/16	\$2,325,000	5.00%	\$960,000
General Improvement	1/9/18	3,640,000	5.00%	2,350,000
General Improvement	12/23/19	6,425,000	5.00%	4,825,000
General Improvement	12/22/22	7,030,000	3.00% - 5.00%	6,720,000
				<u>\$14,855,000</u>

Long-term bonded debt service requirements are as follows:

Year	Principal	Interest	Total
2024	\$1,450,000	\$726,475	\$2,176,475
2025	1,520,000	653,600	2,173,600
2026	1,595,000	577,225	2,172,225
2027	1,525,000	497,100	2,022,100
2028	1,680,000	417,350	2,097,350
2029-2033	4,275,000	1,152,700	5,427,700
2034-2038	2,325,000	470,000	2,795,000
2039	485,000	24,250	509,250
	<u>\$14,855,000</u>	<u>\$4,518,700</u>	<u>\$19,373,700</u>

Long-term debt transactions for the years ended December 31, 2023 and 2022 are summarized as follows:

	Balance			Balance Dec. 31, 2023
	Dec. 31, 2022	Additions	Deductions	
General Capital Fund: General Serial Bonds	\$16,630,000	-	\$1,775,000	\$14,855,000
	Balance			Balance
	Dec. 31, 2021	Additions	Deductions	Dec. 31, 2022
General Capital Fund: General Serial Bonds	\$11,025,000	\$7,030,000	\$1,425,000	\$16,630,000

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

3. DEBT (continued)

Short-Term Debt

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

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

Bond anticipation note transactions for the years ended December 31, 2023 and 2022 are summarized as follows:

	Balance Dec. 31, 2022	Additions	Deductions	Balance Dec. 31, 2023
General Capital Fund: Bond Anticipation Notes				
	<u>-</u>	<u>\$1,402,722</u>	<u>-</u>	<u>\$1,402,722</u>
	Balance Dec. 31, 2021	Additions	Deductions	Balance Dec. 31, 2022
General Capital Fund: Bond Anticipation Notes				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Bonds and Notes Authorized but not Issued

As of December 31, 2023, there were no bonds and notes authorized but not issued. As of December 31, 2022, there were \$4,096,650 of 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, 2023 and 2022, the Borough's net debt, expressed as a percentage of the equalized valuation basis, was 0.515% and 0.728%, respectively. As of December 31, 2023 and 2022, the Borough's net debt was \$16,257,722 and \$20,726,650, respectively, and the Borough's remaining borrowing power was \$94,222,206 and \$78,973,505, respectively.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

4. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2024 and 2023 were as follows:

For the year ended December 31, 2024,

Current Fund	\$5,600,000
General Capital Fund	-

For the year ended December 31, 2023,

Current Fund	\$5,800,000
General Capital Fund	159,000

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>2023</u>	<u>2022</u>
Prepaid Taxes	\$222,491	\$304,646

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, 2023 and 2022 as follows:

	<u>Local District</u>		<u>Regional High</u>	
	<u>School Tax</u>	<u>2023</u>	<u>School Tax</u>	<u>2022</u>
Balance of Tax	\$8,694,304	\$8,377,132	\$6,051,245	\$5,440,418
Deferred	<u>8,694,304</u>	<u>8,377,132</u>	<u>6,051,244</u>	<u>5,440,417</u>
Tax Payable	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$1</u>

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, 2023 and 2022 were \$1,062,995 and \$1,051,630 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.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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.

9. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2023 and 2022 was as follows:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>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	<u>18,980,589</u>	<u>929,385</u>		<u>19,909,974</u>
	<u>\$30,506,081</u>	<u>\$967,017</u>	<u>-</u>	<u>\$31,473,098</u>
	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Adjustments/ Dispositions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Land, Buildings and Improvements	\$11,506,140	\$19,352		\$11,525,492
Machinery and Equipment	<u>18,486,352</u>	<u>1,202,384</u>	<u>\$708,147</u>	<u>18,980,589</u>
	<u>\$29,992,492</u>	<u>\$1,221,736</u>	<u>\$708,147</u>	<u>\$30,506,081</u>

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

10. LEASE OBLIGATIONS PAYABLE

The Borough participates in the Capital Equipment Lease Program of the Monmouth County Improvement Authority (the “Authority”). The Authority has issued revenue bonds in which the Borough pays the debt service as part of the lease agreements. The minimum lease payments are raised annually in the Borough’s current fund budget. The Borough’s lease obligations payable are summarized as follows:

Purpose	Date of Issue	Original Issue	Interest Rate	Balance
				Dec. 31, 2023
Capital Equipment	10/31/19	\$193,000	5.00%	<u>\$43,000</u>

Minimum future lease payments due to the Authority are as follows:

Year	General Capital Fund		
	Principal	Interest	Total
2024	\$43,000	\$2,150	\$45,150

11. 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.

12. 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, 2023, 2022 and 2021 was \$43,213.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. 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, 2023.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS)

At June 30, 2023, the State reported a net pension liability of \$7,526,259 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023, the Borough's proportion was 0.0519612298 percent, which was an increase of 0.0026830906 percent from its proportion measured as of June 30, 2022. The pension expense recognized in the Borough's financial statements based on the April 1, 2023 billing was \$590,257.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021. These actuarial valuations used the following assumptions:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases	2.75% - 6.55%	2.75% - 6.55%
Investment Rate of Return	7.00%	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, 2022 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, 2023

13. 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 and June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	June 30, 2023		June 30, 2022	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Market Equity	12.75%	9.22%	13.50%	8.38%
Small Cap Equity	1.25%	9.22%		
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
	<u><u>100.00%</u></u>		<u><u>100.00%</u></u>	

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. 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, 2023 and 2022. 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, 2023 and 2022, 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, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
Borough's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
	\$9,797,588	\$7,526,259	\$5,593,058
	June 30, 2022		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
Borough's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
	\$9,554,045	\$7,436,750	\$5,634,846

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, 2023

13. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2023 and 2022, the State reported deferred inflows of resources and deferred outflows of resources related to PERS from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$30,765	\$71,961	\$47,334	\$53,675
Changes of assumptions	456,124	16,534	1,113,576	23,041
Net difference between projected and actual earnings on pension plan investments		34,659		307,800
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>320,361</u>	<u>667,308</u>	<u>668,959</u>	<u>473,878</u>
	<u><u>\$807,250</u></u>	<u><u>\$790,462</u></u>	<u><u>\$1,829,869</u></u>	<u><u>\$858,394</u></u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$16,788, will be amortized in pension expense in future years.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of \$15,799,489 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023, the Borough's proportion was 0.14299755 percent, which was an increase of 0.00365155 percent from its proportion measured as of June 30, 2022.

The pension expense recognized in the Borough's financial statements based on the April 1, 2023 billing was \$1,812,269.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021. This actuarial valuation used the following assumptions:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Inflation Rate		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases		
Through all future years	3.25% - 16.25%	3.25% - 16.25%
Investment Rate of Return	7.00%	7.00%

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

The actuarial assumptions used in the July 1, 2022 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, 2023

13. 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 and June 30, 2022 are summarized in the following table:

Asset Class	June 30, 2023		June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%	27.00%	8.12%
Non-U.S. Developed Markets Equity	12.75%	9.22%	13.50%	8.38%
International Small Cap Equity	1.25%	9.22%		
Emerging Markets Equity	5.50%	11.13%	5.50%	10.33%
Private Equity	13.00%	12.50%	13.00%	11.80%
Real Estate	8.00%	8.58%	8.00%	11.19%
Real Assets	3.00%	8.40%	3.00%	7.60%
High Yield	4.50%	6.97%	4.00%	4.95%
Private Credit	8.00%	9.20%	8.00%	8.10%
Investment Grade Credit	7.00%	5.19%	7.00%	3.38%
Cash Equivalents	2.00%	3.31%	4.00%	1.75%
U.S. Treasuries	4.00%	3.31%	4.00%	1.75%
Risk Mitigation Strategies	3.00%	6.21%	3.00%	4.91%
	<u>100.00%</u>		<u>100.00%</u>	

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. 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, 2023 and 2022. 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, 2023 and 2022, 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, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
Borough's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$22,013,821	\$15,799,489	\$10,624,435

	June 30, 2022		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
Borough's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$21,885,177	\$15,950,039	\$11,009,009

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. PENSION PLANS (continued)

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

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2023 and 2022, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$753,495	\$676,503	\$977,157	\$721,941
Changes of assumptions	1,066,844	34,101	2,007,795	43,713
Net difference between projected and actual earnings on pension plan investments		804,638		1,460,555
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	102,218	1,063,103	267,025	987,769
	<u>\$1,922,557</u>	<u>\$2,578,345</u>	<u>\$3,251,977</u>	<u>\$3,213,978</u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$655,788 will be recognized in pension expense by the Borough in future years.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

13. 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, 2023, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,911,240.

Borough's Proportionate Share of Net Pension Liability	\$15,799,489
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>2,911,240</u>
	<u><u>\$18,710,729</u></u>

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, 2023

14. 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.

15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As of December 31, 2023 and 2022, there were no deferred charges reflected on the balance sheets of the various funds of the Borough.

16. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2023 and 2022 are presented below:

	December 31, 2023	December 31, 2022
Receivables		
Current Fund	\$29,447	\$32,640
Federal and State Grant Fund	662,836	1,051,591
Other Trust Fund	153,338	
	<u>\$845,621</u>	<u>\$1,084,231</u>
Payables		
Current Fund	\$816,174	\$1,051,591
General Capital Fund	13,191	21,480
Animal Control Fund	16,256	11,160
	<u>\$845,621</u>	<u>\$1,084,231</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, 2023

17. 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.

18. 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.

19. 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, 2023

19. 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, 2023

19. 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, 2022 through June 30, 2023.

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, 2023

19. POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liability and Total OPEB Expense

As of June 30, 2023, the Plan reported a net OPEB liability of \$28,623,774 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, 2023, the Borough's proportionate share of the total net OPEB liability was 0.190742%. The Borough's net OPEB liability as of June 30, 2023, was determined by an actuarial valuation of the total OPEB liability amount as of July 1, 2022, as rolled forward to June 30, 2023, 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, 2023 was \$331,540.

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, 2023 and 2022 were \$1,062,995 and \$1,162,792, 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, 2023

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, 2022 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, 2023

19. POSTEMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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, 2023		
	1% Decrease 2.65%	At Current Discount Rate 3.65%	1% Increase 4.65%
Net OPEB Liability	\$33,155,453	\$28,623,774	\$24,978,736

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, 2023		
	1% Decrease 1.32%	Healthcare Cost Trend Rate 3.65%	1% Increase 4.65%
Net OPEB Liability	\$24,326,839	\$28,623,774	\$34,125,162

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

19. POSTEMPLOYMENT BENEFITS (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2023, the State reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	June 30, 2023	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	\$7,773,282	\$1,319,981
Changes of assumptions	8,091,024	3,707,853
Net difference between projected and actual earnings on OPEB plan investments	4,723	-
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	<u>1,134,391</u>	<u>10,925,749</u>
	<u><u>\$17,003,420</u></u>	<u><u>\$15,953,583</u></u>

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to OPEB, in the amount of \$1,049,837, will be amortized in OPEB expense.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

20. 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.

21. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring after December 31, 2023 and through October 3, 2024, which is the date the financial statements were available to be issued.

Authorization of Bonds and Notes

On August 14, 2024, the Borough adopted an ordinance to authorize the issuance of bonds and notes of \$3,238,550 to finance a portion of the costs providing for various capital improvements and the acquisition of various capital equipment.

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2023

	Ref.	
Balance, December 31, 2022	A	\$16,143,008
Increased by Receipts:		
Collector	A-5	\$58,705,902
Revenue Accounts Receivable	A-8	5,092,917
State of New Jersey (PL 1971, Ch.20)		54,718
Miscellaneous Revenue not Anticipated	A-2	738,598
Grants Receivable	A-13	197,173
Unappropriated Reserves	A-14	5,796
Municipal Relief Fund Aid		152,768
Due from General Capital Fund		21,480
Due to Other Trust Fund		58,523
Marriage License Fees		1,525
Training Fees		<u>29,796</u>
		<u>65,059,196</u>
		<u>81,202,204</u>
Decreased by Disbursements:		
Budget Appropriations	A-3	25,727,337
Appropriation Reserves	A-9	663,325
Local District School Tax	A-10	18,323,284
Regional High School Tax	A-11	11,491,662
Appropriated Reserves	A-14	180,724
County Taxes		8,145,115
Tax Appeals		201,777
Business Insurance Registration Fees		12,800
Reserve for Opioid Settlement		32,247
Training Fees		29,796
Marriage Licenses		1,525
Due to General Capital Fund		<u>13,191</u>
		<u>64,822,783</u>
Balance, December 31, 2023	A	<u>\$16,379,421</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF CURRENT CASH - COLLECTOR
Year Ended December 31, 2023

	<u>Ref.</u>	
Increased by Receipts:		
Taxes Receivable	A-6	\$58,331,020
Tax Title Liens	A-7	-
Prepaid Taxes		222,491
Revenue Accounts Receivable -		
Interest and Costs on Taxes	A-8	139,584
Tax Overpayments		<u>12,807</u>
		<u><u>\$58,705,902</u></u>
Decreased by Disbursements:		
Payment to Treasurer - Current Fund	A-4	<u><u>\$58,705,902</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, 2023

Year	Balance Dec. 31, 2022	2023 Levy	Added Taxes	Collection by Cash		Senior Citizens and Veterans Deductions	Canceled and Adjustments	Over- Payments Applied	Transferred to Tax Title Liens	Balance Dec. 31, 2023
				2022	2023					
Prior 2022	\$31									\$31
	553,466		\$250		\$553,716					
	553,497		250		553,716					31
2023	\$58,759,588		\$304,646	\$304,646	57,777,304	\$55,876	\$82,674	\$235,743	\$14,915	288,430
	<u>\$553,497</u>	<u>\$58,759,588</u>	<u>\$250</u>	<u>\$304,646</u>	<u>\$58,331,020</u>	<u>\$55,876</u>	<u>\$82,674</u>	<u>\$235,743</u>	<u>\$14,915</u>	<u>\$288,461</u>

Ref. A

A-5

A-7

A

Analysis of 2023 Property Tax Levy

Tax Yield:

General Purpose Tax	\$58,542,396
Added Taxes (54:4-63.1 Et Seq.)	217,192
Omitted Taxes (54:4-63.12 Et Seq.)	-
	<u>\$58,759,588</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, 2023

Analysis of 2023 Property Tax Levy (continued)

	<u>Ref.</u>	
Tax Levy:		
Local District School Tax	A-10	\$18,640,456
Regional High School Tax	A-11	12,102,489
County Taxes:		
County Tax		6,542,329
County Library Tax		473,238
County Open Space Tax		927,287
County Health Tax		130,292
Due to County for Added and Omitted Taxes		29,784
Total County Taxes		<u>8,102,930</u>
Local Tax for Municipal Purposes	A-2	19,712,870
Add: Additional Tax Levied		200,843
Local Tax for Municipal Purposes Levied		<u>19,913,713</u>
		<u>\$58,759,588</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$363,850
Increased by:		
Transfers from Taxes Receivable	A-6	<u>14,915</u>
Decreased by:		
Cash Receipts	A-5	<u>-</u>
Balance, December 31, 2023	A	<u><u>\$378,765</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
Year Ended December 31, 2023

	<u>Ref.</u>	<u>Balance Dec. 31, 2022</u>	<u>Accrued in 2023</u>	<u>Realized / Collected</u>	<u>Balance Dec. 31, 2023</u>
Alcoholic Beverage Licenses	A-2		\$40,938	\$40,938	
Other Licenses	A-2		20,398	20,398	
Fees and Permits	A-2		256,311	256,311	
Municipal Court Fines and Costs	A-2	\$9,281	174,124	170,544	\$12,861
Interest and Costs on Taxes	A-2		139,584	139,584	
Interest on Investments	A-2		606,810	606,810	
Energy Receipts Tax	A-2		1,474,739	1,474,739	
Municipal Relief Fund Aid	A-2		76,400	76,400	
Uniform Construction Code Fees	A-2		494,474	494,474	
Mechanical Garage - Eatontown Board of Education	A-2		9,693	9,693	
Senior Citizen Housing (In Lieu of Taxes)	A-2		202,000	202,000	
Borough Community Center Programs	A-2		456,370	456,370	
Uniform Fire Safety Act	A-2		92,112	92,112	
General Capital Fund Surplus	A-2		159,000	159,000	
Hotel Tax	A-2		531,830	531,830	
Cell Tower Agreements	A-2		308,332	308,332	
American Rescue Plan Act - Revenue Loss	A-2		415,000	415,000	
CATV Franchise Fees	A-2		90,465	90,465	
Contribution from Sewerage Authority	A-2		178,901	178,901	
		<u>\$9,281</u>	<u>\$5,727,481</u>	<u>\$5,723,901</u>	<u>\$12,861</u>

	<u>Ref.</u>	A	A
Collected by:			
Treasurer	A-4		\$5,092,917
Tax Collector:			
Interest and Costs on Taxes	A-5		139,584
Revenue Realized			491,400
		<u>\$5,723,901</u>	

**BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2023**

	Balance Dec. 31, 2022	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages:					
Administrative and Executive	\$10,861		\$10,861		\$10,861
Mayor and Council	1,403		1,403		1,403
Municipal Clerk	13,817		13,817		13,817
Purchasing Department	1,420		1,420		1,420
Financial Administration	1,733		1,733		1,733
Assessment of Taxes	4,230		4,230		4,230
Collection of Taxes	20,046		20,046		20,046
Municipal Prosecutor	4,800		4,800		4,800
Public Buildings and Grounds	12,596		12,596	\$1,188	11,408
Zoning Officer	2,393		2,393		2,393
Uniform Fire Safe	5,907		5,907	2,357	3,550
Police	462,137		462,137	16,598	445,539
Road Repair and Maintenance	126,563		126,563	66,798	59,765
Public Defender	4,489		4,489	4,489	
Health and Welfare	1,640		1,640		1,640
Housing Inspection	11,357		11,357	475	10,882
Recreation	9,134		9,134	1,024	8,110
Community Center		\$147	147	147	
Senior Citizen Programs	27,545	450	27,995	1,276	26,719
Inspection of Buildings	141,544		141,544	3,353	138,191
Adjustment Program	2,981		2,981		2,981
Aid to Privately Owned Library	18,074		18,074	7,700	10,374
Mechanical Garage - Eatontown					
Board of Education	4,000		4,000		4,000
Municipal Court - Tinton Falls	5,000		5,000		5,000
Other Expenses:					
Administrative and Executive	41,710	28,100	69,810	38,618	31,192
Labor Attorney	20,000		20,000		20,000
Mayor and Council	5,362	475	5,837	475	5,362
Advertising	9,576	1,163	10,739	325	10,414
Beautify Eatontown	680	572	1,252	110	1,142
Complete Streets	1,000		1,000		1,000
Elections	4,533	51	4,584	51	4,533
Municipal Clerk	5,257	1,049	6,306	1,049	5,257
Information Technology	45,500	7,657	53,157	8,131	45,026
Purchasing	15,681	150	15,831	615	15,216
Historical Association	157	270	427	270	157
Financial Administration	21,255	160	21,415		21,415

**BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2023**

	Balance Dec. 31, 2022	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Bond Registration Fees	\$2,400		\$2,400		\$2,400
Audit Services		\$54,050	54,050	\$54,050	
Assessment of Taxes	38,665	7,200	45,865	6,000	39,865
Collection of Taxes	2,686	1,406	4,092	1,406	2,686
Legal Services and Costs	44,628	\$1,688	46,316	13,251	33,065
Engineering Services and Costs:					
Miscellaneous	26,258	12,519	38,777	14,737	24,040
Public Buildings and Grounds	12,925	35,395	48,320	16,796	31,524
Planning Board	27,884	2,003	29,887	160	29,727
Board of Adjustment	18,058	450	18,508	450	18,058
Zoning Officer	22,660	1,322	23,982	1,074	22,908
Environmental Program	2,834		2,834	35	2,799
Green Team	2,500		2,500		2,500
Community Garden	1,962	1,555	3,517		3,517
Fire Hydrant Service	16,123		16,123	16,123	
Fire - Miscellaneous	11,054	16,526	27,580	15,323	12,257
Group Insurance	579,403	1,796	581,199	5,283	575,916
Health Benefit Waiver	21,303		21,303	3,062	18,241
Other Insurance	121,554		121,554		121,554
Workers Compensation	37,421	405	37,826	405	37,421
Uniform Fire Safety Act	3,577		3,577	90	3,487
Police	25,694	99,091	124,785	89,056	35,729
First Aid Contribution	19,779	26,652	46,431	22,418	24,013
Emergency Management Services	2,570	2,130	4,700	2,130	2,570
Road Repair and Maintenance	232,531	144,115	376,646	93,870	282,776
Snow Removal	13,500		13,500		13,500
Municipal Court	11,330		11,330		11,330
Street Lighting	29,836		29,836	5,077	24,759
Monmouth County Reclamation	6,419		6,419		6,419
Sanitation - Residential Collection	48,561		48,561	48,561	
Health and Welfare	4,800		4,800		4,800
Housing Inspection	179		179		179
Animal Control	3,459	1,538	4,997	3,038	1,959
Recreation	7,606	10,327	17,933	9,961	7,972
Celebration of Public Events	9,795	280	10,075	435	9,640
Community Center	6,627	5,670	12,297	5,438	6,859
Youth Committee	980	200	1,180	102	1,078
Senior Citizen's Programs	2,179	3,114	5,293	3,032	2,261
Inspection of Buildings	7,502	3,027	10,529	2,997	7,532

**BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
Year Ended December 31, 2023**

	Balance Dec. 31, 2022	Reserve for Encumbrances	Balance After Transfers	Paid or Charged	Balance Lapsed
Other Expenses (continued):					
Tuition Reimbursement	\$23,500		\$23,500		\$23,500
Employee Sick Time Buy - Back	40,000		40,000		40,000
Electricity	32,524		32,524	\$846	31,678
Telephone	14,766	\$17	14,783	8,056	6,727
Water	11,476		11,476	719	10,757
Natural Gas	18,343	5,212	23,555	14,124	9,431
Contingent	3,250		3,250		3,250
Social Security System (O.A.S.I.)	23,223		23,223		23,223
Defined Contribution Retirement	4,382		4,382		4,382
Unemployment Compensation	30,000		30,000	3,376	26,624
Aid to Privately Owned Library	7,872	1,739	9,611		9,611
State Recycling Tax	14,800		14,800	1,104	13,696
9-1-1 System	25,000		25,000		25,000
Length of Service Award Program - Fire	50,000		50,000	29,700	20,300
Length of Service Award Program - First Aid	20,000		20,000		20,000
Matching Funds for Grants	30,000		30,000		30,000
Improvements to Parks	57,330		57,330	57,330	
	<u>\$2,898,089</u>	<u>\$479,669</u>	<u>\$3,377,758</u>	<u>\$704,664</u>	<u>\$2,673,094</u>

Ref.	A	A-12	A-1
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Disbursed Accounts Payable	Ref.	\$663,325
	A-4	
	A	41,339
		<u>\$704,664</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
Year Ended December 31, 2023

	<u>Ref.</u>
Balance, December 31, 2022:	
School Tax Deferred	\$8,377,132
Increased by:	
Levy - School Year July 1, 2023 to June 30, 2024	A-6
	18,640,456
	27,017,588
Decreased by:	
Payments	A-4
	18,323,284
Balance, December 31, 2023:	
School Tax Deferred	\$8,694,304
 <u>2023 Liability for Local District School Tax:</u>	
Tax Paid and Charged to 2023 Operations	A-10:A-1
	\$18,323,284

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022:		
School Tax Payable	A	\$1
School Tax Deferred		<u>5,440,417</u>
		\$5,440,418
Increased by:		
Levy - School Year July 1, 2023 to June 30, 2024	A-6	<u>12,102,489</u>
		<u>17,542,907</u>
Decreased by:		
Payments	A-4	<u>11,491,662</u>
Balance, December 31, 2023:		
School Tax Payable	A	1
School Tax Deferred		<u>6,051,244</u>
		<u>\$6,051,245</u>
<u>2023 Liability for Regional High School Tax:</u>		
Tax Paid and Charged to 2023 Operations	A-11:A-1	<u>\$11,491,662</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$479,669
Increased by:		
Transferred from 2023 Appropriations	A-3	<u>562,427</u>
		<u>1,042,096</u>
Decreased by:		
Transfer to Appropriation Reserves	A-9	<u>479,669</u>
Balance, December 31, 2023	A	<u><u>\$562,427</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2023

Grant	Ref.	Balance Dec. 31, 2022	2023 Anticipated Revenue	Cash Receipts	Unappropriated Reserves Realized	Canceled	Balance Dec. 31, 2023
Municipal Alliance on Alcoholism and Drug Abuse	A-2	\$32,249	\$11,955	\$10,730			\$33,474
DCA/REC Individuals with Disabilities	A-2	20,119	20,000	19,955			20,164
Safe and Secure Communities Program	A-2	16,200	32,400	40,500			8,100
Clean Communities Program	A-2		32,211	32,211			
Bulletproof Vest	A-2		2,291	2,291			
Recycling Tonnage	A-2		26,103	26,103			
Distracted Driving Crackdown	A-2	210	7,902		\$7,902		210
NJ DOT - Downtown Eatontown Greenway Project		275,000					275,000
Body Worn Camera		25,475					25,475
Body Armor Fund	A-2		2,863		2,863		
New Jersey American Water EMS	A-2		1,962	1,962			
National Opioid Settlement	A-2		48,421	48,421			
American Rescue Plan Act - Husky Brook Pond Study	A-2		7,495		7,495		
Local Recreation Improvement Grant	A-2		33,000				33,000
Coronavirus Local Fiscal Recovery Fund - Downtown Greenway Project	A-2		41,907		41,907		
Coronavirus Local Fiscal Recovery Fund - CS Workforce Software	A-2		11,172		11,172		
NJDEP Stormwater Assistance	A-2		15,000	15,000			
Coronavirus Local Fiscal Recovery Fund - Downtown Redevelopment Project	A-2		8,580		8,580		
		\$369,253	\$303,262	\$197,173	\$79,919	-	\$395,423

Ref.**A****A-4****A-15****A-1****A**

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, 2023

Grant	Balance	2023	Balance
	Dec. 31, 2022	Budget	Dec. 31, 2023
	Appropriations	Cancelled/ Adjustments	Expended
Municipal Alcohol Education/Rehabilitation Program	\$4,613		\$4,613
Drunk Driving Enforcement Fund	4,189		4,189
Municipal Alliance on Alcoholism and Drug Abuse	24,743	\$11,955	\$14,599
DCA/REC Individuals with Disabilities	10,958	24,000	23,120
Clean Communities Program	13,163	32,211	20,617
Safe and Secure Communities Program	8,100	32,400	40,500
Bulletproof Vest		2,291	2,291
Recycling Tonnage	143,576	26,103	27,024
NJ DOT - Downtown Eatontown Greenway Project	63,215		22,351
Body Worn Camera	26,678		26,678
American Rescue Plan Act - Wampum Flood Study	57,528		57,528
American Rescue Plan Act - Arboretum Drainage Study	10,115		10,115
Distracted Driving Crackdown	210	7,902	8,112
National Opioid Settlement		48,421	48,421
American Rescue Plan - Husky Brook Pond Study		7,495	7,495
Local Recreation Improvement Grant		33,000	33,000
New Jersey American Water EMS		1,962	1,962
NJDEP Stormwater Assistance		15,000	15,000
Body Armor Fund		2,863	2,863
American Rescue Plan - Downtown Greenway Project		41,907	41,907
American Rescue Plan - VCS Workforce Software		11,172	11,172
American Rescue Plan - Downtown Redevelopment Plan		8,580	8,580
Rounding	2	\$2	
	<u>\$367,088</u>	<u>\$307,264</u>	<u>\$245,063</u>
Ref.	A	A-3	A

Ref.	Ref.
Cash Disbursed	A-4
Encumbrances Payable	A

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
Year Ended December 31, 2023

Grant	Balance Dec. 31, 2022	Cash Receipts	Appropriated	Balance Dec. 31, 2023
American Rescue Plan Act	\$1,042,991		\$484,154	\$558,837
Body Armor Fund	2,863	\$3,379	2,863	3,379
Distracted Driving Crackdown	7,902		7,902	
National Opioid Settlement		2,417		2,417
	<u>\$1,053,756</u>	<u>\$5,796</u>	<u>\$494,919</u>	<u>\$564,633</u>

Ref. **A** **A-4** **A**

<u>Federal and State Grant Receivable</u>	<u>Ref.</u>
Transfer to Current Fund	A-13
	\$79,919
	<u>415,000</u>
	<u>\$494,919</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2023

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance, December 31, 2022	B	<u>\$25,037</u>	<u>\$6,052,664</u>
Increased by Receipts:			
Dog License Fees	B-2	2,691	
Other Fees	B-2	318	
State Dog License Fees		536	
Prepaid Licenses		1,573	
Various Deposits	B-3	<u>5,118</u>	<u>2,729,194</u>
		<u>5,118</u>	<u>2,729,194</u>
Decreased by Disbursements:			
State Dog License Fees		538	
Due from Current Fund			153,338
Expenditures Under			
R.S. 4:19-15.11	B-2	420	
Various Deposits	B-3	<u>958</u>	<u>2,017,236</u>
		<u>958</u>	<u>2,017,236</u>
		<u>958</u>	<u>2,170,574</u>
Balance, December 31, 2023	B	<u>\$29,197</u>	<u>\$6,611,284</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$11,327
Increased by:		
2023 Budget Appropriation		-
Dog License Fees Collected in 2023	B-1	\$2,691
Prepaid Revenue Realized		1,380
Other Fees	B-1	<u>318</u>
		<u>4,389</u>
		<u>15,716</u>
Decreased by:		
Expenditures Under R.S. 4:19-15.11:		
Cash	B-1	420
Statutory Excess Due to Current Fund		<u>5,097</u>
		<u>5,517</u>
Balance, December 31, 2023	B	<u><u>\$10,199</u></u>

License Fees Collected:	<u>Year</u>	<u>Amount</u>
	2022	\$4,842
	2021	5,357
		<u><u>\$10,199</u></u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
SCHEDULE OF RESERVE FOR OTHER TRUST FUND DEPOSITS
Year Ended December 31, 2023

Purpose	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
Developer's Escrow	\$1,203,690	\$479,819	\$588,485	\$1,095,024
Security Deposits	102,900	37		102,937
Law Enforcement	7,648	1,635		9,283
Unemployment	43,213			43,213
Municipal Alliance	4,069	6,148	3,121	7,096
Public Defender	13,353	23,564	8,645	28,272
Police Outside Employment	257,595	234,593	215,353	276,835
Recreation Contributions	318,433	13,486	260,467	71,452
Uniform Fire Safety Penalties	43,650	13,385	17,793	39,242
Premium on Tax Sale	623,318	1,011,985	603,020	1,032,283
POAA	9,785	556		10,341
Fire Contributions	4,935	3,361	3,360	4,936
Affordable Housing	2,931,565	591,937	119,459	3,404,043
Other Contributions	54,625	2,341	13,957	43,009
Accumulated Absences	310,961	300,000	161,667	449,294
Historical Museum Donations	9,117	500		9,617
Recycling	130			130
Storm Recovery	91,029	28,000	16,730	102,299
Disposal of Forfeited Property	22,648	3,847	5,179	21,316
Active Shooter		14,000		14,000
	<u>\$6,052,664</u>	<u>\$2,729,194</u>	<u>\$2,017,236</u>	<u>\$6,764,622</u>

Ref. **B** **B-1** **B-1** **B**

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, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$676,892
Increased by:		
Borough Contributions	B-5	\$36,450
Change in Market Value	B-5	<u>94,311</u>
		<u>130,761</u>
		<u>807,653</u>
Decreased by:		
Distributions	B-5	36,611
Return of Non-Vested Funds	B-5	-
Change in Market Value	B-5	-
Administrative Charges	B-5	<u>1,679</u>
		<u>38,290</u>
Balance, December 31, 2023	B	<u><u>\$769,363</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, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$676,892
Increased by:		
Borough Contributions	B-4	\$36,450
Change in Market Value	B-4	<u>94,311</u>
		<u>130,761</u>
		807,653
Decreased by:		
Distributions	B-4	36,611
Return of Non-Vested Funds	B-4	-
Change in Market Value	B-4	-
Administrative Charges	B-4	<u>1,679</u>
		<u>38,290</u>
Balance, December 31, 2023	B	<u>\$769,363</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$9,037,760
Increased by Receipts:		
Budget Appropriation:		
Capital Improvement Fund	C-4	\$193,995
Grants Receivable	C-11	386,838
Bond Anticipation Notes	C-7	1,402,722
Due to Current Fund		13,191
Premium on Bonds Issued	C-1	-
		<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
		1,996,746
		<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
		11,034,506
Decreased by Disbursements:		
Improvement Authorizations	C-5	1,828,803
Due to Current Fund		21,478
Payment to Current Fund as Anticipated Revenue	C-1	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/> 159,000
		<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
		2,009,281
Balance, December 31, 2023	C	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/> <u>\$9,025,225</u>

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
December 31, 2023

	Balance
	Dec. 31, 2023
Fund Balance	\$200
Capital Improvement Fund	136,217
Reserve for Encumbrances	3,457,479
Grants Receivable	(2,568,139) *
Reserve for Asset Acquisitions	27,500
Due to Current Fund	13,191

Improvement Authorizations:

Ordinance

Number	Improvement Description	Ref.
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 46,632
09-2017/02-2018	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5 49,893
04-2018/02-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5 214,333
08-2018	Various Capital Improvements	C-5 466,157
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5 539,519
16-2019	Various Capital Improvements	C-5 26,313
07-2020	General Capital Improvements	C-5 348,861
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	C-5 571,783
18-2021	Various Capital Improvements	C-5 304,496
14-2022	Various 2022 General Capital Improvements	C-5 348,000
20-2023	Various Capital Improvements	C-5 2,520,550
21-2023	Various Capital Improvements and Acquisitions	C-5 <u>2,508,205</u> <u>\$9,025,225</u>

Ref. C

* Denotes Deduction

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2023

	<u>Ref.</u>
Balance, December 31, 2022	C \$16,050
Increased by:	
2023 Budget Appropriation	C-2 193,995
	<hr/> 210,045
Decreased by:	
Appropriated to Finance Improvement Authorizations	C-5 73,828
Balance, December 31, 2023	<hr/> C \$136,217

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, 2023

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2022			2023 Authorizations	Paid or Charged	Authorizations Canceled	Balance Dec. 31, 2023	
			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		\$371,142			46,632
09-2017/02-2018	Various Capital Improvements and the Acquisition of Various Capital Equipment	8,165,000	49,893		367,031		367,031			49,893
04-2018/02-2020	Various Capital Improvements and the Acquisition of Various Capital Equipment	1,904,160	214,333							214,333
08-2018	Various Capital Improvements	1,122,791	502,137		187,263		223,243			466,157
15-2019	Various Capital Improvements and the Acquisition of Various Capital Equipment	3,615,053	572,349		778,437		811,267			539,519
07-2020	Various Capital Improvements	278,558	26,313		108,768		108,768			26,313
14-2021	Various 2020 General Capital Improvements	2,029,402	349,841		425,188		426,168			348,861
18-2021	Various Capital Improvements	9,246,446	3,283,917	\$2,133,000	2,542,697		887,831	\$6,500,000		571,783
14-2022	Various 2022 General Capital Improvements	369,287	304,496		9,920		9,920			304,496
20-2023	Various Capital Improvements	2,747,100		1,624,322	909,445		222,117	1,963,650		348,000
21-2023	Various Capital Improvements and Acquisitions	2,520,550				\$2,520,550			1,117,828	\$1,402,722
		4,367,000				4,367,000	1,858,795		2,508,205	
			\$5,363,946	\$3,757,322	\$5,699,891	\$6,887,550	\$5,286,282	\$8,463,650	\$6,556,055	\$1,402,722
	Ref.		C	C	C				C	C

Reappropriation of Improvement Authorizations
 Deferred Charges to Future Taxation - Unfunded
 Grants Receivable
 Capital Improvement Fund

Ref.	C-5	\$4,367,000	Ref.	C-5	\$4,367,000
	C-10	1,402,722			4,096,650
	C-11	1,044,000			-
	C-4	73,828			-
			\$6,887,550		\$8,463,650

Cash Disbursements
 Reserve for Encumbrances

Ref.	C-2	\$1,828,803
	C	3,457,479
		\$5,286,282

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2023			Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount	Interest Rate				
General Improvement	12/9/14	\$3,775,000				\$500,000		\$500,000	
General Improvement	3/2/16	2,325,000	12/1/24	\$305,000	5.00%	1,255,000		295,000	\$960,000
			12/1/25	320,000	5.00%				
			12/1/26	335,000	5.00%				
General Improvement	1/9/18	3,640,000	1/15/24	315,000	5.00%	2,620,000		270,000	2,350,000
			1/15/25	330,000	5.00%				
			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	12/1/24	515,000	5.00%	5,225,000		400,000	4,825,000
			12/1/25	540,000	5.00%				
			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%				
			12/1/30	800,000	5.00%				

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2023			Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount						
General Improvement	12/22/22	\$7,030,000	12/1/24	\$315,000	5.00%	\$7,030,000			\$310,000	\$6,720,000
			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%					
						\$16,630,000	-		\$1,775,000	\$14,855,000

Ref. C C

**Issued for Cash
Paid by Budget
Appropriation** C-9

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
Year Ended December 31, 2023

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF LEASE OBLIGATIONS PAYABLE
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$84,000
Increased by:		
Lease Obligations Authorized		- 84,000
Decreased by:		
Paid by Budget Appropriation		<u>41,000</u>
Balance, December 31, 2023	C	<u>\$43,000</u>

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, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	C	<u>\$16,630,000</u>
Increased by:		
Improvement Costs Funded by:		-
General Serial Bonds Issued		<u>\$16,630,000</u>
Decreased by:		
Budget Appropriation to Pay Bonds:		
General Serial Bonds	C-6	<u>1,775,000</u>
Balance, December 31, 2023	C	<u><u>\$14,855,000</u></u>

**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, 2023**

Ordinance Number	Improvement Description	Balance Dec. 31. 2022	2023 Authoriza- tions	Authoriz- ations Canceled	Funded by Premium on Serial Bonds Issued	Transferred to Deferred Taxation - Funded	Analysis of Balance December 31, 2023		
							Balance Dec. 31. 2023	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	\$2,133,000			\$2,133,000				
14-2022	Various 2022 General Capital Improvements	1,963,650			1,963,650				
20-2023	Various Capital Improvements		\$1,402,722				\$1,402,722	\$1,402,722	
		<u>\$4,096,650</u>	<u>\$1,402,722</u>	<u>\$4,096,650</u>	<u>-</u>	<u>-</u>	<u>\$1,402,722</u>	<u>\$1,402,722</u>	<u>-</u>
			<u>Ref.</u>	C	C-5	C-5			C

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
Year Ended December 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$1,910,977
Increased by:		
Ordinance Number 20-2023 for Various Capital Improvements	C-5	1,044,000
		<u>2,954,977</u>
Decreased by:		
Cash Receipts	C-2	386,838
Balance, December 31, 2023	C	<u>\$2,568,139</u>

Detail:

Ordinance Number	Description	
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	447,713
04-2018/02-2020	Monmouth County Open Space for Various Capital Improvements and the Acquisition of Various Capital Equipment	60,000
07-2020	N.J.D.O.T. for Various 2020 General Capital Improvements	370,294
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	449,068
14-2022	Monmouth County Open Space Program for Various 2022 General Capital Improvements	48,000
20-2023	N.J.D.O.T. for Various Capital Improvements	384,000
20-2023	Monmouth County Open Space Program for Various Capital Improvements	60,000
20-2023	Captain Janes H. Gurbisz Park Program for Various Capital Improvements	600,000
		<u>\$2,568,139</u>

See Independent Auditor's Report

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authoriza- tions	Bond Anticipa- tion	Notes Issued	Authorizations Cancelled	Balance Dec. 31, 2023
14-2021	Various Capital Improvements and the Acquisition of Various Capital Equipment	\$2,133,000				\$2,133,000	
14-2022	Various 2022 General Capital Improvements	1,963,650				1,963,650	
20-2023	Various Capital Improvements	<u>\$4,096,650</u>	<u>\$1,402,722</u>	<u>\$1,402,722</u>	<u>\$1,402,722</u>	<u>\$4,096,650</u>	<u>\$0</u>
		Ref.	(Footnote C)	C-5			(Footnote C)

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, 2023

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

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2023

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, 2023

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, 2023 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 2023 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 2023 tax sale was held on October 16, 2023 and was complete.

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

2023	17
2022	13
2021	13

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2023

SUMMARY OF MUNICIPAL DEBT

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Issued</u>			
General bonds and notes	\$16,257,722	\$16,630,000	\$18,929,276
Less:			
Funds on hand to pay bonds and notes	-	-	-
Net debt issued	16,257,722	16,630,000	18,929,276
<u>Authorized but not Issued</u>			
General bonds and notes	-	4,096,650	2,133,001
Net bonds and notes issued and authorized but not issued	<u>\$16,257,722</u>	<u>\$20,726,650</u>	<u>\$21,062,277</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 0.515%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School	\$15,715,000	\$15,715,000	-
Regional School	14,455,697	14,455,697	-
General Debt	<u>17,724,250</u>	<u>1,466,528</u>	<u>\$16,257,722</u>
	<u>\$1,466,528</u>	<u>\$31,637,225</u>	<u>\$16,257,722</u>

Net Debt \$16,257,722 divided by Equalized Valuation basis per N.J.S. 40A:2-2 as amended, \$3,156,569,375 equals 0.515%.

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

3½% of Equalized Valuation Basis	\$110,479,928
Net Debt	<u>16,257,722</u>
Remaining Borrowing Power	<u>\$94,222,206</u>

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2023

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION AND APPORTIONMENT

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Municipal	.664	.768	.826
Local School	.628	.703	.747
Regional School	.408	.424	.425
County	.271	.276	.302
Total tax rate	<u><u>\$1.971</u></u>	<u><u>\$2.171</u></u>	<u><u>\$2.300</u></u>

ASSESSED VALUATIONS

2023	\$2,970,187,411
2022	2,566,789,392
2021	2,371,170,730

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 Collections</u>	<u>Percentage of Collections</u>
2023	\$58,759,588	\$58,373,569	99.34%
2022	56,290,686	55,596,045	98.77%
2021	54,803,352	54,331,205	99.14%

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>2023</u>	<u>2022</u>	<u>2021</u>
Tax title liens	\$378,765	\$363,850	\$163,440
Delinquent taxes	<u><u>288,461</u></u>	<u><u>553,497</u></u>	<u><u>346,969</u></u>
Total delinquent	<u><u>\$667,226</u></u>	<u><u>\$917,347</u></u>	<u><u>\$510,409</u></u>
% of tax levy	1.14%	1.63%	0.93%

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2023

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>
2023	\$201,300
2022	201,300
2021	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>
2023	\$10,610,164	\$5,600,000
2022	10,608,851	5,800,000
2021	9,149,959	4,800,000

BOROUGH OF EATONTOWN
COMMENTS
YEAR ENDED DECEMBER 31, 2023

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office as of December 31, 2023:

<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
Mark Regan, Jr.	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, 2023

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

Other Internal Control and Compliance Matters

There are no current year recommendations.

Status of Prior Year Recommendations

There were no prior year recommendations.