

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

**AUDIT REPORT FOR THE
YEAR ENDED DECEMBER 31, 2023**

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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, 2023**



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, 2023 and 2022, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2023, 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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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.

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough 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 April 29, 2024, 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
April 29, 2024

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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, 2023, and the related notes to the financial statements, which collectively comprise the Borough of Rumson’s basic financial statements, and have issued our report thereon dated April 29, 2024. 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.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Lakewood, New Jersey
April 29, 2024

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF RUMSON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	REFERENCE	<u>2023</u>	<u>2022</u>
ASSETS			
Current Fund:			
Cash	A-4	\$ 17,766,086.63	\$ 17,413,494.75
Change Fund	A	300.00	300.00
Investment in BAN's	A-23	2,575,925.00	3,652,330.00
Due from State of NJ - Homestead Rebate	A	1.00	1.00
		<u>20,342,312.63</u>	<u>21,066,125.75</u>
Subtotal Current Fund			
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	415,626.27	443,535.88
Bankruptcy Taxes Receivable	A-7	-	2,949.27
Sewer Fees Receivable	A-8	34,675.89	26,827.91
Revenue Accounts Receivable	A-9	2,906.78	2,321.28
Due From State of NJ - Marriage Licenses	A-13	-	125.00
Due From Monmouth County	A	1,530.00	-
Due From Rumson Board of Education	A-24	5,658.98	34,100.00
Due from Rumson Fair Haven Board of Education	A-25	16,530.00	19,566.85
Due from Police Outside Employment	A-26	54,225.00	9,585.00
Due From Animal Control Fund	A	5,582.80	2,617.34
Due From Trust - Other Fund	A-10	495.00	495.00
Due From Recreation Fund	A	-	128.00
Due from Court	A	-	10.00
		<u>537,230.72</u>	<u>542,261.53</u>
Total Receivables & Other Assets With Full Reserves			
Deferred Charges:			
Emergency Authoriation - Sanitary Sewer Force	A-1	3,000,000.00	-
		<u>3,000,000.00</u>	<u>-</u>
Total Current Fund			
		<u>23,879,543.35</u>	<u>21,608,387.28</u>
State and Federal Grant Funds:			
Due From Current Fund	A-28	238,335.20	243,138.71
Grants Receivable	A-29	117,439.04	74,439.04
		<u>355,774.24</u>	<u>317,577.75</u>
Total State & Federal Grants			
		<u>355,774.24</u>	<u>317,577.75</u>
Total Assets			
		<u>\$ 24,235,317.59</u>	<u>\$ 21,925,965.03</u>

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

BOROUGH OF RUMSON
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	REFERENCE	<u>2023</u>	<u>2022</u>
LIABILITIES RESERVES & FUND BALANCE			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 2,654,719.45	\$ 1,933,304.02
Encumbrances Payable	A-3	514,531.58	310,557.33
Accounts Payable	A-12	134,011.72	66,486.68
Due To State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-5	10,108.03	9,858.03
Lead Hazardous Control Fund	A	300.00	-
Prepaid Taxes	A-15	580,081.63	575,619.24
Tax Overpayments Payable	A-16	104,277.45	126,120.73
Sewer Fee Overpayments	A-17	10,926.35	14,699.02
Drive-In Sanitation Overpayments	A-18	800.00	800.00
County Taxes Payable	A-20	89,710.86	52,829.14
Local School District Tax Payable	A-21	5,840,386.79	5,840,386.79
Regional High School Tax Payable	A-22	5,412,495.11	5,412,495.11
Due To:			
Grant Fund	A	238,335.20	243,138.71
Recreation Trust	A	900.00	-
Reserve for:			
Municipal Relief Fund	A-32	68,912.39	-
Tax Appeals	A-27	92,270.00	92,270.00
Subtotal Current Fund		<u>15,752,766.56</u>	<u>14,678,564.80</u>
Reserve for Receivables & Other Assets	A	537,230.72	542,126.53
Fund Balance	A-1	<u>7,589,546.07</u>	<u>6,387,695.95</u>
Total Current Fund		<u>23,879,543.35</u>	<u>21,608,387.28</u>
State & Federal Grant Funds:			
Encumbrance Payable	A-30	0.20	1,211.12
Reserve for Federal & State Grants:			
Appropriated Reserves	A-30	354,186.24	314,953.44
Unappropriated Reserves	A-31	1,587.80	1,413.19
Total State & Federal Grants		<u>355,774.24</u>	<u>317,577.75</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 24,235,317.59</u>	<u>\$ 21,925,965.03</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
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 3,066,479.00	\$ 2,836,479.00
Miscellaneous Revenue Anticipated	4,693,330.30	3,811,981.53
Receipts From Delinquent Taxes	418,665.22	501,594.80
Receipts From Current Taxes	59,854,214.90	58,433,640.04
Non-Budget Revenue	157,215.77	152,373.47
Cancellation of:		
Unexpended Balances of Appropriation Reserves	1,686,657.16	1,623,283.13
Accounts Payable	27,843.07	-
Adjustment for Rumson BOE	31,477.87	-
Statutory Excess-Animal Control	5,582.80	2,617.34
	<hr/>	<hr/>
Total Revenues	69,941,466.09	67,361,969.31
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	1,812,448.00	1,773,896.00
Other Expenses	12,809,646.00	11,854,140.21
Capital Improvements	2,000,000.00	2,000,000.00
Municipal Debt Service	1,749,999.29	1,749,999.28
Deferred Charges and Statutory		
Expenditures	4,427,463.38	1,395,072.34
County Taxes	11,322,856.24	10,994,504.74
County Share of Added Taxes	89,710.86	52,829.14
Local School District Tax	19,321,541.00	19,280,103.00
Regional High School Tax	15,089,072.00	14,909,922.00
Prior Year Refunds	457.24	2,729.93
Interfunds Advanced	49,942.96	12,239.62
Total Expenditures	<hr/>	<hr/>
	68,673,136.97	64,025,436.26
Excess/(Deficit) in Revenue	1,268,329.12	3,336,533.05
Adjustment To Income Before Fund Balance:		
Expenditures Above Which Are By Statute		
Deferred Charges To Budget of Succeeding		
Year	<hr/>	<hr/>
	3,000,000.00	-
Statutory Excess To Fund Balance	4,268,329.12	3,336,533.05
Fund Balance, January 1	<hr/>	<hr/>
	6,387,695.95	5,887,641.90
	10,656,025.07	9,224,174.95
Decreased By:		
Utilization as Anticipated Revenue	<hr/>	<hr/>
	3,066,479.00	2,836,479.00
Fund Balance, December 31	<hr/>	<hr/>
	\$ 7,589,546.07	\$ 6,387,695.95

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, 2023

	Anticipated <u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 3,066,479.00	\$ -	\$ 3,066,479.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	27,500.00	-	27,750.00	250.00
Other	-	-	6,310.00	6,310.00
Fees and Permits:				
Other	150,000.00	-	211,202.12	61,202.12
Fines and Costs:				
Municipal Court	24,000.00	-	32,745.68	8,745.68
Interest and Cost on Taxes	125,000.00	-	145,313.05	20,313.05
Interest on Investments and Deposits	95,000.00	-	1,025,901.20	930,901.20
Sewer Service Charges	1,100,000.00	-	1,189,385.37	89,385.37
Cellular Tower Fees	142,924.60	-	144,924.60	2,000.00
Cable Franchise Fees	123,366.82	-	123,366.82	-
Consolidated Municipal Property Tax Relief Aid	665,240.00	-	665,239.80	(0.20)
Interlocal - Fair Haven	254,248.22	-	254,248.21	(0.01)
Interlocal - Little Silver	210,308.40	-	210,308.40	-
Uniform Construction Code Fees	370,000.00	-	477,203.00	107,203.00
Uniform Fire Safety Act	10,000.00	-	10,694.05	694.05
Trash Collection Charges	57,300.00	-	66,400.00	9,100.00
Clean Communities Grant	-	20,515.16	20,515.16	-
Alcohol Education and Rehabilitation Fund	-	908.56	908.56	-
Police Body Armor Grant	1,413.19	-	1,413.19	-
Stormwater Assistance Grant	-	25,000.00	25,000.00	-
ARP - Firefighter Assistance	33,000.00	-	33,000.00	-
Recycling Tonnage Grant	21,501.09	-	21,501.09	-
Total Miscellaneous Revenues	3,410,802.32	46,423.72	4,693,330.30	1,236,104.26
Receipts From Delinquent Taxes	425,000.00	-	418,665.22	(6,334.78)
Amount To Be Raised By Taxes for Support of Municipal Budget	14,045,778.52	-	15,225,549.98	1,179,771.46
Budget Revenues	20,948,059.84	46,423.72	23,404,024.50	2,409,540.94
Non-Budget Revenue	-	-	157,215.77	157,215.77
	\$ 20,948,059.84	\$ 46,423.72	\$ 23,561,240.27	\$ 2,566,756.71

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, 2023

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 59,854,214.90
Allocated To School and County Taxes	<u>45,823,180.10</u>
Balance for Support of Municipal Budget Appropriations	14,031,034.80
Add: Appropriation "Reserve for Uncollected Taxes"	<u>1,194,515.18</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 15,225,549.98</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u>\$ 418,665.22</u>
	<u><u>\$ 418,665.22</u></u>

License-Other:

Raffle License	\$ 1,140.00
Food License	5,150.00
Mercantile License	<u>20.00</u>
	<u><u>\$ 6,310.00</u></u>

Fees & Permits:

Street Openings	\$ 19,700.00
Grading Plans	19,750.00
Police Department	6,625.74
Boat Launching Permits	51,683.00
Garage Sale Permits	310.00
Marriage Registrar Fees	138.00
Board Application Fees	15,752.38
Vital Statistics	2,345.00
200' List of Names	260.00
Tree Removal Permit	29,463.00
Sewer Disconnect Fees	42,300.00
Zoning Permit Fees	15,380.00
Landscaper Permits	7,295.00
Rental Property Reg.	<u>200.00</u>
	<u><u>\$ 211,202.12</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 REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Realized Revenues (continued):

Analysis of Non-Budget Revenue

NSF Check Fees	\$ 180.00
Interlocal Agreements	13,316.00
Recycling Receipts	11,844.28
Prior Year Budget Refund	9,586.64
Public Auction	51,595.00
Copy Fees	460.50
Outside Work Admin Fee	34,210.00
DMV Inspection Fees	50.00
Other Miscellaneous Fees	21,769.69
FEMA	<u>14,203.66</u>
	<u>\$ 157,215.77</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	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	\$ 296,700.00	\$ -	\$ 296,700.00	\$ 246,603.36	\$ -	\$ 50,096.64	\$ -
Other Expenses	195,500.00	-	194,500.00	106,877.31	24,847.74	62,774.95	-
Municipal Clerk:							
Salaries and Wages	136,400.00	-	136,400.00	136,320.24	-	79.76	-
Other Expenses	10,000.00	-	10,000.00	9,630.98	2.00	367.02	-
Elections	3,000.00	-	4,000.00	3,161.84	-	838.16	-
Financial Administration (Treasury):							
Salaries and Wages	154,700.00	-	154,700.00	145,441.86	-	9,258.14	-
Other Expenses	35,000.00	-	35,000.00	27,689.90	906.67	6,403.43	-
Audit Services:							
Other Expenses	49,900.00	-	49,900.00	49,900.00	-	-	-
Revenue Administration (Tax Collection):							
Salaries and Wages	101,300.00	-	101,300.00	101,277.84	-	22.16	-
Other Expenses	15,000.00	-	15,000.00	10,416.51	-	4,583.49	-
Tax Assessment Administration:							
Salaries and Wages	67,100.00	-	67,100.00	67,036.08	-	63.92	-
Other Expenses	65,000.00	-	65,000.00	9,421.17	31,200.00	24,378.83	-
Records Retention and Disposal:							
Other Expenses	2,500.00	-	2,500.00	258.34	-	2,241.66	-
Legal Services (Legal Department):							
Other Expenses	250,000.00	-	250,000.00	94,123.98	11,115.81	144,760.21	-
Engineering Services:							
Salaries and Wages	298,950.00	-	298,950.00	297,716.76	-	1,233.24	-
Other Expenses	125,000.00	-	125,000.00	42,013.93	3,247.00	79,739.07	-
Accumulated Leave	2,300.00	-	2,300.00	-	-	2,300.00	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended				
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
LAND USE ADMINISTRATION							
Land Use Development Officer							
Salaries and Wages	115,000.00	-	115,000.00	93,779.16	-	21,220.84	-
Other Expenses	35,000.00	-	35,000.00	28,949.66	3,580.93	2,469.41	-
INSURANCE							
General Liability	407,688.00	-	407,688.00	377,130.32	-	30,557.68	-
Employee Group Health	1,879,112.00	-	1,879,112.00	1,437,140.34	723.46	441,248.20	-
WAIVER OF HEALTH INS	50,000.00	-	50,000.00	22,180.41	-	27,819.59	-
PUBLIC SAFETY							
Police Department:							
Salaries and Wages	2,250,000.00	-	2,250,000.00	2,108,740.24	-	141,259.76	-
Other Expenses	180,000.00	-	180,000.00	145,158.70	8,828.74	26,012.56	-
Purchase of Police Vehicles	100,000.00	-	100,000.00	3,132.92	90,675.00	6,192.08	-
Police Dispatch/911:							
Salaries and Wages	295,000.00	-	295,000.00	272,129.56	-	22,870.44	-
Annual Charge - 911 System	6,000.00	-	6,000.00	5,777.00	-	223.00	-
Aid To Volunteer Fire Companies:							
Other Expenses	19,024.00	-	19,024.00	19,024.00	-	-	-
Aid To First Aid Organization:							
Salaries and Wages	6,185.00	-	6,185.00	6,181.92	-	3.08	-
Other Expenses	35,000.00	-	35,000.00	20,830.70	2,116.56	12,052.74	-
Aid	9,512.00	-	9,512.00	9,512.00	-	-	-
Uniform Safety Act							
Other Expenses	6,537.00	-	4,837.00	2,016.67	800.00	2,020.33	-
Fire Department:							
Salaries and Wages	10,690.00	-	10,690.00	10,686.96	-	3.04	-
Other Expenses	25,000.00	-	25,000.00	22,338.51	1,478.00	1,183.49	-
Municipal Prosecutor's Office:							
Other Expenses	15,250.00	-	15,250.00	12,990.00	-	2,260.00	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended				
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
PUBLIC WORKS							
Streets and Road Maintenance:							
Salaries and Wages	1,150,000.00	-	1,150,000.00	1,126,226.83	-	23,773.17	-
Other Expenses	190,000.00	-	190,000.00	139,819.25	43,038.66	7,142.09	-
Sewer System:							
Salaries and Wages	183,600.00	-	183,600.00	174,647.08	-	8,952.92	-
Other Expenses	100,000.00	-	100,000.00	68,391.41	18,256.05	13,352.54	-
Shade Tree Commission:							
Other Expenses	35,000.00	-	35,000.00	19,396.85	5,101.00	10,502.15	-
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	535,616.00	-	535,616.00	535,614.95	-	1.05	-
Buildings and Grounds:							
Salaries and Wages	67,515.00	-	67,515.00	57,869.04	-	9,645.96	-
Other Expenses	75,000.00	-	75,000.00	30,172.72	13,006.84	31,820.44	-
Property Lease	8,800.00	-	8,800.00	7,721.25	-	1,078.75	-
Vehicle Maintenance (Including Police Vehicles):							
Other Expenses	175,000.00	-	175,000.00	156,656.11	11,230.42	7,113.47	-
CODE ENFORCEMENT AND ADMINISTRATION							
Fire Protection Official:							
Salaries and Wages	5,300.00	-	7,000.00	6,957.21	-	42.79	-
Construction Code Official:							
Salaries and Wages	242,600.00	-	242,600.00	228,332.74	-	14,267.26	-
Other Expenses	29,000.00	-	29,000.00	7,570.74	14,096.77	7,332.49	-
HEALTH AND HUMAN SERVICES							
Public Health Services (Board of Health):							
Salaries and Wages	7,800.00	-	7,800.00	7,172.16	-	627.84	-
Other Expenses	1,200.00	-	1,200.00	475.00	-	725.00	-
MCR Health Commission #1	76,443.00	-	76,443.00	76,442.04	-	0.96	-
Hepatitis B Vaccine Costs	500.00	-	500.00	-	-	500.00	-
Animal Control Services:							
Other Expenses	6,000.00	-	6,000.00	4,500.00	-	1,500.00	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Expended				
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
PARK AND RECREATION							
Recreation Services and Programs:							
Salaries and Wages	128,500.00	-	128,500.00	124,576.73	-	3,923.27	-
Other Expenses	20,000.00	-	20,000.00	-	-	20,000.00	-
Municipal Court:							
Salaries and Wages	66,798.00	-	66,798.00	58,043.28	-	8,754.72	-
Other Expenses	7,500.00	-	7,500.00	2,550.48	6.80	4,942.72	-
Public Defender:							
Other Expenses	2,800.00	-	2,800.00	2,799.96	-	0.04	-
Homeland Security (N.J.S. 40A:4-45.3(pp))							
Office of Emergency Management:							
Other Expenses	15,000.00	-	15,000.00	3,146.97	10,000.00	1,853.03	-
UTILITY EXPENSES AND BULK PURCHASES							
Electricity	131,000.00	-	131,000.00	112,794.26	7,159.25	11,046.49	-
Street Lighting	65,000.00	-	65,000.00	54,022.68	500.56	10,476.76	-
Telephone (excluding telephone acquisition)	45,000.00	-	45,000.00	37,697.26	-	7,302.74	-
Water	50,000.00	-	50,000.00	43,614.61	-	6,385.39	-
Fire Hydrants	150,000.00	-	150,000.00	136,000.10	12,427.90	1,572.00	-
Gas (natural or propane)	30,000.00	-	30,000.00	18,344.41	2,032.13	9,623.46	-
Gasoline	170,000.00	-	170,000.00	138,015.05	16,199.73	15,785.22	-
Landfill/Solid Waste Disposal Costs	625,000.00	-	625,000.00	528,917.58	50,000.15	46,082.27	-
Total Operations - Within "CAPS"	11,651,320.00	-	11,651,320.00	9,854,077.92	382,578.17	1,414,663.91	-
Contingent	5,000.00	-	5,000.00	1,798.29	76.00	3,125.71	-
Total Operations Including Contingent - Within "CAPS"	11,656,320.00	-	11,656,320.00	9,855,876.21	382,654.17	1,417,789.62	-
Detail:							
Salaries and Wages	1,506,148.00	-	1,507,848.00	1,419,478.26	-	88,369.74	-
Other Expenses (Including Contingent)	10,150,172.00	-	10,148,472.00	8,436,397.95	382,654.17	1,329,419.88	-

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, 2023**

	Appropriations			Expended			
	Original Budget	N.J.S. 40A:4-87 Special	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"							
STATUTORY EXPENDITURES							
Contribution To:							
Public Employees' Retirement System	467,793.28	-	467,793.28	467,793.28	-	-	-
Social Security System (O.A.S.I.)	350,000.00	-	350,000.00	298,112.69	-	51,887.31	-
Police and Firemen's Retirement System	608,520.10	-	608,520.10	608,520.10	-	-	-
Defined Contribution Plan	1,150.00	-	1,150.00	-	-	1,150.00	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,427,463.38	-	1,427,463.38	1,374,426.07	-	53,037.31	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	13,083,783.38	-	13,083,783.38	11,230,302.28	382,654.17	1,470,826.93	-
Expenditures - Excluded From "CAPS":							
Aid To Oceanic Library (N.J.S.A. 40:54-35)	75,000.00	-	75,000.00	75,000.00	-	-	-
Sewer Authority - Share of Cost	1,811,695.00	-	1,811,695.00	1,582,106.74	-	229,588.26	-
LOSAP	40,000.00	-	40,000.00	-	-	40,000.00	-
Employee Group Health	305,888.00	-	305,888.00	305,888.00	-	-	-
Reserve for Tax Appeals	157,730.00	-	157,730.00	-	-	157,730.00	-
PFRS	81,405.00	-	81,405.00	81,405.00	-	-	-
Garbage	15,010.00	-	15,010.00	15,010.00	-	-	-

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Appropriations			Expended			
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
Fair Haven Shared Service Agreement:							
Construction Office:							
Salaries and Wages	118,000.00	-	118,000.00	112,787.61	-	5,212.39	-
Other Expenses	19,000.00	-	19,000.00	3,924.75	7,769.28	7,305.97	-
Fair Haven Shared Service Agreement:							
Municipal Court							
Salaries and Wages	43,600.00	-	43,600.00	35,491.36	-	8,108.64	-
Other Expenses	4,000.00	-	4,000.00	2,827.66	5.01	1,167.33	-
Little Silver Shared Service Agreement:							
Construction Office:							
Salaries and Wages	143,000.00	-	143,000.00	136,473.04	-	6,526.96	-
Other Expenses	18,000.00	-	18,000.00	4,749.60	9,402.13	3,848.27	-
FH Fire Prevention							
Salaries and Wages	5,300.00	-	5,300.00	5,297.04	-	2.96	-
City of Asbury Park - Rescue Squad Services	20,808.00	-	20,808.00	20,808.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET							
BY REVENUES							
Matching for Grants	5,000.00	-	5,000.00	-	-	5,000.00	-
Recycling Tonnage Grant	21,501.09	-	21,501.09	21,501.09	-	-	-
Clean Communities Program	-	20,515.16	20,515.16	20,515.16	-	-	-
Police Body Armor Grant	1,413.19	-	1,413.19	1,413.19	-	-	-
Alcohol Education Rehab	-	908.56	908.56	908.56	-	-	-
Stormwater Assistance Grant	-	25,000.00	25,000.00	25,000.00	-	-	-
ARP Firefighter Grant	33,000.00	-	33,000.00	33,000.00	-	-	-
Total Operations - Excluded From "CAPS"	2,919,350.28	46,423.72	2,965,774.00	2,484,106.80	17,176.42	464,490.78	-
Detail:							
Salaries and Wages	304,600.00	-	304,600.00	284,752.01	-	19,847.99	-
Other Expenses	2,614,750.28	46,423.72	2,661,174.00	2,199,354.79	17,176.42	444,642.79	-
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	2,000,000.00	-	2,000,000.00	2,000,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	2,000,000.00	-	2,000,000.00	2,000,000.00	-	-	-

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, 2023**

	Appropriations		Expended				
	Original Budget	Special N.J.S. 40A:4-87	Budget After Modification	Expended	Encumbered	Reserved	Cancelled
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	475,000.00	-	475,000.00	475,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	1,076,405.00	-	1,076,405.00	1,076,405.00	-	-	-
Interest on Bonds	148,000.00	-	148,000.00	147,588.76	-	-	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"	1,750,411.00	-	1,750,411.00	1,749,999.29	-	-	411.71
Deferred Charges - Municipal - Excluded From "CAPS"							
Emergency Authorizations:							
Emergency Authorization - Sanitary Sewer Force	-	3,000,000.00	3,000,000.00	2,165,897.27	114,700.99	719,401.74	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	-	3,000,000.00	3,000,000.00	2,165,897.27	114,700.99	719,401.74	-
Total General Appropriations - Excluded From "CAPS"	6,669,761.28	3,046,423.72	9,716,185.00	8,400,003.36	131,877.41	1,183,892.52	411.71
Subtotal General Appropriations	19,753,544.66	3,046,423.72	22,799,968.38	19,630,305.64	514,531.58	2,654,719.45	411.71
Reserve for Uncollected Taxes	1,194,515.18	-	1,194,515.18	1,194,515.18	-	-	-
Total General Appropriations	\$ 20,948,059.84	\$ 3,046,423.72	\$ 23,994,483.56	\$ 20,824,820.82	\$ 514,531.58	\$ 2,654,719.45	\$ 411.71

Analysis of Paid or Charged

Reserve for Uncollected Taxes	\$ 1,194,515.18
Reserve for Grant Expenditures - Appropriated	102,338.00
Cash Disbursements	<u>19,527,967.64</u>
	<u>\$ 20,824,820.82</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
Animal Control Fund:			
Cash	B-2	\$ 29,226.60	\$ 27,392.34
Total Animal Control Fund		<u>29,226.60</u>	<u>27,392.34</u>
Trust - Other Funds			
Cash - Treasurer	B-2	4,108,750.92	3,384,840.24
Total Trust Other Fund		<u>4,108,750.92</u>	<u>3,384,840.24</u>
Recreation Commission:			
Cash - Treasurer	B-2	652,258.54	564,172.32
Due From Current Fund	B	900.00	-
Total Recreation Commission		<u>653,158.54</u>	<u>564,172.32</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments	B-9	823,891.96	664,750.91
Total Assets		<u>\$ 5,615,028.02</u>	<u>\$ 4,641,155.81</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 23,643.80	\$ 24,775.00
Due to Current Fund	B-3	5,582.80	2,617.34
Total		<u>29,226.60</u>	<u>27,392.34</u>
Trust - Other Funds:			
Reserve for:			
Various Trust Funds	B-5	4,102,661.06	3,378,750.38
Special Assessment	B-6	2,613.00	2,613.00
Due To Current Fund	B-8	495.00	495.00
Payroll Deductions Payable	B-7	2,981.86	2,981.86
Total Trust - Other Funds		<u>4,108,750.92</u>	<u>3,384,840.24</u>
Recreation Commission:			
Due To Current Fund	B	-	128.00
Fund Balance	B-1	653,158.54	564,044.32
Total Recreation Commission		<u>653,158.54</u>	<u>564,172.32</u>
Length of Service Award Program Fund ("LOSAP"):			
Miscellaneous Reserves	B-11	823,891.96	664,750.91
Total		<u>\$ 5,615,028.02</u>	<u>\$ 4,641,155.81</u>

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

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND - RECREATION COMMISSION
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 564,044.32
Increased By:		
Cash Receipts	\$ 461,038.50	
Due To/From Current	7,382.00	
	468,420.50	
		1,032,464.82
Decreased By:		
Cash Disbursements	372,952.28	
Due to Current	6,354.00	
	379,306.28	
Balance, December 31, 2023		\$ 653,158.54

The accompanying Notes to the 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, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
Cash	C-3	\$ 9,285,851.09	\$ 12,323,187.78
Deferred Charges to Future Taxation:			
Funded	C-5	4,798,775.90	5,321,587.54
Unfunded	C-6	2,575,925.00	3,652,330.00
Due From NJ DOT	C-13	133,519.75	133,519.75
		<u>16,794,071.74</u>	<u>21,430,625.07</u>
Total Assets		<u>\$ 16,794,071.74</u>	<u>\$ 21,430,625.07</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-7	\$ 4,675,000.00	\$ 5,150,000.00
Bond Anticipation Notes	C-8	2,575,925.00	3,652,330.00
Green Acres Loan Payable	C-9	123,775.90	171,587.54
Due to State of New Jersey	C-4	133.00	133.00
Improvement Authorizations:			
Funded	C-10	3,470,112.09	6,200,914.23
Unfunded	C-10	27,272.98	2,254,500.00
Encumbrances Payable	C-10	2,674,464.88	782,522.41
Retained Percentage Due to Contractors	C-11	84.00	84.00
Capital Improvement Fund	C-12	3,237,316.20	3,208,566.20
Fund Balance	C-1	9,987.69	9,987.69
		<u>16,794,071.74</u>	<u>21,430,625.07</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 16,794,071.74</u>	<u>\$ 21,430,625.07</u>

There were Bonds & Notes Authorized but not issued on December 31, 2023 of \$0.00 and on December 31, 2022 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 CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 9,987.69

**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, 2023 AND 2022**

Assets	REFERENCE	<u>2023</u>	<u>2022</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	7,474,119.47	7,162,866.07
Improvements	D-1	<u>4,400,750.75</u>	<u>4,400,750.75</u>
Total Assets		<u>\$ 18,708,285.22</u>	<u>\$ 18,397,031.82</u>
Fund Balance			
Investment in Fixed Assets	D-1	<u>\$ 18,708,285.22</u>	<u>\$ 18,397,031.82</u>
Total Fund Balance		<u>\$ 18,708,285.22</u>	<u>\$ 18,397,031.82</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, 2023**

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BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

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

Budgets and Budgetary Accounting - The Borough must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost [with the exception of LOSAP investments which may be reported at fair and contract value]. Therefore unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023

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

Revenues – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Borough of Rumson School District, and the Rumson-Fair Haven Regional High School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

County Taxes – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10th of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10th of the current year and due to be paid to the County by February 15th of the following year.

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Rumson School District and its share of the Rumson-Fair Haven Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district and the Borough’s share of the regional school district for the period from July 1 to June 30.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

Reserve for Uncollected Taxes – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for “other expenses”, an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 99, *Omnibus 2022*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Management has determined that the implementation of these Statements 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. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

Management has not yet determined the potential impact these Statements will have on the Borough's financial statements.

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the

New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023, the Borough's bank balance of \$34,054,019.63 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 340,437.38
Uninsured and Uncollateralized	33,713,582.25
	\$ 34,054,019.63

Investments

Under the regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2022, 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.

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, 2023 was as followed:

	Carrying Value	Fair Value as of December 31, 2023		Investment Maturities (in Less Than 1 Year
		Level 1	Total	
<u>Investment Type</u>				
Bond Anticipation Notes	\$ 2,575,925.00	\$ 2,575,925.00	\$ 2,575,925.00	\$ 2,575,925.00
Mutual Funds	<u>716,534.80</u>	<u>716,534.80</u>	<u>716,534.80</u>	<u>716,534.80</u>
	<u>\$ 3,292,459.80</u>	<u>\$ 3,292,459.80</u>	<u>\$ 3,292,459.80</u>	<u>\$ 3,292,459.80</u>
<u>Fund</u>				
Current Fund	\$ 2,575,925.00	\$ 2,575,925.00	\$ 2,575,925.00	\$ 2,575,925.00
Trust Fund - LOSAP (Fair Value)	<u>716,534.80</u>	<u>716,534.80</u>	<u>716,534.80</u>	<u>716,534.80</u>
	<u>\$ 3,292,459.80</u>	<u>\$ 3,292,459.80</u>	<u>\$ 3,292,459.80</u>	<u>\$ 3,292,459.80</u>

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$107,357.16 as of December 31, 2023. 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, 2023 was as follows:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments (continued):

Trust Fund - LOSAP (Fair Value)	\$ 716,534.80
Trust Fund - LOSAP (Contract Value)	<u>107,357.16</u>
Total Trust Fund - LOSAP	<u><u>\$ 823,891.96</u></u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough’s investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough’s investments are in bond anticipation notes and money markets and these investments represent 78.24% of the Borough’s total investments.

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 1.169</u>	<u>\$ 1.287</u>	<u>\$ 1.423</u>
Apportionment of Tax Rate:			
Municipal	0.275	0.294	0.323
County	0.221	0.241	0.269
Local School	0.378	0.424	0.466
Regional School	0.295	0.328	0.365

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 3. Property Taxes (continued):

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 5,117,483,798.00
2022	4,551,384,227.00
2021	4,037,537,857.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 60,298,005.87	\$ 59,854,214.90	99.26%
2022	58,858,437.07	58,433,640.04	99.27%
2021	57,721,645.83	57,243,456.98	99.17%

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>
2023	\$ -	\$ 415,626.27	\$ 415,626.27	0.69%
2022	-	443,535.88	443,535.88	0.75%
2021	-	487,141.35	487,141.35	0.84%

Number of Tax Title Liens

<u>Year</u>	<u>Number</u>
2023	-
2022	-
2021	-

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 4. Property Acquired By Tax Title Lien Liquidations

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2023, 2022 or 2021.

Note 5. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and three previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2023	\$ 7,589,546.07	Not Available	0.00%
2022	6,387,695.95	3,066,479.00	48.01%
2021	5,887,641.90	2,836,479.00	48.18%

Note 6. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2023:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 6,077.80	\$ 239,235.20
State and Federal Grant Fund	238,335.20	-
Animal Control Trust	-	5,582.80
Trust Other Fund	-	495.00
Recreation Trust Fund	900.00	-
	<u>\$ 245,313.00</u>	<u>\$ 245,313.00</u>

The interfund receivables and payables above predominantly resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 89,478.59	\$ 82,057.74
State and Federal Grant Fund	59,512.61	64,316.12
Animal Control Trust	-	2,617.34
Trust Other Fund	22,545.13	22,545.13
Capital Fund	2,228,750.00	2,228,750.00
	<u>\$ 2,400,286.33</u>	<u>\$ 2,400,286.33</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, 2023.

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	7,162,866.07	510,776.40	199,523.00	7,474,119.47
Improvements	4,400,750.75	-	-	4,400,750.75
	<u>\$ 18,397,031.82</u>	<u>\$ 510,776.40</u>	<u>\$ 199,523.00</u>	<u>\$ 18,708,285.22</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 year ended June 30, 2023. 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, 2022.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (ACFR) 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. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

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, 2022, the Borough's contractually required contribution to PERS plan was \$462,675.

Components of Net Pension Liability - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$5,536,984. The net pension liability was measured as of June 30, 2022. 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, 2021, which was rolled forward to June 30, 2022. 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, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0366897209% which was a decrease of 0.0029254761% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 509,376	\$ 488,978
Deferred Inflows of Resources	1,537,305	3,272,567
Net Pension Liability	5,536,984	4,693,014
Borough's portion of the Plan's total Net Pension Liability	0.03669%	0.03962%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date is (\$443,899). 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 \$462,675 to the plan in 2022.

At December 31, 2022, 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, 2023**

Note 9. Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 39,963	\$ 35,242
Changes of Assumptions	17,155	829,106
Net Difference between Projected and Actual Earnings on Pension Plan Investments	229,171	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	223,087	672,957
	\$ 509,376	\$ 1,537,305

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (564,931)
2024	(331,949.00)
2025	(207,980.00)
2026	167,471.00
2027	(90,540.00)
	\$ (1,027,929)

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

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

Inflation:		
Price		2.75%
Wage		3.25%
Salary Increases:		
		2.75 - 6.55%
		Based on Years of Service
Investment Rate of Return		7.00%
Mortality Rate Table		
PERS		Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based		July 1, 2018 - June 30, 2021

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, 2021 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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it 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:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 7,173,646</u>	<u>\$ 5,536,984</u>	<u>\$ 4,230,919</u>

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 9. Pension Obligations (continued):

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 year ended June 30, 2023. 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, 2022.

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 Division's Comprehensive Annual Financial Report (ACFR) 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.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19,

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability 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, 2022, the Borough’s contractually required contributions to PFRS plan was \$689,173.

Net Pension Liability and Pension Expense - At December 31, 2022 the Borough’s proportionate share of the PFRS net pension liability was \$6,065,510. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022. The Borough’s proportion measured as of June 30, 2022, was 0.05299075%, which was an increase of 0.0027463115% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 1,259,617	\$ 275,115
Deferred Inflows of Resources	1,898,459	4,117,658
Net Pension Liability	6,065,510	3,672,442
Borough's portion of the Plan's total net pension Liability	0.05299%	0.05024%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2022, the Borough’s proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was (\$120,580). 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 \$689,173 to the plan in 2022.

At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 274,541	\$ 371,595
Changes of Assumptions	16,623	763,528
Net Difference between Projected and Actual Earnings on Pension Plan Investments	555,423	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contribution:	413,030	763,336
	\$ 1,259,617	\$ 1,898,459

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
2023	\$ (373,433)
2024	(263,935)
2025	(254,747)
2026	315,720
2027	(66,343)
Thereafter	3,896
	\$ (638,842)

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

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

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$1,079,483 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2022 was 0.05299060%, which was an increase of 0.00274616% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough’s. At December 31, 2022, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 6,065,510
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	1,079,483
	\$ 7,144,993

At December 31, 2022, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$124,544.

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

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%
Mortality Rate Table		
PFRS		PubS-2010 amount-weighted mortality table using Scale MP-2021
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based		July 1, 2018 - June 30, 2021

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
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Note 9. Pension Obligations (continued):

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

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

The actuarial assumptions used in the July 1, 2021 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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 9. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 8,322,535	\$ 6,065,510	\$ 4,186,526
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	1,481,167	1,079,483	745,079
	\$ 9,803,702	\$ 7,144,993	\$ 4,931,605

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 other postemployment benefit obligations for the year ended June 30, 2023. 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, 2022.

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 Comprehensive Financial Report (ACFR), 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.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,321, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense (benefit) are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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.

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, 2022 was \$14,894,933. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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 the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0922309975%, which was an increase of 0.0041199988% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB (benefit) expense in the amount of (\$131,658) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2022 measurement date. Actuarial assumptions used in the July 1, 2021 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.

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 17,266,226	\$ 14,894,933	\$ 12,987,006
State of New Jersey's Total Nonemployer OPEB Liability	18,720,632,230	16,149,595,478	14,080,955,857

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

The following presents the net OPEB liability as of June 30, 2022, 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	\$ 12,635,820	\$ 14,894,933	\$ 17,788,220
State of New Jersey's Total Nonemployer OPEB Liability	13,700,188,049	16,149,595,478	19,286,596,671

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021:

Collective Balances at December 31, 2022 and December 31, 2021

	12/31/2022	12/31/2021
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 7,897,070,518	\$ 8,536,291,345
Collective Deferred Inflows of Resources	13,408,600,309	12,481,961,743
Collective Net OPEB Liability	16,149,595,478	17,999,781,235
 Borough's Portion	 0.092231%	 0.088111%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2023	\$ (1,463,380,541)
2024	(1,464,672,406)
2025	(1,156,630,075)
2026	(516,557,746)
2027	(115,810,526)
Thereafter	(794,478,497)
	\$ (5,511,529,791)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Plan Membership

At June 30, 2022, the Program membership consisted of the following:

	June 30, 2022
Active Plan Members	84,057
Retirees Currently Receiving Benefits	16,440
Total Plan Members	100,497

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Service Cost	\$ 796,654,029
Interest on the Total OPEB Liability	401,372,615
Change of Benefit Terms	402,474,416
Differences Between Expected and Actual Experience	572,046,963
Changes of Assumptions	(3,599,550,175)
Contributions From the Employer	(389,490,003)
Contributions From Non-Employer Contributing Entity	(45,792,081)
Net Investment Income	(235,962)
Administrative Expense	<u>12,334,441</u>
 Net Change in Total OPEB Liability	 (1,850,185,757)
 Total OPEB Liability (Beginning)	 <u>17,999,781,235</u>
 Total OPEB Liability (Ending)	 <u>\$ 16,149,595,478</u>

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>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
General:			
Bonds, Notes and Loans	<u>\$ 7,374,700.90</u>	<u>\$ 8,973,917.54</u>	<u>\$ 8,172,240.10</u>
Total Debt Issued	<u>7,374,700.90</u>	<u>8,973,917.54</u>	<u>8,172,240.10</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	<u>-</u>	<u>-</u>	<u>351,372.34</u>
Total Authorized But Not Issued	<u>-</u>	<u>-</u>	<u>351,372.34</u>
Total Gross Debt	<u>\$ 7,374,700.90</u>	<u>\$ 8,973,917.54</u>	<u>\$ 8,523,612.44</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Debt	<u>\$ 7,374,700.90</u>	<u>\$ 8,973,917.54</u>	<u>\$ 8,523,612.44</u>

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Municipal Debt (continued):

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>
General Debt	\$ 7,374,700.90	\$ -	\$ 7,374,700.90
	<u>\$ 7,374,700.90</u>	<u>\$ -</u>	<u>\$ 7,374,700.90</u>

Net Debt \$7,374,900.90 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$4,712,354,490, equals 0.156%. 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, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 164,932,407.15
Net Debt	<u>7,374,700.90</u>
Remaining Borrowing Power	<u>\$ 157,557,706.25</u>

General Debt

A. Serial Bonds Payable

On 3/13/2013, the Borough issued \$7,575,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2.00% to 4.00% and mature on 7/15/2032.

Principal and interest due on the outstanding bonds is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 500,000.00	\$ 128,588.76	\$ 628,588.76
2025	540,000.00	108,588.76	648,588.76
2026	540,000.00	96,438.76	636,438.76
2027	535,000.00	80,238.76	615,238.76
2028	530,000.00	67,532.50	597,532.50
2029-2032	2,030,000.00	135,905.00	2,165,905.00
	<u>\$ 4,675,000.00</u>	<u>\$ 617,292.54</u>	<u>\$ 5,292,292.54</u>

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Municipal Debt (continued):

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2023:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2023</u>
Road Resurfacing and Curbing	8/15/2023	8/14/2024	0.00	\$ 194,973.00
Land Acquisition	9/18/2023	9/17/2024	0.00	<u>2,380,952.00</u>
				<u><u>\$ 2,575,925.00</u></u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023, 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>
2024	\$ 48,772.65	\$ 2,232.87	\$ 51,005.52
2025	49,752.99	1,252.54	51,005.53
2026	<u>25,250.26</u>	<u>252.50</u>	<u>25,502.76</u>
	<u>\$ 123,775.90</u>	<u>\$ 3,737.91</u>	<u>\$ 127,513.81</u>

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Municipal Debt (continued):

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>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 5,150,000.00	\$ -	\$ 475,000.00	\$ 4,675,000.00	\$ 500,000.00
Bond Anticipation Notes	3,652,330.00	2,575,925.00	3,652,330.00	2,575,925.00	2,575,925.00
Green Acres Loan	171,587.54	-	47,811.64	123,775.90	48,772.65
	<u>\$ 8,973,917.54</u>	<u>\$ 2,575,925.00</u>	<u>\$ 4,175,141.64</u>	<u>\$ 7,374,700.90</u>	<u>\$ 3,124,697.65</u>

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

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$151,457.10 at December 31, 2023.

Note 14. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the Statement of Assets, Liabilities, Reserves and Fund Balances of the following funds:

<u>Description</u>	Balance December 31, <u>2022</u>	Amount Resulting <u>from 2023</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Emergency Authorization (40A:4-46 and 40A:4-49)	\$ -	\$ 3,000,000.00	\$ 3,000,000.00

**BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 15. Risk Management

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

Joint Insurance Pool

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Borough with the following coverage:

Employee Theft - Per Loss Coverage	\$ 1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

Contributions to the Funds are payable in one installment and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2023 which can be obtained on the Fund's website.

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method." Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 19,706.34	\$ 22,975.73	\$ 63,467.28
2022	15,579.69	13,480.52	66,736.67
2021	11,546.23	6,707.23	64,637.50

Note 16. 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, 2023, the Borough estimates that no material liabilities will result from such audits.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 16. Contingencies (continued):

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, 2023, 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 \$92,270.00.

Note 17. 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 periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,277.47 for the year ended December 31, 2023 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2023, the Borough contributed a total of \$28,104.34 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Lincoln Financial Group ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

BOROUGH OF RUMSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 17. Length of Service Awards Program (continued):

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2023, there were no payouts made to vested participants.

Forfeited Accounts – During the year ended December 31, 2023, no accounts were forfeited.

Plan Information - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and April 29, 2024, the date the financial statements were available to be issued.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 17,413,494.75
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 157,215.77	
State of New Jersey - Senior Citizens' and Veterans' Deductions	23,750.00	
Taxes Receivable	59,670,811.61	
Tax Overpayments	90,176.77	
Bankruptcy Taxes Receivable	2,949.27	
Sewer Fees Receivable	1,176,922.49	
Sewer Fee Overpayments	11,023.88	
Revenue Accounts Receivable	3,401,021.43	
Due From:		
Trust - Other Fund	22,545.13	
Police Outside Employment	2,605.00	
Rumson Board of Education	274,666.97	
Rumson Fair Haven Board of Education	64,095.22	
Due To State of New Jersey:		
Marriage Licenses	375.00	
U.C.C. Fees	32,567.00	
Lead Hazardous Control Fund	300.00	
Prepaid Taxes	580,081.63	
Investment in BAN's	3,652,330.00	
Reserve for:		
Third Party Liens Payable	48,428.33	
Municipal Relief Fund	68,912.39	
Interfunds Returned	674.99	
Grants Receivable	57,924.81	
Reserve For Grant Expenditures - Unappropriated	1,587.80	
	<u>69,340,965.49</u>	
		<u>86,754,460.24</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Decreased By Disbursements:		
2023 Budget Appropriations	19,527,967.64	
2022 Appropriation Reserves	441,371.92	
Accounts Payable	20,464.16	
Sewer Fees Receivable	1,233.32	
Due From Trust - Other Fund	22,545.13	
Tax Overpayments	112,020.05	
Due From Police Outside Employment	47,245.00	
Due From Rumson Fair Haven Board of Education	61,058.37	
Due From Rumson Board of Education	246,225.95	
Due To State of New Jersey:		
Marriage Licenses	250.00	
U.C.C. Fees	32,567.00	
Third Party Liens Payable	48,428.33	
County Taxes	11,375,685.38	
Local District School Taxes	19,321,541.00	
Regional District School Taxes	15,089,072.00	
Investment in BAN's	2,575,925.00	
Reserve For:		
Prior Year Refunds	457.24	
Grant Expenditures - Appropriated	64,316.12	
	<u>68,988,373.61</u>	<u>68,988,373.61</u>
Balance, December 31, 2023		<u>\$ 17,766,086.63</u>

**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, 2023**

Balance, December 31, 2022	\$	9,858.03
Increased By:		
Cash Receipts		<u>23,750.00</u>
		33,608.03
Decreased By:		
Senior Citizens' Deductions Per Tax Billing		<u>23,500.00</u>
Balance, December 31, 2023	\$	<u><u>10,108.03</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2023**

Year	Balance December 31, 2022	2023 Levy	Added Taxes	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Cancellations/ Adjustments	Balance December 31, 2023
				2022	2023			
2022	\$ 443,535.88	\$ -	\$ -	\$ -	\$ 415,715.95	\$ -	\$ 27,819.93	\$ -
2023	-	59,779,247.76	518,758.11	575,619.24	59,255,095.66	23,500.00	28,164.70	415,626.27
	\$ 443,535.88	\$ 59,779,247.76	\$ 518,758.11	\$ 575,619.24	\$ 59,670,811.61	\$ 23,500.00	\$ 55,984.63	\$ 415,626.27

Analysis of 2023 Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 59,779,247.76
Added Taxes (54:4-63 et seq.)	<u>518,758.11</u>
	<u>\$ 60,298,005.87</u>
Tax Levy:	
Regional High School Taxes	\$ 15,089,072.00
Local District School Taxes	19,321,541.00
County Taxes	\$ 9,326,313.81
County Library Taxes	674,655.47
County Open Space Taxes	1,321,886.96
Added/Omitted County Taxes	<u>89,710.86</u>
	11,412,567.10
Local Taxes for Municipal Purposes	14,045,778.52
Add: Additional Taxes Levied	<u>429,047.25</u>
	<u>14,474,825.77</u>
	<u>\$ 60,298,005.87</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF BANKRUPTCY TAXES RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 2,949.27
Decreased By:	
Cash Receipts	<u>2,949.27</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF SEWER FEES RECEIVABLE
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 26,827.91
Increased By:		
Billings - Net	\$ 1,197,233.35	
Cash Disbursements	1,233.32	
Overpayments Created	<u>1,100.35</u>	
		<u>1,199,567.02</u>
Decreased By:		
Cash Receipts	1,176,922.49	1,226,394.93
Overpayments Applied	<u>14,796.55</u>	
		<u>1,191,719.04</u>
Balance, December 31, 2023		<u><u>\$ 34,675.89</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2022</u>	Accrued <u>2023</u>	Cash <u>Receipts</u>	Balance December 31, <u>2023</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 27,750.00	\$ 27,750.00	\$ -
Other	-	6,310.00	6,310.00	-
Fees and Permits:				
Other	-	211,202.12	211,202.12	-
Fines and Costs:				
Municipal Court	2,321.28	32,745.68	32,160.18	2,906.78
Interest and Cost on Taxes	-	145,313.05	145,313.05	-
Interest on Investments	-	1,025,901.20	1,025,901.20	-
Cellular Tower Fees	-	144,924.60	144,924.60	-
Cable Franchise Fees	-	123,366.82	123,366.82	-
Energy Receipts Taxes	-	665,239.80	665,239.80	-
Interlocal - Fair Haven	-	254,248.21	254,248.21	-
Interlocal - Little Silver	-	210,308.40	210,308.40	-
Uniform Construction Code Fees	-	477,203.00	477,203.00	-
Uniform Fire Safety Act	-	10,694.05	10,694.05	-
Trash Collection Charges	-	66,400.00	66,400.00	-
	<u>\$ 2,321.28</u>	<u>\$ 3,401,606.93</u>	<u>\$ 3,401,021.43</u>	<u>\$ 2,906.78</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM TRUST - OTHER FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 495.00
Increased By:	
Cash Disbursements	<u>22,545.13</u>
	23,040.13
Increased By:	
Cash Receipts	<u>22,545.13</u>
Balance, December 31, 2023	<u><u>\$ 495.00</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023

	December 31, 2022		Budget after Modification	Paid or Charged	Balance Lapsed
	Reserved	Encumbrances			
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 0.65	\$ -	\$ 0.65	\$ -	\$ 0.65
Other Expenses	86,373.79	3,033.84	89,407.63	5,570.65	83,836.98
Municipal Clerk:					
Salaries and Wages	20,323.73	-	20,323.73	-	20,323.73
Other Expenses	2,937.59	1.00	2,938.59	1,706.00	1,232.59
Elections	34.19	-	34.19	-	34.19
Financial Administration (Treasury):					
Salaries and Wages	737.73	-	737.73	-	737.73
Other Expenses	7,312.08	1.00	7,313.08	1,150.00	6,163.08
Audit Services:					
Other Services	200.00	-	200.00	-	200.00
Revenue Administration (Tax Collection):					
Salaries and Wages	0.90	-	0.90	-	0.90
Other Expenses	5,264.34	1,500.00	6,764.34	1,267.00	5,497.34
Tax Assessment Administration:					
Other Expenses	24,769.92	30,510.74	55,280.66	24,315.91	30,964.75
Records Retention and Disposal					
Other Expenses	2,475.00	-	2,475.00	-	2,475.00
Legal Services (Legal Department):					
Other Expenses	143,967.52	7,913.00	116,880.52	21,240.72	95,639.80
Engineering Services:					
Salaries and Wages	1,250.08	-	1,250.08	-	1,250.08
Other Expenses	110,771.61	3.25	73,774.86	30,658.50	43,116.36
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	71.04	-	71.04	-	71.04
Zoning Board of Adjustment:					
Salaries and Wages	71.04	-	71.04	-	71.04
Zoning Enforcement Officer					
Salaries and Wages	504.52	-	504.52	-	504.52
Land Use Development Officer					
Salaries and Wages	11,916.70	-	11,916.70	-	11,916.70
Other Expenses	10,561.82	1,942.67	12,504.49	1,197.64	11,306.85
CODE ENFORCEMENT AND ADMINISTRATION					
Uniform Construction Code Enforcement Functions:					
Salaries and Wages	81.00	-	81.00	-	81.00
Plumbing Inspector:					
Salaries and Wages	6,947.10	-	6,947.10	-	6,947.10
Electrical Inspection:					
Salaries and Wages	10,979.16	-	10,979.16	-	10,979.16
Fire Protection Official					
Salaries and Wages	139.43	-	139.43	-	139.43
Fire Sub-Code Official					
Salaries and Wages	167.56	-	167.56	-	167.56
Uniform Fire Safety:					
Other Expenses	6,137.00	-	6,137.00	500.00	5,637.00
Construction Code Official:					
Salaries and Wages	18,123.33	-	18,123.33	-	18,123.33
Other Expenses	15,904.58	3,175.46	19,080.04	17,488.54	1,591.50

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>December 31, 2022</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	116,226.60	-	116,226.60	5,260.00	110,966.60
Other Expenses	13,553.31	7,894.19	56,447.50	37,280.76	19,166.74
Purchase of Police Vehicles	8,465.63	91,534.37	100,000.00	91,534.37	8,465.63
Police Dispatch/911:					
Salaries and Wages	60,672.51	-	60,672.51	8,383.28	52,289.23
Annual Charge - 911 System	336.00	-	336.00	-	336.00
Aid To First Aid Organization:					
Other Expenses	2,517.05	3,033.03	5,550.08	1,769.13	3,780.95
Fire Department:					
Other Expenses	4,619.07	9,311.98	18,931.05	12,591.40	6,339.65
Municipal Prosecutor's Office:					
Other Expenses	2,260.00	-	2,260.00	-	2,260.00
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	67,865.24	-	67,865.24	2,317.31	65,547.93
Other Expenses	10,576.03	24,439.45	35,015.48	20,003.84	15,011.64
Sewer System:					
Salaries and Wages	25,760.19	-	25,760.19	3,325.44	22,434.75
Other Expenses	17,488.87	13,910.67	31,399.54	25,742.96	5,656.58
Shade Tree Commission:					
Other Expenses	10,343.00	-	10,343.00	-	10,343.00
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	3.02	21,875.00	21,878.02	21,875.00	3.02
Buildings and Grounds:					
Salaries and Wages	9,513.61	-	9,513.61	-	9,513.61
Other Expenses	19,819.09	3,567.74	23,386.83	2,810.39	20,576.44
Property Lease	871.99	-	871.99	-	871.99
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	77.34	17,783.54	49,860.88	30,994.40	18,866.48
HEALTH AND HUMAN SERVICES					
Public Health Services (Board of Health)					
Salaries and Wages	52.66	-	52.66	-	52.66
Contracted Services	28.68	-	28.68	-	28.68
Other Expenses	603.05	-	603.05	-	603.05
Hepatitis B Vaccine Costs	500.00	-	500.00	-	500.00
Visiting Nurse Services - Contractual	1,000.00	-	1,000.00	-	1,000.00
Animal Control Services:					
Other Expenses	1,500.00	-	1,500.00	1,500.00	-
PARK AND RECREATION					
Recreation Services and Programs:					
Salaries and Wages	74.67	-	74.67	-	74.67
Other Expenses	20,000.00	-	20,000.00	-	20,000.00
Municipal Court:					
Salaries and Wages	9,072.50	-	9,072.50	1,114.06	7,958.44
Other Expenses	4,304.07	890.59	5,194.66	874.00	4,320.66
Public Defender:					
Other Expenses	2,300.04	-	2,300.04	-	2,300.04

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	December 31, 2022		Budget after Modification	Paid or Charged	Balance Lapsed
	Reserved	Encumbrances			
INSURANCE					
General Liability	26,001.28	-	26,001.28	-	26,001.28
Employee Group Health	309,956.84	3,849.41	313,806.25	-	313,806.25
Waiver Insurance	31,440.84	-	31,440.84	-	31,440.84
Homeland Security (NJSA 40A:4-45.3(pp))					
Office of Emergency Management:					
Other Expenses	12,613.14	-	12,613.14	-	12,613.14
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	39,056.11	10,986.48	48,542.59	19,387.46	29,155.13
Street Lighting	10,950.63	532.04	11,482.67	5,085.22	6,397.45
Telephone (excluding telephone acquisition)	7,861.50	433.33	8,294.83	432.61	7,862.22
Water	11,659.92	-	11,659.92	-	11,659.92
Fire Hydrants	11,031.65	3.80	12,535.45	12,251.20	284.25
Gas (natural or propane)	8,760.03	3,017.93	11,777.96	3,017.93	8,760.03
Gasoline	16,811.48	11,382.53	28,194.01	11,382.53	16,811.48
Landfill/Solid Waste Disposal Costs	129,810.26	37,634.28	167,444.54	80,451.23	86,993.31
Contingent	2,892.28	-	2,892.28	-	2,892.28
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	39,399.50	-	39,399.50	-	39,399.50
Defined Contriution Plan	1,150.00	-	1,150.00	854.37	295.63
LOSAP	40,000.00	-	40,000.00	33,214.22	6,785.78
Sewer Authority - Share of Cost	255,082.50	-	255,082.50	-	255,082.50
Fair Haven Shared Service Agreement:					
Construction Office:					
Salaries and Wages	20,370.89	-	20,370.89	-	20,370.89
Other Expenses	12,685.50	-	12,685.50	8,679.67	4,005.83
Fair Haven Shared Service Agreement:					
Municipal Court:					
Salaries and Wages	8,396.75	-	8,396.75	1,324.68	7,072.07
Other Expenses	596.28	396.01	992.29	394.00	598.29
Little Silver Shared Service Agreement:					
Construction Office:					
Salaries and Wages	19,356.60	-	19,356.60	-	19,356.60
Other Expenses	11,992.41	-	11,992.41	8,257.77	3,734.64
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Matching for Grants	5,000.00	-	5,000.00	-	5,000.00
	<u>\$ 1,933,304.02</u>	<u>\$ 310,557.33</u>	<u>\$ 2,243,861.35</u>	<u>\$ 557,204.19</u>	<u>\$ 1,686,657.16</u>
				\$ 441,371.92	
Cash Disbursements				<u>115,832.27</u>	
Accounts Payable				<u>\$ 557,204.19</u>	

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	66,486.68
Increased By:			
Appropriation Reserves			<u>115,832.27</u>
			182,318.95
Decreased By:			
Accounts Payable Cancelled	\$	27,843.07	
Cash Disbursements		<u>20,464.16</u>	
			<u>48,307.23</u>
Balance, December 31, 2023		\$	<u><u>134,011.72</u></u>

**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, 2023**

Balance, December 31, 2022	\$ (125.00)
Increased By:	
Cash Receipts	<u>375.00</u>
	250.00
Decreased By:	
Cash Disbursements	<u>250.00</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF DUE TO STATE OF NEW JERSEY - U.C.C. FEES
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	-
Increased By:		
Cash Receipts		<u>32,567.00</u>
		32,567.00
Decreased By:		
Cash Disbursements		<u>32,567.00</u>
		-
Balance, December 31, 2023	\$	<u><u>-</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 575,619.24
Increased By:	
Cash Receipts:	
Collection of 2024 Taxes	<u>580,081.63</u>
	1,155,700.87
Decreased By:	
Amount Applied To Taxes Receivable	<u>575,619.24</u>
Balance, December 31, 2023	<u><u>\$ 580,081.63</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 126,120.73
Increased By:		
Overpayment Created		<u>250,199.32</u>
		376,320.05
Decreased By:		
Cash Disbursements	\$ 112,020.05	
Overpayment Applied	<u>160,022.55</u>	
		<u>272,042.60</u>
Balance, December 31, 2023		<u><u>\$ 104,277.45</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF SEWER FEE OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 14,699.02
Increased By:		
Cash Receipts	\$ 9,923.53	
Overpayments Created	<u>1,100.35</u>	
		<u>11,023.88</u>
		25,722.90
Decreased By:		
Overpayments Applied	<u>14,796.55</u>	
		<u>14,796.55</u>
Balance, December 31, 2023		<u><u>\$ 10,926.35</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DRIVE-IN SANITATION OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022	<u>\$ 800.00</u>
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**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF THIRD PARTY LIENS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Cash Receipts	<u>48,428.33</u>
	48,428.33
Decreased By:	
Cash Disbursements	<u>48,428.33</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 CURRENT FUND
 SCHEDULE OF COUNTY TAXES PAYABLE
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 52,829.14
Increased By:		
2023 Tax Levy :		
County Taxes	\$ 9,326,313.81	
County Library Taxes	674,655.47	
County Open Space Taxes	1,321,886.96	
Due To County for Added/Omitted Taxes	<u>89,710.86</u>	
		<u>11,412,567.10</u>
		11,465,396.24
Decreased By:		
Cash Disbursements		<u>11,375,685.38</u>
Balance, December 31, 2023		<u><u>\$ 89,710.86</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		
School Tax Payable	\$ 5,840,386.79	\$ 5,840,386.79
Increased By:		
Levy - School Year July 1, 2022 to June 30, 2023		19,321,541.00
		25,161,927.79
Decreased By:		
Cash Disbursed		19,321,541.00
Balance, December 31, 2023		
School Tax Payable	5,840,386.79	\$ 5,840,386.79
 <u>2023 Liability for Local District High School Tax</u>		
Tax Payable, December 31, 2023	\$ 5,840,386.79	
Tax Paid	19,321,541.00	\$ 25,161,927.79
Less:		
Tax Payable, December 31, 2022		5,840,386.79
Amount Charged To 2023 Operations		\$ 19,321,541.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		
School Tax Payable	\$ 5,412,495.11	\$ 5,412,495.11
Increased By:		
Levy - School Year July 1, 2022 to June 30, 2023		15,089,072.00
		20,501,567.11
Decreased By:		
Cash Disbursed		15,089,072.00
Balance, December 31, 2023		
School Tax Payable	5,412,495.11	\$ 5,412,495.11
 <u>2023 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2023	\$ 5,412,495.11	
Tax Paid	15,089,072.00	20,501,567.11
Less:		
Tax Payable, December 31, 2022		5,412,495.11
Amount Charged To 2023 Operations		\$ 15,089,072.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF INVESTMENT IN BAN'S
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 3,652,330.00
Increased By:	
Cash Disbursements	<u>2,575,925.00</u>
	6,228,255.00
Decreased By:	
Cash Receipts	<u>3,652,330.00</u>
Balance, December 31, 2023	<u><u>\$ 2,575,925.00</u></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, 2023**

Balance, December 31, 2022	\$ 34,100.00
Increased By:	
Cash Disbursements	<u>246,225.95</u>
	280,325.95
Decreased By:	
Cash Receipts	<u>274,666.97</u>
Balance, December 31, 2023	<u><u>\$ 5,658.98</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM RUMSON FAIR HAVEN BOARD OF EDUCATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 19,566.85
Increased By:	
Cash Disbursements	<u>61,058.37</u>
	80,625.22
Decreased By:	
Cash Receipts	<u>64,095.22</u>
Balance, December 31, 2023	<u><u>\$ 16,530.00</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, 2023**

Balance, December 31, 2022	\$ 9,585.00
Increased By:	
Cash Disbursements	<u>47,245.00</u>
	56,830.00
Decreased By:	
Cash Receipts	<u>2,605.00</u>
Balance, December 31, 2023	<u><u>\$ 54,225.00</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 92,270.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
STATE AND FEDERAL GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 243,138.71
Increased By:		
Cash Receipts:		
Grants Receivable	\$ 57,924.81	
Grants - Unappropriated	<u>1,587.80</u>	
		<u>59,512.61</u>
		302,651.32
Decreased By:		
Cash Disbursements:		
Grants - Appropriated		<u>64,316.12</u>
Balance, December 31, 2023		<u><u>\$ 238,335.20</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, 2023**

	Balance December 31, <u>2022</u>	Increased By Revenue Anticipated <u>2023</u>	Cash Received	Transferred from Unappropriated	Balance December 31, <u>2023</u>
State of New Jersey:					
Supplemental Safe Neighborhood Program	\$ 28.00	\$ -	\$ -	\$ -	\$ 28.00
Police Body Armor Grant	0.02	1,413.19	-	1,413.19	0.02
Drunk Driving Enforcement Fund	7,337.62	-	-	-	7,337.62
Clean Communities Program	-	20,515.16	20,515.16	-	-
Recycling Tonnage Grant	-	21,501.09	21,501.09	-	-
Alcohol Education & Rehabilitation	-	908.56	908.56	-	-
NJUCF - Stewardship Resiliency	10,000.00	-	-	-	10,000.00
Body Worn Camera Grant	36,937.60	-	-	-	36,937.60
Stormwater Assistance Grant	-	25,000.00	15,000.00	-	10,000.00
Federal:					
ARP - Firefighter Assistance	-	33,000.00	-	-	33,000.00
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>\$ 74,439.04</u>	<u>\$ 102,338.00</u>	<u>\$ 57,924.81</u>	<u>\$ 1,413.19</u>	<u>\$ 117,439.04</u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
STATE AND FEDERAL GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2022</u>	Transferred From <u>Encumbrances</u>	Budget <u>Appropriation</u>	Paid or <u>Charged</u>	<u>Encumbered</u>	Balance December 31, <u>2023</u>
State of New Jersey:						
Clean Communities Program	\$ 39,319.12	\$ 7.12	\$ 20,515.16	\$ 16,137.90	\$ 0.20	\$ 43,703.30
N.J. Transportation Trust Fund Grant	57,503.32	-	-	-	-	57,503.32
Emergency Road Repair Aid Grant	8,123.26	-	-	-	-	8,123.26
Recycling Tonnage Grant	84,829.66	-	21,501.09	4,219.23	-	102,111.52
D.W.I. Grant	593.24	-	-	-	-	593.24
Municipal Court Alcohol Education & Rehab	14,018.91	-	908.56	-	-	14,927.47
Drunk Driving Enforcement Fund	731.81	-	-	-	-	731.81
Body Armor Fund	2,082.04	1,204.00	1,413.19	1,204.00	-	3,495.23
Pothole Program	1,779.33	-	-	-	-	1,779.33
Emergency Operations Planning	610.72	-	-	-	-	610.72
Handicapped Recreation Opportunities	16.00	-	-	-	-	16.00
Stormwater Grant	7,962.63	-	-	-	-	7,962.63
N.J. State Police 2004 Exercise Pass Grant	310.00	-	-	-	-	310.00
NJUCF - Stewardship Resiliency	10,000.00	-	-	-	-	10,000.00
Body Worn Camera Grant	36,937.60	-	-	-	-	36,937.60
Stormwater Assistance	-	-	25,000.00	-	-	25,000.00
Federal:						
ARP - Firefighter Assistance	-	-	33,000.00	33,000.00	-	-
Assistance to Firefighters Grant	16,426.00	-	-	-	-	16,426.00
Sandy Planning Assistant Grant	8,709.80	-	-	-	-	8,709.80
Local:						
NJAW Environmental Grant	5,000.00	-	-	4,685.00	-	315.00
PSEG Substantive Grant	20,000.00	-	-	5,069.99	-	14,930.01
	<u>\$ 314,953.44</u>	<u>\$ 1,211.12</u>	<u>\$ 102,338.00</u>	<u>\$ 64,316.12</u>	<u>\$ 0.20</u>	<u>\$ 354,186.24</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, 2023**

	Balance December 31, <u>2022</u>	Cash <u>Receipts</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2023</u>
State of New Jersey:				
Police Body Armor Grant	\$ 1,413.19	\$ 1,587.80	\$ 1,413.19	\$ 1,587.80
	<u>\$ 1,413.19</u>	<u>\$ 1,587.80</u>	<u>\$ 1,413.19</u>	<u>\$ 1,587.80</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Cash Receipts	<u>68,912.39</u>
Balance, December 31, 2023	<u><u>\$ 68,912.39</u></u>

TRUST FUNDS

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**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Animal Control</u>	<u>Trust - Other</u>	<u>Recreation Commission</u>
Balance, December 31, 2022	<u>\$ 27,392.34</u>	<u>\$ 3,384,840.24</u>	<u>\$ 564,172.32</u>
Increased By Receipts:			
Recreation Fees	-	-	461,038.50
Dog License Fees	10,046.80	-	-
Due To/From Current Fund	-	22,545.13	-
Other Reserves	-	1,109,618.61	-
Dog License Registration Fees	<u>1,090.20</u>	<u>-</u>	<u>-</u>
	<u>11,137.00</u>	<u>1,132,163.74</u>	<u>461,038.50</u>
	<u>38,529.34</u>	<u>4,517,003.98</u>	<u>1,025,210.82</u>
Decreased By Disbursements:			
Recreation Expenses	-	-	372,952.28
Animal Control Expenditures	5,595.20	-	-
Due To/From Current Fund	2,617.34	22,545.13	-
Other Reserves	-	385,707.93	-
Dog License Registration Fees	<u>1,090.20</u>	<u>-</u>	<u>-</u>
	<u>9,302.74</u>	<u>408,253.06</u>	<u>372,952.28</u>
Balance, December 31, 2023	<u><u>\$ 29,226.60</u></u>	<u><u>\$ 4,108,750.92</u></u>	<u><u>\$ 652,258.54</u></u>

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 ANIMAL CONTROL FUND
 SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 24,775.00
Increased By:		
Dog License Fees Collected		10,046.80
		34,821.80
Decreased By:		
Statutory Excess	\$ 5,582.80	
Expenditures Under R.S.4:19-15.12	5,595.20	
		11,178.00
Balance, December 31, 2023		\$ 23,643.80

2021 Fees	\$ 11,782.00
2022 Fees	11,861.80
	\$ 23,643.80

**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, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Cash Disbursements	<u>1,090.20</u>
	1,090.20
Decreased By:	
Registration Fees Collected	<u>1,090.20</u>
Balance, December 31, 2023	<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, 2023**

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
Payroll Deductions:				
Pension System	\$ 8,872.39	\$ -	\$ -	\$ 8,872.39
State Unemployment	66,736.67	19,706.34	22,975.73	63,467.28
	<hr/> 75,609.06	19,706.34	22,975.73	<hr/> 72,339.67
Forfeited Funds	\$ 452.52	\$ 14.37	\$ -	\$ 466.89
Engineering and Escrow				
Deposit	393,901.52	13,186.25	36,647.75	370,440.02
P.O.A.A. Fees	2,794.89	96.00	-	2,890.89
Public Defender	6,558.00	340.00	-	6,898.00
Cash Bond	107,430.00	6,500.00	33,000.00	80,930.00
Outside Employment - Off Duty Police	35,427.15	-	16,250.00	19,177.15
Tax Sale Premium	39,300.00	-	39,200.00	100.00
Reserve for:				
Street Openings	12,000.00	14,000.00	13,000.00	13,000.00
Sick Leave	172,745.88	-	35,264.35	137,481.53
C.O.A.H.	2,499,936.33	1,022,350.73	171,766.64	3,350,520.42
D.A.R.E.	15,752.50	1,967.58	2,920.29	14,799.79
Fire Safety	1,000.00	16,392.50	-	17,392.50
Cafeteria	1,171.65	15,064.84	14,683.17	1,553.32
Miscellaneous - Other	14,670.88	-	-	14,670.88
	<hr/> 3,303,141.32	1,089,912.27	362,732.20	<hr/> 4,030,321.39
	<hr/> <u>\$ 3,378,750.38</u>	<u>\$ 1,109,618.61</u>	<u>\$ 385,707.93</u>	<u>\$ 4,102,661.06</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUND
SCHEDULE OF RESERVE FOR SPECIAL ASSESSMENT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 2,613.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUNDS
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 2,981.86

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER
SCHEDULE OF DUE TO/FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ (495.00)
Increased By:	
Cash Disbursements	<u>22,545.13</u>
	22,050.13
Decreased By:	
Cash Receipts	<u>22,545.13</u>
Balance, December 31, 2023	<u><u>\$ (495.00)</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, 2023**

Balance, December 31, 2022		\$ 664,750.91
Increased By:		
Appreciation	\$ 131,936.71	
Borough Contributions	<u>28,104.34</u>	
		<u>160,041.05</u>
		824,791.96
Decreased By:		
Accounting Charges		<u>900.00</u>
Balance, December 31, 2023		<u><u>\$ 823,891.96</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Appropriation Reserves	<u>28,104.34</u>
	28,104.34
Decreased By:	
Cash Receipts	<u>28,104.34</u>
Balance, December 31, 2023	<u><u>\$ -</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, 2023**

Balance, December 31, 2022		\$ 664,750.91
Increased By:		
Appreciation	\$ 131,936.71	
Borough Contributions	<u>28,104.34</u>	
		<u>160,041.05</u>
		824,791.96
Decreased By:		
Accounting Charges		<u>900.00</u>
Balance, December 31, 2023		<u><u>\$ 823,891.96</u></u>

GENERAL CAPITAL FUND

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**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 12,323,187.78
Increased By:		
Capital Improvement Fund - Budget Appropriation	\$ 2,000,000.00	
Capital Improvement Fund - Refunds	<u>228,750.00</u>	
		<u>2,228,750.00</u>
		14,551,937.78
Decreased By:		
Improvement Authorizations		<u>5,266,086.69</u>
Balance, December 31, 2023		<u><u>\$ 9,285,851.09</u></u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, <u>2023</u>
Due To State of New Jersey	\$ 133.00
Encumbrances Payable	2,674,464.88
Capital Improvement Fund	3,237,316.20
Retained Percentage Due To Contractors	84.00
Due From NJ DOT	(133,519.75)
Fund Balance	9,987.69

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>		BALANCE
16-004	Various Improvements	\$	167,347.66
17-007	Various Improvements		10,085.28
19-003	Various Improvements		17,779.67
21-010	Sewer (Wastewater) Infrastructure		305,150.00
21-011	Various Improvements		36,804.07
22-004	Land Acquisition		27,272.98
22-005	Various Improvements		323,475.47
22-006	Various Improvements		472,944.01
23-007	Various Improvements		2,136,525.93
			2,136,525.93
		\$	9,285,851.09

**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, 2023**

Balance, December 31, 2023 & 2022

\$ 133.00

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 5,321,587.54
Decreased By:		
2023 Current Budget Appropriation:		
General Serial Bonds	\$ 475,000.00	
Green Acre Loans Payable	<u>47,811.64</u>	
		<u>522,811.64</u>
Balance, December 31, 2023		<u>\$ 4,798,775.90</u>

**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, 2023**

<u>Ordinance</u>	<u>Improvement Description</u>	Balance December 31, 2022	Decreased by		Balance December 31, 2023	Analysis of Balance, December 31, 2023
			Notes Paid by Budget <u>Appropriation</u>			
17-006	Road, Curbing, Sidewalk, & Related Drainage Improvements	\$ 1,271,378.00	\$ 1,076,405.00	\$	194,973.00	\$ 194,973.00
22-004	Land Acquisition	2,380,952.00	-		2,380,952.00	2,380,952.00
		<u>\$ 3,652,330.00</u>	<u>\$ 1,076,405.00</u>	<u>\$</u>	<u>2,575,925.00</u>	<u>\$ 2,575,925.00</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of</u> <u>Bonds Outstanding</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>December 31,</u> <u>2022</u>	<u>Paid By</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>December 31,</u> <u>2023</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Refunding Bonds	03/13/13	\$ 7,575,000.00	07/15/24	\$ 500,000.00	4.00%	\$ 5,150,000.00	\$ 475,000.00	\$ 4,675,000.00
			07/15/25	540,000.00	2.25%			
			07/15/26	540,000.00	3.00%			
			07/15/27	535,000.00	2.375%			
			07/15/28	530,000.00	2.50%			
			07/15/29	520,000.00	2.60%			
			07/15/30	510,000.00	2.65%			
			07/15/31	505,000.00	2.70%			
			07/15/32	495,000.00	2.75%			
							<u>\$ 5,150,000.00</u>	<u>\$ 475,000.00</u>

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Date of Ordinance</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>
06/13/17	Road Resurfacing and Curbing	08/18/20	8/15/2023	8/14/2024	0.00%	\$ 1,271,378.00	\$ 194,973.00	\$ 1,271,378.00	\$ 194,973.00
07/05/22	Land Acquisition	09/19/22	9/18/2023	9/17/2024	0.00%	2,380,952.00	2,380,952.00	2,380,952.00	2,380,952.00
						<u>\$ 3,652,330.00</u>	<u>\$ 2,575,925.00</u>	<u>\$ 3,652,330.00</u>	<u>\$ 2,575,925.00</u>
					Renewals		\$ 2,575,925.00	\$ 2,575,925.00	
					Paid by Budget Appropriation		-	1,076,405.00	
							<u>\$ 2,575,925.00</u>	<u>\$ 3,652,330.00</u>	

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 171,587.54
Decreased By:	
Budget Appropriation	<u>47,811.64</u>
Balance, December 31, 2023	<u><u>\$ 123,775.90</u></u>

BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

Ordinance Number	Improvement Description	Date	Ordinance Amount		Balance, December 31, 2022		2023 Authorizations		Transferred From Encumbrance Payable	Paid or Charged	Transferred To Encumbrance Payable	Balance, December 31, 2023		
					Funded	Unfunded	Capital Improvement Fund	Funded				Unfunded		
2001	Various Improvements	04/05/01	\$	614,500.00	\$	-	\$	-	\$	18,440.00	\$	-	\$	
16-004	Sanitary Sewer Repairs, Replacement, & Upgrades	05/24/16		1,500,000.00		492,464.39			3,456.00	292,678.41		167,347.66		
17-007	Borough Hall Equipment & Upgrades & Park Improvements	06/13/19		150,000.00		10,085.28			-	-		10,085.28		
19-003	Public Works Vehicles & Equipment	06/11/19		150,000.00		19,335.13			-	9,465.96		9,869.17		
19-003	Public Buildings Equipment Acquisitions & Upgrades	06/11/19		50,000.00		7,910.50			-	-		7,910.50		
21-003	Road, Curbing, Sidewalks, & Related Drainage	02/16/21		2,500,000.00		517,962.80			15,241.12	520,764.59		12,439.33		
21-010	Sewer (Wastewater) Infrastructure	08/10/21		750,000.00		305,150.00			278,745.40	78,353.67		305,150.00		
21-011	DPW Vehicles & Equipment	08/10/21		200,000.00		21,022.12			-	-		21,022.12		
21-011	Emergency Services Equipment Acquisitions & Upgrades	08/10/21		50,000.00		-			19,726.02	19,726.02		-		
21-011	Park Improvements	08/10/21		50,000.00		15,781.95			23,115.93	6,650.00		15,781.95		
22-004	Land Acquisition (COAH)	07/05/22		2,500,000.00		-	2,254,500.00		-	2,227,227.02		-	27,272.98	
22-005	DPW Vehicles & Equipment	10/11/22		525,000.00		122,416.07			402,583.93	187,378.60		73,475.47		
22-005	Emergency Services Equipment Acquisitions & Upgrades	10/11/22		400,000.00		378,785.99			21,214.01	257,669.75		-		
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		50,000.00			-	-		50,000.00		
22-006	Road, Curbing, Sidewalks, & Related Drainage	10/11/22		4,060,000.00		4,060,000.00			-	1,666,172.67		472,944.01		
23-007	Road, Curbing, Sidewalks, & Related Drainage	10/10/23		1,250,000.00		-		1,250,000.00	-	-		1,250,000.00		
23-007	DPW Vehicles & Equipment	10/10/23		200,000.00		-		200,000.00	-	-		200,000.00		
23-007	Emergency Services Equipment Acquisitions & Upgrades	10/10/23		250,000.00		-		250,000.00	-	-		186,325.93		
23-007	Park Improvements	10/10/23		500,000.00		-		500,000.00	-	63,474.07		500,000.00		
			\$	6,200,914.23	\$	2,254,500.00	\$	2,200,000.00	\$	5,266,086.69	\$	3,470,112.09	\$	27,272.98

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RETAINED PERCENTAGE DUE TO CONTRACTORS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 84.00

**BOROUGH OF RUMSON
 COUNTY OF MONMOUTH, NEW JERSEY
 GENERAL CAPITAL FUND
 SCHEDULE OF CAPITAL IMPROVEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 3,208,566.20
Increased By:		
Cash Receipts:		
Refunds	\$ 228,750.00	
Current Fund Budget Appropriation	2,000,000.00	
		2,228,750.00
		5,437,316.20
Decreased By:		
Improvement Authorizations Funded		2,200,000.00
Balance, December 31, 2023		\$ 3,237,316.20

**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM NJ DOT
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 133,519.75

GENERAL FIXED ASSET ACCOUNT GROUP

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**BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	7,162,866.07	510,776.40	199,523.00	7,474,119.47
Improvements	4,400,750.75	-	-	4,400,750.75
	<u>\$ 18,397,031.82</u>	<u>\$ 510,776.40</u>	<u>\$ 199,523.00</u>	<u>\$ 18,708,285.22</u>

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COMMENTS AND RECOMMENDATIONS

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BOROUGH OF RUMSON

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2023

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BOROUGH OF RUMSON
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

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
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

BOROUGH OF RUMSON

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2023:

<u>Name</u>	<u>Title</u>
Joseph K. Hemphill	Mayor
John J. Conklin, III	Councilmember
Gary Casazza	Councilmember
James C. Kingsbery	Councilmember
Michael F. Lospinuso	Councilmember
Sarah Pomphrey	Councilmember
Robert Swikart	Councilmember
Helen Graves	Chief Financial Officer/Tax Collector
Thomas Rogers	Borough Clerk/Business Administrator
Michele Smallze	Court Administrator

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Certified Public Accountants + Advisors

1985 Cedar Bridge Ave., Suite 3 • Lakewood, NJ 08701 • 732.797.1333

194 East Bergen Place • Red Bank, NJ 07701 • 732.747.0010

www.hfacpas.com

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, 2023.

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 year ended December 31, 2023.

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*.

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Rumson, County of Monmouth, State of New Jersey as follows:

1. The Tax Collector is hereby authorized and directed to charge 8% per annum on the first \$1,500.00 of taxes becoming delinquent after due date and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of 6% shall be charged against the delinquency.

2. Effective January 1, 2023, there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.

3. Any payments not made in accordance with paragraph two of this resolution shall be charged interest as set forth in paragraph one of this resolution from the due date.

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

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.

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

Lakewood, New Jersey
April 29, 2024