

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE
YEAR ENDED DECEMBER 31, 2025**

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COUNTY OF MONMOUTH, NEW JERSEY
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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF RUMSON
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**



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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Council
Borough of Rumson
Rumson, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Rumson, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2025 and 2024, and the related statement of operations and changes in fund balance – regulatory basis for the years then ended and the statement of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2025, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Rumson, as of December 31, 2025 and 2024, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2025, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles 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 of Rumson, as of December 31, 2025 and 2024, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Rumson's basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section 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, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2026, on our consideration of the Borough of Rumson's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Rumson's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rumson's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
May 7, 2026



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**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**

Honorable Mayor and Members
of the Borough Council
Borough of Rumson
Rumson, 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Rumson, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough of Rumson basic financial statements, and have issued our report thereon dated May 7, 2026. Our report indicated that the Borough of Rumson's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

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

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 have not been identified.

BASIC FINANCIAL STATEMENTS

**BOROUGH OF RUMSON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024**

	REFERENCE	2025	2024
ASSETS			
Current Fund:			
Cash	A-4	\$ 20,786,084.29	\$ 15,995,995.46
Change Fund	A	400.00	300.00
Investment in BAN's	A-21	4,500,000.00	5,080,952.00
Due from State of NJ - Homestead Rebate	A	1.00	1.00
Subtotal Current Fund		25,286,485.29	21,077,248.46
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	352,613.75	380,464.78
Sewer Fees Receivable	A-7	23,503.13	34,431.85
Revenue Accounts Receivable	A-8	5,286.90	28,175.00
Due From Rumson Board of Education	A-22	33,497.78	7,498.98
Due from Rumson Fair Haven Board of Education	A-23	8,788.39	4,270.00
Due from Police Outside Employment	A-24	-	61,965.00
Due From Animal Control Fund	A	4,136.16	7,782.75
Due From General Capital Fund	A-26	-	2,998,457.00
Due From Trust - Other Fund	A-9	-	31,412.50
Due From Recreation Fund	A	-	23,730.28
Total Receivables & Other Assets With Full Reserves		427,826.11	3,578,188.14
Total Current Fund		25,714,311.40	24,655,436.60
State and Federal Grant Funds:			
Due From Current Fund	A-27	244,168.97	185,821.14
Grants Receivable	A-28	23,877.72	84,439.04
Total State & Federal Grants		268,046.69	270,260.18
Total Assets		\$ 25,982,358.09	\$ 24,925,696.78

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,800,000.00	\$ 2,635,000.00
Miscellaneous Revenue Anticipated	5,260,528.65	5,082,664.87
Receipts From Delinquent Taxes	380,464.78	410,021.40
Receipts From Current Taxes	63,278,384.60	61,241,599.47
Non-Budget Revenue	140,324.12	89,055.26
Cancellation of:		
Unexpended Balances of Appropriation Reserves	1,890,884.78	1,700,935.15
Adjustment for Rumson BOE	-	10,420.00
Grant Cancellations	731.81	-
Statutory Excess-Animal Control	4,136.16	3,699.95
Interfunds Returned	3,053,599.78	-
	<hr/>	<hr/>
Total Revenues	76,809,054.68	71,173,396.10
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	6,143,446.00	1,893,305.00
Other Expenses	9,308,529.31	13,034,070.16
Capital Improvements	2,812,419.85	2,718,292.00
Municipal Debt Service	1,399,594.29	1,031,707.28
Deferred Charges and Statutory Expenditures	1,557,728.35	1,513,980.00
County Taxes	12,628,507.79	11,739,739.14
County Share of Added Taxes	68,553.27	76,598.68
Local School District Tax	20,702,035.00	19,876,527.00
Regional High School Tax	15,093,397.00	15,364,537.00
Prior Year Refunds	2,965.94	333.11
Interfunds Advanced	30,517.19	3,053,774.73
	<hr/>	<hr/>
Total Expenditures	69,747,693.99	70,302,864.10
Statutory Excess To Fund Balance	7,061,360.69	870,532.00
Fund Balance, January 1	<hr/>	<hr/>
	12,886,438.76	8,460,078.07
Decreased By:		
Utilization as Anticipated Revenue	<hr/>	<hr/>
	2,800,000.00	2,635,000.00
Fund Balance, December 31	<hr/> <hr/>	<hr/> <hr/>
	\$ 10,086,438.76	\$ 5,825,078.07

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 63,278,384.60
Allocated To School and County Taxes	<u>48,492,493.06</u>
Balance for Support of Municipal Budget Appropriations	14,785,891.54
Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,255,407.11</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 16,041,298.65</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 380,464.78</u>
	<u><u>\$ 380,464.78</u></u>

Fees & Permits:

Street Openings	\$ 20,690.50
Grading Plans	27,550.00
Police Department	10,281.37
Boat Launching Permits	40,021.75
Garage Sale Permits	270.00
Marriage Registrar Fees	221.00
Board Application Fees	26,480.00
Vital Statistics	1,750.00
200' List of Names	590.00
Tree Removal Permit	14,430.00
Sewer Disconnect Fees	44,100.00
Zoning Permit Fees	20,080.00
Landscaper Permits	6,795.00
Rental Property Reg.	4,775.00
Television/Movie Productions	<u>5,250.00</u>
	<u><u>\$ 223,284.62</u></u>

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriations		Expended				
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
General Appropriations Operations - Within "CAPS"	\$		\$	\$		\$	
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	279,363.00	-	279,363.00	264,815.76	-	14,547.24	\$
Other Expenses	195,500.00	-	195,500.00	157,058.69	13,219.98	25,221.33	-
Municipal Clerk:							
Salaries and Wages	170,213.00	-	170,213.00	145,712.64	-	24,500.36	-
Other Expenses	13,000.00	-	13,000.00	10,242.18	500.00	2,257.82	-
Elections	4,000.00	-	4,000.00	3,102.00	800.00	98.00	-
Financial Administration (Treasury):							
Salaries and Wages	191,501.00	-	186,501.00	180,833.40	-	5,667.60	-
Other Expenses	43,000.00	-	48,000.00	41,583.22	4,642.82	1,773.96	-
Audit Services:							
Other Expenses	57,000.00	-	57,000.00	56,550.00	1.00	449.00	-
Revenue Administration (Tax Collection):							
Salaries and Wages	84,001.00	-	84,001.00	84,000.00	-	1.00	-
Other Expenses	18,000.00	-	18,000.00	14,448.10	-	3,551.90	-
Tax Assessment Administration:							
Salaries and Wages	66,875.00	-	66,875.00	66,874.80	-	0.20	-
Other Expenses	65,000.00	-	65,000.00	10,472.70	78.95	54,448.35	-
Records Retention and Disposal:							
Other Expenses	2,500.00	-	2,500.00	-	-	2,500.00	-
Legal Services (Legal Department):							
Other Expenses	250,000.00	-	125,000.00	41,705.57	4,746.02	78,548.41	-
Engineering Services:							
Salaries and Wages	322,560.00	-	322,560.00	322,559.76	-	0.24	-
Other Expenses	125,000.00	-	125,000.00	52,528.51	21,005.00	71,466.49	-
Accumulated Leave	6,500.00	-	6,500.00	6,500.00	-	-	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriations		Expended			Cancelled
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	
PUBLIC WORKS						
Streets and Road Maintenance:						
Salaries and Wages	1,269,885.00	-	1,269,885.00	1,198,077.38	-	71,807.62
Other Expenses	190,000.00	-	190,000.00	109,040.20	26,944.30	54,015.50
Sewer System:						
Salaries and Wages	105,000.00	-	105,000.00	72,896.56	-	32,103.44
Other Expenses	345,000.00	-	345,000.00	218,914.12	6,226.69	119,859.19
Shade Tree Commission:						
Other Expenses	35,000.00	-	35,000.00	18,414.05	4,498.00	12,087.95
Storm Drain Cleaning	1,000.00	-	1,000.00	-	-	1,000.00
Stormwater Management	1,000.00	-	1,000.00	-	-	1,000.00
Solid Waste Collection:						
Contractual	621,000.00	-	621,000.00	579,375.00	24,750.00	16,875.00
Buildings and Grounds:						
Other Expenses	82,500.00	-	82,500.00	26,011.17	2,735.93	53,752.90
Property Lease	8,800.00	-	8,800.00	7,456.29	-	1,343.71
Vehicle Maintenance (Including Police Vehicles):						
Other Expenses	175,000.00	-	175,000.00	142,776.43	10,463.83	21,759.74
CODE ENFORCEMENT AND ADMINISTRATION						
Construction Code Official:						
Salaries and Wages	272,113.00	-	272,113.00	264,862.08	-	7,250.92
Other Expenses	39,275.00	-	39,275.00	12,723.35	426.46	26,125.19
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Other Expenses	90,500.00	-	90,500.00	90,297.12	-	202.88
Contractual	1,200.00	-	1,200.00	181.25	46.25	972.50

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriations		Budget After Modification	Expended			
	Original Budget	Special N.J.S. 40A:4-87		Expended	Encumbered	Reserved	Cancelled
Detail:							
Salaries and Wages	5,808,963.00	-	5,818,963.00	5,498,133.27	-	62,281.80	-
Other Expenses (Including Contingent)	7,115,647.00	-	7,105,647.00	5,592,188.05	376,334.61	1,395,672.27	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"							
Overexpenditure of a Trust Fund - Police Off Duty	11,685.35		11,685.35	11,685.35	-	-	-
STATUTORY EXPENDITURES							
Contribution To:							
Public Employees' Retirement System	470,596.00	-	470,596.00	470,595.12	-	0.88	-
Social Security System (O.A.S.I.)	350,000.00	-	350,000.00	292,304.14	-	57,695.86	-
Police and Firemen's Retirement System	724,297.00	-	724,297.00	724,296.47	-	0.53	-
Defined Contribution Plan	1,150.00	-	1,150.00	-	-	1,150.00	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,557,728.35	-	1,557,728.35	1,498,881.08	-	58,847.27	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	14,482,338.35	-	14,482,338.35	12,589,202.40	376,334.61	1,516,801.34	-
Expenditures - Excluded From "CAPS":							
Aid To Oceanic Library (N.J.S.A. 40:54-35)	75,000.00	-	75,000.00	75,000.00	-	-	-
Employee Group Health Insurance	84,320.00	-	84,320.00	84,320.00	-	-	-
Sewer Authority - Share of Cost	1,811,695.00	-	1,811,695.00	1,510,729.18	-	300,965.82	-
LOSAP	51,600.00	-	51,600.00	-	-	51,600.00	-
General Liability	8,495.00	-	8,495.00	8,495.00	-	-	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Appropriations		Budget After		Expended		
	Original Budget	Special N.J.S. 40A:4-87	Modification	Expended	Encumbered	Reserved	Cancelled
PUBLIC AND PRIVATE PROGRAMS OFFSET							
BY REVENUES							
Matching for Grants	5,000.00	-	5,000.00	-	-	5,000.00	-
Recycling Tonnage Grant	12,775.78	-	12,775.78	12,775.78	-	-	-
Clean Communities Program	23,110.53	-	23,110.53	23,110.53	-	-	-
Police Body Armor Grant	1,573.95	-	1,573.95	1,573.95	-	-	-
Drunk Driving Enforcement	5,148.39	-	5,148.39	5,148.39	-	-	-
Alcohol Education Rehab	-	412.66	412.66	412.66	-	-	-
Total Operations - Excluded From "CAPS"	2,526,952.65	412.66	2,527,365.31	2,063,442.49	51,524.52	412,398.30	-
Detail:							
Salaries and Wages	324,483.00	-	324,483.00	308,522.08	-	15,960.92	-
Other Expenses	2,202,469.65	412.66	2,202,882.31	1,754,920.41	51,524.52	396,437.38	-
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	2,750,405.00	-	2,750,405.00	2,750,405.00	-	-	-
Purchase of EMS Vehicle	62,014.85	-	62,014.85	62,014.85	-	-	-
Total Capital Improvements - Excluded From "CAPS"	2,812,419.85	-	2,812,419.85	2,812,419.85	-	-	-
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	540,000.00	-	540,000.00	540,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	700,000.00	-	700,000.00	700,000.00	-	-	-
Interest on Bonds	109,000.00	-	109,000.00	108,588.76	-	-	411.24
Green Trust Loan Program:							
Loan Repayments for Principal and Interest	51,006.00	-	51,006.00	51,005.53	-	-	0.47
Total Municipal Debt Service - Excluded From "CAPS"	1,400,006.00	-	1,400,006.00	1,399,594.29	-	-	411.71

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024**

ASSETS	REFERENCE	2025	2024
Animal Control Fund:			
Cash	B-2	\$ 23,767.16	\$ 29,691.35
Total Animal Control Fund		<u>23,767.16</u>	<u>29,691.35</u>
Trust - Other Funds			
Cash - Treasurer	B-2	4,593,704.03	4,178,701.71
Deferred Charge - Overexpenditure of Trust Fund	B-6	-	11,685.35
Total Trust Other Fund		<u>4,593,704.03</u>	<u>4,190,387.06</u>
Recreation Commission:			
Cash - Treasurer	B-2	399,803.16	685,389.19
Total Recreation Commission		<u>399,803.16</u>	<u>685,389.19</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments	B-10	1,059,270.63	982,904.12
Total Assets		<u>\$ 6,076,544.98</u>	<u>\$ 5,888,371.72</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 19,631.00	\$ 21,908.60
Due to Current Fund	B-5	4,136.16	7,782.75
Total		<u>23,767.16</u>	<u>29,691.35</u>
Trust - Other Funds:			
Reserve for:			
Various Trust Funds	B-6	4,591,091.01	4,153,379.70
Special Assessment	B-7	2,613.00	2,613.00
Due To Current Fund	B-9	-	31,412.50
Payroll Deductions Payable	B-8	0.02	2,981.86
Total Trust - Other Funds		<u>4,593,704.03</u>	<u>4,190,387.06</u>
Recreation Commission:			
Due To Current Fund	B	-	23,730.28
Fund Balance	B-1	399,803.16	661,658.91
Total Recreation Commission		<u>399,803.16</u>	<u>685,389.19</u>
Length of Service Award Program Fund ("LOSAP"):			
Miscellaneous Reserves	B-12	1,059,270.63	982,904.12
Total		<u>\$ 6,076,544.98</u>	<u>\$ 5,888,371.72</u>

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024**

ASSETS	REFERENCE	2025	2024
Cash	C-3	\$ 8,315,513.49	\$ 12,511,486.42
Deferred Charges to Future Taxation:			
Funded	C-5	3,660,250.26	4,250,003.25
Unfunded	C-6	4,500,000.00	5,080,952.00
Total Assets		\$ 16,475,763.75	\$ 21,842,441.67
 LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-7	\$ 3,635,000.00	\$ 4,175,000.00
Bond Anticipation Notes	C-8	4,500,000.00	5,080,952.00
Green Acres Loan Payable	C-9	25,250.26	75,003.25
Due to Current Fund	C-13	-	2,998,457.00
Due to State of New Jersey	C-4	133.00	133.00
Improvement Authorizations:			
Funded	C-10	3,628,119.16	3,906,771.35
Unfunded	C-10	28,815.98	28,815.98
Encumbrances Payable	C-10	1,121,729.16	1,998,723.90
Retained Percentage Due to Contractors	C-11	84.00	84.00
Capital Improvement Fund	C-12	3,389,156.50	3,568,513.50
Reserve for Pay Notes	C	119,048.00	-
Fund Balance	C-1	28,427.69	9,987.69
Total Liabilities, Reserves & Fund Balance		\$ 16,475,763.75	\$ 21,842,441.67

There were Bonds & Notes Authorized but not issued on December 31, 2025 of \$0.00 and on December 31, 2024 was \$0.00.

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2025 AND 2024**

Assets	REFERENCE	<u>2025</u>	<u>2024</u>
Land	D-1	\$ 4,948,200.00	\$ 4,948,200.00
Buildings	D-1	1,885,215.00	1,885,215.00
Equipment	D-1	8,442,465.30	7,960,342.97
Improvements	D-1	<u>4,400,750.75</u>	<u>4,400,750.75</u>
Total Assets		<u>\$ 19,676,631.05</u>	<u>\$ 19,194,508.72</u>
Fund Balance			
Investment in Fixed Assets	D-1	<u>\$ 19,676,631.05</u>	<u>\$ 19,194,508.72</u>
Total Fund Balance		<u>\$ 19,676,631.05</u>	<u>\$ 19,194,508.72</u>

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Rumson, County of Monmouth, New Jersey ("Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, 90 and 97.

Basis of Accounting, Measurement Focus and Basis of Presentation - The financial statements of the Borough contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Borough accounts for its financial transactions through the use of separate funds, which are described as follows:

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

General Fixed Asset Account Group – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Borough.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note 1. Summary of Significant Accounting Policies (continued):

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

Foreclosed property – Foreclosed Property or "Property Acquired for Taxes" is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Fund Balance – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year's budgets, with certain restrictions.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Note 1. Summary of Significant Accounting Policies (continued):

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by 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 municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2025:

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Management has determined the implementation of this Statement did not have a significant impact on the Borough’s financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.
- Statement No. 105, *Subsequent Events*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 2. Deposits and Investments (continued):

Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2025, the Borough had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Bond Anticipation Notes: Valued at the market value of the Notes held by the Borough at year-end.

Money Market Funds: Valued at the quoted NAV of shares held by the Borough at year-end.

Mutual Funds: Valued at quoted market prices which represent the net asset value (“NAV”) shares held by the Borough at year-end.

The Borough’s fair value, hierarchy level and maturities of its investments at December 31, 2025 was as followed:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2025</u>		<u>Investment Maturities (in</u>
		<u>Level 2</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Bond Anticipation Notes	\$ 4,500,000.00	\$ 4,500,000.00	\$ 4,500,000.00	\$ 4,500,000.00
Money Markets	77,356.35	77,356.35	77,356.35	77,356.35
Mutual Funds	895,507.28	895,507.28	895,507.28	895,507.28
	<u>\$ 5,472,863.63</u>	<u>\$ 5,472,863.63</u>	<u>\$ 5,472,863.63</u>	<u>\$ 5,472,863.63</u>
<u>Fund</u>				
Current Fund	\$ 4,500,000.00	\$ 4,500,000.00	\$ 4,500,000.00	\$ 4,500,000.00
Trust Fund - LOSAP (Fair Value)	972,863.63	972,863.63	972,863.63	972,863.63
	<u>\$ 5,472,863.63</u>	<u>\$ 5,472,863.63</u>	<u>\$ 5,472,863.63</u>	<u>\$ 5,472,863.63</u>

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$86,407.00 as of December 31, 2025. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough’s ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer’s ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2025 was as follows:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 3. Property Taxes (continued):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2025	\$ 6,022,566,026.00
2024	5,569,647,204.00
2023	5,117,483,798.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2025	\$ 63,519,159.13	\$ 63,091,761.45	99.32%
2024	61,665,620.34	61,241,599.47	99.31%
2023	60,298,005.87	59,854,214.90	99.26%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2025	\$ -	\$ 352,613.75	\$ 352,613.75	0.56%
2024	-	380,464.78	380,464.78	0.62%
2023	-	415,626.27	415,626.27	0.69%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2025	-
2024	-
2023	-

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 7. Interfund Receivables, Payables and Transfers (continued):

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 3,153,255.41	\$ 32,793.24
State and Federal Grant Fund	32,793.24	91,872.88
Animal Control Trust	-	7,782.75
Trust Other Fund	-	31,412.50
Recreation Trust Fund	-	23,730.28
General Capital Fund	-	2,998,457.00
	<u>\$ 3,186,048.65</u>	<u>\$ 3,186,048.65</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2025.

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2025</u>
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	7,960,342.97	689,668.46	207,546.13	8,442,465.30
Improvements	4,400,750.75	-	-	4,400,750.75
	<u>\$ 19,194,508.72</u>	<u>\$ 689,668.46</u>	<u>\$ 207,546.13</u>	<u>\$ 19,676,631.05</u>

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the Public Employees' Retirement System (PERS) for year ended June 30, 2025. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2024.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2024, the Borough's contractually required contribution to PERS plan was \$463,912.

Components of Net Pension Liability - At December 31, 2024, the Borough's proportionate share of the PERS net pension liability was \$4,632,588. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024. The Borough's proportion measured as of June 30, 2024, was 0.0340931154% which was a decrease of 0.0051222464% from its proportion measured as of June 30, 2023.

Balances at December 31, 2024 and December 31, 2023

	<u>12/31/2024</u>	<u>12/31/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Deferred Outflows of Resources	\$ 402,718	\$ 532,171
Deferred Inflows of Resources	1,146,553	824,953
Net Pension Liability	4,632,588	5,680,100
Borough's portion of the Plan's total Net Pension Liability	0.03409%	0.03922%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2024, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2024 measurement date is (\$125,869). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$463,912 to the plan in 2024.

At December 31, 2024, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation.

However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2024. At December 31, 2024, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2024 measurement date was \$14,935.

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

Inflation:	
Price	2.75%
Wage	3.25%
 Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
 Investment Rate of Return	 7.00%

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

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

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 9. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 6,207,386</u>	<u>\$ 4,632,588</u>	<u>\$ 3,364,624</u>

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the Police and Firemen's Retirement System (PFRS) for year ended June 30, 2025. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2024.

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

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

The following represents the membership tiers for PFRS:

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

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

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2024, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2024 measurement date was \$119,747. This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$723,087 to the plan in 2024.

At December 31, 2024, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 340,084	\$ 184,805
Changes of Assumptions	8,534	158,537
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	42,251
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	594,353	742,643
	\$ 942,971	\$ 1,128,236

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending December 31,	Amount
2025	\$ (291,135)
2026	271,625
2027	(105,276)
2028	(64,773)
2029	1,581
Thereafter	2,713
	\$ (185,265)

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pub-2010 amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

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

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

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 9. Pension Obligations (continued):

B. Police and Firemen's Retirement System (PFRS) (continued):

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	\$ 7,712,854	\$ 5,398,219	\$ 3,470,635
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>1,520,572</u>	<u>1,064,247</u>	<u>684,228</u>
	<u>\$ 9,233,426</u>	<u>\$ 6,462,466</u>	<u>\$ 4,154,863</u>

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 10. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2025. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2024.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees.

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Net OPEB Liability

The components of the collective net OPEB liability of the plan as of June 30, 2024 is as follows:

Total OPEB liability	\$	17,748,257,548
Plan fiduciary net deficit		<u>(157,187,957)</u>
 Net OPEB liability	 \$	 <u>17,905,445,505</u>

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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:

Salary Increases*:

Public Employees' Retirement System (PERS)

Rate for all future years 2.75% to 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 16.25% based on years of service

Mortality:

PERS

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

PFRS

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

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

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

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

OPEB Obligation and OPEB (Benefit) Expense

The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2024 was \$18,842,975. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 10. Postemployment Benefits Other Than Pensions (continued):

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

The following presents the net OPEB liability as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 15,937,311	\$ 18,842,975	\$ 22,578,843
State of New Jersey's Total Nonemployer OPEB Liability	15,144,352,142	17,905,445,505	21,455,435,620

Additional Information

The following is a summary of the deferred outflows of resources, deferred inflows of resources, and net OPEB liability balances as of June 30, 2024:

Collective Balances at December 31, 2024 and December 31, 2023

	12/31/2024	12/31/2023
Actuarial valuation date (including roll forward)	June 30, 2024	June 30, 2023
Collective Deferred Outflows of Resources	\$ 9,862,097,951	\$ 9,133,524,491
Collective Deferred Inflows of Resources	11,975,956,585	14,817,220,551
Collective Net OPEB Liability	17,905,445,505	15,006,539,477
Borough's Portion	0.105236%	0.108526%

The amounts reported as a deferred outflows of resources and deferred inflows of resources (excluding employer and nonemployer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 11. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 8,160,250.26	\$ 9,330,955.25	\$ 7,374,700.90
Total Debt Issued	<u>8,160,250.26</u>	<u>9,330,955.25</u>	<u>7,374,700.90</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	-	-	-
Total Authorized But Not Issued	<u>-</u>	<u>-</u>	<u>-</u>
Total Gross Debt	<u>\$ 8,160,250.26</u>	<u>\$ 9,330,955.25</u>	<u>\$ 7,374,700.90</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 119,048.00	\$ -	\$ -
Total Deductions	<u>119,048.00</u>	<u>-</u>	<u>-</u>
Total Net Debt	<u>\$ 8,041,202.26</u>	<u>\$ 9,330,955.25</u>	<u>\$ 7,374,700.90</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 20,795,000.00	\$ 20,795,000.00	\$ -
Regional School Debt	6,502,202.63	6,502,202.63	-
General Debt	8,160,250.26	119,048.00	8,041,202.26
	<u>\$ 35,457,452.89</u>	<u>\$ 27,416,250.63</u>	<u>\$ 8,041,202.26</u>

Net Debt \$8,041,202.26 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$5,656,543,037, equals 0.142%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2025 is calculated as follows:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 11. Municipal Debt (continued):

C. Bonds and Notes Authorized but Not Issued

As of December 31, 2025, the Borough had no General Capital bonds and notes authorized but not issued.

D. Loans Payable

Green Acres Loan

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Loan Debt Issued and Outstanding:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	25,250.26	252.50	25,502.76
	\$ 25,250.26	\$ 252.50	\$ 25,502.76

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2024</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2025</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 4,175,000.00	\$ -	\$ 540,000.00	\$ 3,635,000.00	\$ 540,000.00
Bond Anticipation Notes	5,080,952.00	4,500,000.00	5,080,952.00	4,500,000.00	4,500,000.00
Green Acres Loan	75,003.25	-	49,752.99	25,250.26	25,250.26
	\$ 9,330,955.25	\$ 4,500,000.00	\$ 5,670,704.99	\$ 8,160,250.26	\$ 5,065,250.26

Note 12. Deferred Compensation Salary Account

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 13. Accrued Sick, Vacation and Compensation Time

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a)

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Note 14. Risk Management (continued):

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2025	\$ 32,338.66	\$ 67,310.71	\$ 8,468.12
2024	12,301.08	32,328.19	43,440.17
2023	19,706.34	22,975.73	63,467.28

Note 15. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant 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. As of December 31, 2025, the Borough estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses.

As of December 31, 2025, there were certain tax appeals on file against the Borough. The Borough has estimated the potential exposure to the Borough from such appeals is approximately \$250,000.

Note 16. Length of Service Awards Program

The Borough's length of service awards program ("LOSAP") is reported in the Borough's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to

SUPPLEMENTARY EXHIBITS

CURRENT FUND

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 15,995,995.46
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 140,324.12	
State of New Jersey - Senior Citizens' and Veterans' Deductions	22,500.00	
Taxes Receivable	63,136,083.35	
Sewer Fees Receivable	1,197,247.37	
Sewer Fee Overpayments	2.99	
Revenue Accounts Receivable	4,020,256.98	
Due From:		
Trust - Other Fund	31,412.50	
Animal Control Trust Fund	7,782.75	
General Capital Fund	2,998,457.00	
Recreation Trust Fund	23,730.28	
Rumson Board of Education	156,205.19	
Rumson Fair Haven Board of Education	119,779.45	
Due To State of New Jersey:		
Marriage Licenses	425.00	
U.C.C. Fees	39,300.00	
Prepaid Taxes	599,997.31	
Investment in BAN's	5,080,952.00	
Prior Year Voided Check	246.94	
Grants Receivable	91,872.88	
	77,666,576.11	
		93,662,571.57

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$ 10,108.03
Increased By:	
Cash Receipts	<u>22,500.00</u>
	32,608.03
Decreased By:	
Senior Citizens' Deductions Per Tax Billing	<u>22,500.00</u>
Balance, December 31, 2025	<u><u>\$ 10,108.03</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SEWER FEES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 34,431.85
Increased By:		
Billings - Net	\$ 1,195,491.98	
Overpayments Created	<u>2.99</u>	
		<u>1,195,494.97</u>
		1,229,926.82
Decreased By:		
Cash Receipts	1,197,247.37	
Overpayments Applied	<u>9,176.32</u>	
		<u>1,206,423.69</u>
Balance, December 31, 2025		<u><u>\$ 23,503.13</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO/(FROM) TRUST - OTHER FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$ (31,412.50)
Increased By:	
Cash Receipts	<u>31,412.50</u>
Balance, December 31, 2025	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2024 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>December 31, 2024</u>		<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	167,769.33	-	167,769.33	6,135.30	161,634.03
Other Expenses	6,227.27	9,614.09	15,841.36	8,057.04	7,784.32
Purchase of Police Vehicles	68,230.01	41,769.99	110,000.00	43,118.99	66,881.01
Police Dispatch/911:					
Salaries and Wages	67,815.92	-	67,815.92	1,221.06	66,594.86
Annual Charge - 911 System	107.00	-	107.00	-	107.00
Aid To First Aid Organization:					
Salaries and Wages	3.04	-	3.04	-	3.04
Other Expenses	10,598.48	5,911.20	16,509.68	7,893.00	8,616.68
Fire Department:					
Salaries and Wages	2.16	-	2.16	-	2.16
Other Expenses	1,883.49	5,826.37	6,709.86	2,850.00	3,859.86
Municipal Prosecutor's Office:					
Other Expenses	2,225.00	35.00	2,260.00	-	2,260.00
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	60,073.21	-	60,073.21	2,933.72	57,139.49
Other Expenses	46,871.28	21,995.03	68,866.31	20,492.54	48,373.77
Sewer System:					
Salaries and Wages	51,265.34	-	51,265.34	113.70	51,151.64
Other Expenses	88,051.76	32,665.73	120,717.49	30,360.27	90,357.22
Shade Tree Commission:					
Other Expenses	18,100.95	7,196.00	25,296.95	7,196.00	18,100.95
Storm Drain Cleaning					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Stormwater Management					
Other Expenses	815.63	-	815.63	-	815.63
Solid Waste Collection:					
Contractual	1.03	25,875.00	25,876.03	25,875.00	1.03
Buildings and Grounds:					
Other Expenses	3,692.90	36,849.14	40,542.04	30,305.66	10,236.38
Property Lease	1,331.00	-	1,331.00	-	1,331.00
Vehicle Maintenance (Including Police Vehicles)					
Other Expenses	14,107.42	9,535.93	23,643.35	3,558.46	20,084.89
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health)					
Other Expenses	943.75	-	943.75	-	943.75
MCR Health Commission #1	2.76	-	2.76	-	2.76
Hepatitis B Vaccine Costs	500.00	-	500.00	-	500.00

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF 2024 APPROPRIATION RESERVES
 FOR THE YEAR ENDED DECEMBER 31, 2025**

	December 31, 2024		Budget after	Paid or	Balance
	Reserved	Encumbrances	Modification	Charged	Lapsed
Fair Haven Shared Service Agreement:					
Municipal Court:					
Salaries and Wages	7,887.85	-	7,887.85	-	7,887.85
Other Expenses	1,324.55	5.30	1,329.85	54.40	1,275.45
Little Silver Shared Service Agreement					
Construction Office:					
Salaries and Wages	3,732.37	-	3,732.37	-	3,732.37
Other Expenses	13,580.07	-	13,580.07	-	13,580.07
FH Fire Prevention					
Salaries & Wages	2.56	-	2.56	-	2.56
City of Asbury Park - Rescue Squad Services	1.00	-	1.00	-	1.00
Holmdel Township Leaf Disposal	-	50,000.00	50,000.00	45,573.72	4,426.28
Middletown Township - Animal Control	3,000.00	-	3,000.00	-	3,000.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Matching for Grants	5,000.00	-	5,000.00	-	5,000.00
	\$ 1,868,832.68	\$ 428,966.91	\$ 2,297,799.59	\$ 406,914.81	\$ 1,890,884.78
Cash Disbursements				\$ 367,924.77	
Accounts Payable				38,990.04	
				\$ 406,914.81	

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSES
 FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$	-
Increased By:		
Cash Receipts		425.00
		425.00
Decreased By:		
Cash Disbursements		300.00
		300.00
Balance, December 31, 2025	\$	125.00

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF PREPAID TAXES
 FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 500,266.03
Increased By:		
Collection of 2026 Taxes	\$ 599,997.31	
Transfer from Tax Overpayments	196,466.22	
		796,463.53
		1,296,729.56
Decreased By:		
Amount Applied To Taxes Receivable		500,266.03
Balance, December 31, 2025		\$ 796,463.53

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SEWER FEE OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$ 24,964.90
Increased By:	
Overpayments Created	<u>2.99</u>
	24,967.89
Decreased By:	
Overpayments Applied	<u>9,176.32</u>
Balance, December 31, 2025	<u><u>\$ 15,791.57</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF COUNTY TAXES PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 76,598.68
Increased By:		
2025 Tax Levy:		
County Taxes	\$ 10,396,572.38	
County Library Taxes	662,356.30	
County Open Space Taxes	1,569,579.11	
Due To County for Added/Omitted Taxes	<u>68,553.27</u>	
		<u>12,697,061.06</u>
		12,773,659.74
Decreased By:		
Cash Disbursements		<u>12,705,106.35</u>
Balance, December 31, 2025		<u><u>\$ 68,553.39</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		
School Tax Payable	<u>\$ 5,412,495.11</u>	\$ 5,412,495.11
Increased By:		
Levy - School Year July 1, 2024 to June 30, 2025		<u>15,093,397.00</u>
		20,505,892.11
Decreased By:		
Cash Disbursed		<u>15,093,397.00</u>
Balance, December 31, 2025		
School Tax Payable	<u>5,412,495.11</u>	<u>\$ 5,412,495.11</u>
 <u>2025 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2025	\$ 5,412,495.11	
Tax Paid	<u>15,093,397.00</u>	20,505,892.11
Less:		
Tax Payable, December 31, 2024		<u>5,412,495.11</u>
Amount Charged To 2025 Operations		<u>\$ 15,093,397.00</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM RUMSON BOARD OF EDUCATION
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 7,498.98
Increased By:		
Cash Disbursements		<u>182,287.97</u>
		189,786.95
Decreased By:		
Cash Receipts	\$ 156,205.19	
Cancelled	<u>83.98</u>	
		<u>156,289.17</u>
Balance, December 31, 2025		<u><u>\$ 33,497.78</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM POLICE OUTSIDE EMPLOYMENT
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 61,965.00
Decreased By:		
Cancellation	\$ 3,207.50	
Cash Receipts	<u>58,757.50</u>	
		<u>61,965.00</u>
Balance, December 31, 2025		<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO/(FROM) CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$ (2,998,457.00)
Increased By:	
Cash Receipts	<u>2,998,457.00</u>
Balance, December 31, 2025	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 STATE AND FEDERAL GRANT FUND
 SCHEDULE OF STATE GRANTS RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2025**

	Balance December 31, <u>2024</u>	Increased By Revenue Anticipated <u>2025</u>	Cash Received	Transferred from <u>Unappropriated</u>	<u>Cancelled</u>	Balance December 31, <u>2025</u>
State of New Jersey:						
Supplemental Safe Neighborhood Program	\$ 28.00	\$ -	\$ -	\$ -	\$ -	\$ 28.00
Police Body Armor Grant	0.02	1,573.95	-	1,573.95	-	0.02
Drunk Driving Enforcement Fund	7,337.62	5,148.39	8,636.31	-	-	3,849.70
Clean Communities Program	-	23,110.53	23,110.53	-	-	-
Recycling Tonnage Grant	-	12,775.78	12,775.78	-	-	-
Alcohol Education & Rehabilitation	-	412.66	412.66	-	-	-
NJUCF - Stewardship Resiliency	10,000.00	-	-	-	-	10,000.00
Body Worn Camera Grant	36,937.60	-	36,937.60	-	-	-
Stormwater Assistance Grant	10,000.00	-	10,000.00	-	-	-
Federal:						
Assistance to Firefighters Grant	1,426.00	-	-	-	1,426.00	-
Sandy Planning Asst	8,709.80	-	-	-	8,709.80	-
Local:						
PSEG Substantive Grant	10,000.00	-	-	-	-	10,000.00
	<u>\$ 84,439.04</u>	<u>\$ 43,021.31</u>	<u>\$ 91,872.88</u>	<u>\$ 1,573.95</u>	<u>\$ 10,135.80</u>	<u>\$ 23,877.72</u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 STATE AND FEDERAL GRANT FUND
 SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED
 FOR THE YEAR ENDED DECEMBER 31, 2025**

	Balance December 31, <u>2024</u>	Cash <u>Receipts</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2025</u>
State of New Jersey:				
Police Body Armor Grant	\$ 1,573.95	\$ -	\$ 1,573.95	\$ -
	\$ 1,573.95	\$ -	\$ 1,573.95	\$ -

TRUST FUNDS

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Animal Control</u>	<u>Trust - Other</u>	<u>Recreation Commission</u>
Balance, December 31, 2024	\$ 29,691.35	\$ 4,178,701.71	\$ 685,389.19
Increased By Receipts:			
Recreation Fees	-	-	393,313.42
Dog License Fees	9,381.00	-	-
Other Reserves	-	1,532,756.48	-
Deferred Charge - Overexpenditure	-	11,685.35	-
Dog License Registration Fees	<u>1,083.00</u>	<u>-</u>	<u>-</u>
	<u>10,464.00</u>	<u>1,544,441.83</u>	<u>393,313.42</u>
	<u>40,155.35</u>	<u>5,723,143.54</u>	<u>1,078,702.61</u>
Decreased By Disbursements:			
Recreation Expenses	-	-	655,169.17
Animal Control Expenditures	7,522.44	-	-
Due To/From Current Fund	7,782.75	31,412.50	23,730.28
Other Reserves	-	1,098,027.01	-
Dog License Registration Fees	<u>1,083.00</u>	<u>-</u>	<u>-</u>
	<u>16,388.19</u>	<u>1,129,439.51</u>	<u>678,899.45</u>
Balance, December 31, 2025	<u><u>\$ 23,767.16</u></u>	<u><u>\$ 4,593,704.03</u></u>	<u><u>\$ 399,803.16</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - DOG LICENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$ -
Increased By:	
Cash Disbursements	<u>1,083.00</u>
	1,083.00
Decreased By:	
Registration Fees Collected	<u>1,083.00</u>
Balance, December 31, 2025	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Balance December 31, <u>2024</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2025</u>
Payroll Deductions:				
Pension System	\$ 8,872.39	\$ -	\$ 8,872.39	\$ -
State Unemployment	43,440.17	32,338.66	67,310.71	8,468.12
	<u>52,312.56</u>	<u>32,338.66</u>	<u>76,183.10</u>	<u>8,468.12</u>
Forfeited Funds	\$ 486.30	\$ 17.86	\$ 1.38	\$ 502.78
Engineering and Escrow				
Deposit	366,733.52	110,176.00	100,535.89	376,373.63
P.O.A.A. Fees	3,020.89	228.00	1,201.00	2,047.89
Public Defender	7,798.00	1,200.00	-	8,998.00
Cash Bond	69,430.00	2,500.00	1,500.00	70,430.00
Outside Employment - Off Duty Police	-	258,095.82	237,845.28	20,250.54
Tax Sale Premium	100.00	-	-	100.00
Reserve for:				
Street Openings	11,500.00	7,002.00	2,000.00	16,502.00
Sick Leave	129,513.83	6,500.00	2,230.88	133,782.95
C.O.A.H.	3,460,877.13	1,098,658.97	654,865.39	3,904,670.71
D.A.R.E.	17,513.63	6,539.17	5,590.93	18,461.87
Fire Safety	17,392.50	-	-	17,392.50
Cafeteria	2,030.46	9,500.00	10,982.14	548.32
Miscellaneous - Other	14,670.88	-	2,109.18	12,561.70
	<u>4,101,067.14</u>	<u>1,500,417.82</u>	<u>1,018,862.07</u>	<u>4,582,622.89</u>
	<u>\$ 4,153,379.70</u>	<u>\$ 1,532,756.48</u>	<u>\$ 1,095,045.17</u>	<u>\$ 4,591,091.01</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUNDS
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024	\$	2,981.86
Decreased By:		
Cash Disbursements		<u>2,981.84</u>
Balance, December 31, 2025	\$	<u><u>0.02</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 982,904.12
Increased By:		
Appreciation	\$ 122,169.28	
Borough Contributions	<u>39,812.28</u>	
		<u>161,981.56</u>
		1,144,885.68
Decreased By:		
Withdrawals	84,640.05	
Accounting Charges	<u>975.00</u>	
		<u>85,615.05</u>
Balance, December 31, 2025		<u><u>\$ 1,059,270.63</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 982,904.12
Increased By:		
Appreciation	\$ 122,169.28	
Borough Contributions	<u>39,812.28</u>	
		<u>161,981.56</u>
		1,144,885.68
Decreased By:		
Withdrawals	84,640.05	
Accounting Charges	<u>975.00</u>	
		<u>85,615.05</u>
Balance, December 31, 2025		<u><u>\$ 1,059,270.63</u></u>

GENERAL CAPITAL FUND

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 12,511,486.42
Increased By:		
Reserve To Pay Notes	\$ 119,048.00	
Capital Improvement Fund - Budget Appropriation	2,750,405.00	
Capital Improvement Fund - Refunds	<u>320,238.00</u>	
		<u>3,189,691.00</u>
		15,701,177.42
Decreased By:		
Due From Current Fund	2,998,457.00	
Improvement Authorizations	<u>4,387,206.93</u>	
		<u>7,385,663.93</u>
Balance, December 31, 2025		<u>\$ 8,315,513.49</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2025 & 2024

\$ 133.00

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2025

<u>Ordinance</u>	<u>Improvement Description</u>	Balance December 31, <u>2024</u>	<u>Decreased by</u>		Balance December 31, <u>2025</u>	Analysis of Balance, December 31, 2025
			Notes Paid by Budget	<u>Appropriation</u>		
22-004	Land Acquisition	\$ 2,380,952.00	\$ 280,952.00	\$	\$ 2,100,000.00	\$ 2,100,000.00
24-005	Sanitary Sewer Repairs	2,700,000.00	300,000.00		2,400,000.00	2,400,000.00
		<u>\$ 5,080,952.00</u>	<u>\$ 580,952.00</u>	<u>\$</u>	<u>\$ 4,500,000.00</u>	<u>\$ 4,500,000.00</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2024		2025 Authorizations		Transferred From Encumbrance Payable	Paid or Charged	Transferred To Encumbrance Payable	Balance, December 31, 2025	
				Encumbered	Unencumbered	Capital	Unencumbered				Encumbered	Unencumbered
2001	Various Improvements	04/05/01	\$ 614,500.00	\$ -	\$ -	\$ -	\$ 18,440.00	\$ -	\$ -	\$ -	\$ 18,440.00	\$ -
16-004	Sanitary Sewer Repairs, Replacement, & Upgrades	05/24/16	1,500,000.00	-	-	-	271,277.83	271,276.58	-	-	-	1.25
21-003	Road, Curbing, Sidewalks, & Related Drainage	02/16/21	2,500,000.00	-	-	-	11,206.89	11,206.89	-	-	-	-
21-010	Sewer (Wastewater) Infrastructure	08/10/21	750,000.00	-	-	-	500,552.79	500,552.79	-	-	-	-
21-011	Park Improvements	08/10/21	50,000.00	-	-	-	32,247.88	32,247.88	-	-	-	-
22-004	Land Acquisition (COAH)	07/05/22	2,500,000.00	-	27,272.98	-	-	-	-	-	-	27,272.98
22-005	Emergency Services Equipment Acquisitions & Upgrades	10/11/22	400,000.00	-	-	-	1,450.00	-	-	1,450.00	-	-
22-005	Park Improvements	10/11/22	200,000.00	-	-	-	200,000.00	200,000.00	-	-	-	-
22-005	Public Buildings Equipment Acquisitions & Upgrades	10/11/22	50,000.00	17,052.24	-	-	-	-	-	-	17,052.24	-
22-006	Road, Curbing, Sidewalks, & Related Drainage	10/11/22	4,060,000.00	-	-	-	547,343.57	328,723.61	199,949.72	-	18,670.24	-
23-007	Road, Curbing, Sidewalks, & Related Drainage	10/10/23	1,250,000.00	612,352.28	-	-	189,779.74	65,894.08	195,614.76	-	540,623.18	-
23-007	DPW Vehicles & Equipment	10/10/23	200,000.00	173,563.50	-	-	1,631.50	99,252.00	75,943.00	-	-	-
23-007	Emergency Services Equipment Acquisitions & Upgrades	10/10/23	250,000.00	148,098.55	-	-	24,000.98	72,229.83	67,312.28	-	32,537.37	-
23-007	Park Improvements	10/10/23	500,000.00	259,484.62	-	-	178,726.88	428,943.00	9,262.50	-	-	-
24-005	Sanitary Sewer Repairs	06/11/24	3,000,000.00	-	1,543.00	-	-	-	-	-	-	1,543.00
24-007	Road, Curbing, Sidewalks, & Related Drainage	08/13/24	1,200,000.00	1,200,000.00	-	-	-	1,079,260.03	31,839.97	-	88,900.00	-
24-007	DPW Vehicles & Equipment	08/13/24	250,000.00	250,000.00	-	-	-	74,637.58	-	-	175,362.42	-
24-007	Emergency Services Equipment Acquisitions & Upgrades	08/13/24	250,000.00	250,000.00	-	-	-	-	-	-	250,000.00	-
24-007	Park Improvements	08/13/24	300,000.00	300,000.00	-	-	-	300,000.00	-	-	-	-
24-007	Sanitary Sewer Repairs	08/13/24	718,292.00	696,230.16	-	-	22,071.84	708,876.74	9,414.25	-	1.01	-
25-002	Public Building Improvements & Equipment	04/08/25	100,000.00	-	-	100,000.00	-	-	-	-	100,000.00	-
25-002	Various Park Improvements	04/08/25	400,000.00	-	-	400,000.00	-	208,102.95	597.82	-	191,299.23	-
25-003	Road Improvements	07/08/25	1,000,000.00	-	-	1,000,000.00	-	-	-	-	1,000,000.00	-
25-003	Public Works	07/08/25	250,000.00	-	-	250,000.00	-	-	-	-	250,000.00	-
25-003	EMS Equipment	07/08/25	250,000.00	-	-	250,000.00	-	-	-	-	250,000.00	-
25-003	Park Improvements	07/08/25	500,000.00	-	-	500,000.00	-	-	-	-	500,000.00	-
25-003	Sanitary Sewer Repairs	07/08/25	750,000.00	-	-	750,000.00	-	6,002.92	530,344.86	-	215,652.22	-
				\$ 3,906,771.35	\$ 28,815.98	\$ 3,250,000.00	\$ 1,998,725.90	\$ 4,387,206.93	\$ 1,121,720.16	\$ 18,440.00	\$ 3,628,119.16	\$ 28,815.98

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2025**

Balance, December 31, 2024		\$ 3,568,513.50
Increased By:		
Cash Receipts:		
Refunds - NJDOT	\$ 320,238.00	
Current Fund Budget Appropriation	2,750,405.00	
		3,070,643.00
		6,639,156.50
Decreased By:		
Improvement Authorizations Funded		3,250,000.00
Balance, December 31, 2025		\$ 3,389,156.50

GENERAL FIXED ASSET ACCOUNT GROUP

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2025</u>
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	7,960,342.97	689,668.46	207,546.13	8,442,465.30
Improvements	4,400,750.75	-	-	4,400,750.75
	<u>\$ 19,194,508.72</u>	<u>\$ 689,668.46</u>	<u>\$ 207,546.13</u>	<u>\$ 19,676,631.05</u>

BOROUGH OF RUMSON

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS –
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2025

**BOROUGH OF RUMSON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

BOROUGH OF RUMSON

PART III

LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2025

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2025:

<u>Name</u>	<u>Title</u>
Joseph K. Hemphill	Mayor
John J. Conklin III	Councilmember
Gary Casazza	Councilmember
James C. Kingsbery	Councilmember
Sarah Pomphrey	Councilmember
Dr. Michael Lospinuso	Councilmember
Linda J. Smith	Councilmember
Matthew Palmer	Chief Financial Officer
Thomas Rogers	Borough Clerk/Borough Administrator
Michele Smalze	Court Administrator



Certified Public Accountants + Advisors

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

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2025.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with *N.J.S.A. 40A:11-4* was \$44,000 for the months of January through June 2025. As of July 1, 2025, the bid threshold increased to \$53,000 for the year ended December 31, 2025.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold "for the performance of any work, or the furnishing of any materials, supplies or labor" 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.A.40A:11-6*.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read 'R. W. Allison', written in a cursive style.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
May 7, 2026