

**BOROUGH OF BOUND BROOK
COUNTY OF SOMERSET**

**AUDIT REPORT FOR
THE YEAR ENDED DECEMBER 31, 2024**

**BOROUGH OF BOUND BROOK
COUNTY OF SOMERSET, NEW JERSEY
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**BOROUGH OF BOUND BROOK
COUNTY OF SOMERSET**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Bound Brook
County of Somerset
Bound Brook, 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 Bound Brook, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2024 and 2023, 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, 2024, 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 Bound Brook, as of December 31, 2024 and 2023, 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, 2024, 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 Bound Brook, as of December 31, 2024 and 2023, 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 Bound Brook 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 Bound Brook, 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 Bound Brook'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 Bound Brook'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 Bound Brook'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. The schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are also presented for purposes of additional analysis 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.

Prior Period Financial Statements

The financial statements as of December 31, 2023, were audited by other auditors whose report dated April 29, 2024, expressed an adverse opinion on U.S. Generally Accepted Accounting Principles and an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2025, on our consideration of the Borough of Bound Brook'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 Bound Brook'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 Bound Brook'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
July 28, 2025

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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**

The Honorable Mayor and Members
of the Borough Council
Borough of Bound Brook
County of Somerset
Bound Brook, 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 Bound Brook, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated July 28, 2025. Our report indicated that the Borough'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 Bound Brook'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 Bound Brook's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Bound Brook'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 Bound Brook'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 Bound Brook'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 Bound Brook's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. W. Allison', written over a faint horizontal line.

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

Lakewood, New Jersey
July 28, 2025

BASIC FINANCIAL STATEMENTS

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BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

<u>ASSETS</u>	<u>REF.</u>	<u>2024</u>	<u>2023</u>
Current Fund:			
Cash & Cash Equivalents	A-4	\$ 13,067,130.03	\$ 8,790,989.06
Cash - Change Fund	A-5	620.00	620.00
Due from State of New Jersey	A-9	2,606.07	2,131.41
Total		<u>13,070,356.10</u>	<u>8,793,740.47</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	250,514.16	272,537.58
Tax Title Liens Receivable	A-11	52,621.04	51,086.01
Refuse Disposal Fees Receivable	A-10	51,526.39	56,162.50
Revenue Accounts Receivable	A-12	54,518.44	29,747.20
Interfunds Receivable	A-7	1,191,739.67	1,421,668.54
Total Receivable & Other Assets With Full Reserves		<u>1,600,919.70</u>	<u>1,831,201.83</u>
Deferred Charges:			
Emergency Appropriations	A-31	<u>223,165.85</u>	<u>409,748.85</u>
Total Current Fund		<u>14,894,441.65</u>	<u>11,034,691.15</u>
Federal & State Grants:			
Cash	A-4	239,582.94	843,810.55
Grants Receivable	A-26	<u>2,595,634.03</u>	<u>4,499,100.93</u>
Total Federal & State Grants		<u>2,835,216.97</u>	<u>5,342,911.48</u>
Total Assets		<u>\$ 17,729,658.62</u>	<u>\$ 16,377,602.63</u>

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

EXHIBIT A

BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

<u>LIABILITIES, RESERVES & FUND BALANCE</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>BALANCE DECEMBER 31, 2023</u>
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-13	\$ 767,278.94	\$ 614,722.91
Reserve for Encumbrances	A-3	760,629.71	689,648.22
Prepaid Taxes	A-15	123,088.51	123,424.63
Accounts Payable	A-18	97,716.41	209,033.22
Reserve Due County - 5% PILOT	A-23	427,666.44	342,575.16
County Taxes Payable	A-16	13,941.00	3,893.86
Local School Taxes Payable	A-17	-	322,436.20
Prepaid Refuse Disposal Fees	A-20	62,844.27	58,026.12
Reserve For:			
Sale of Municipal Assets	A-21	200,543.50	387,053.50
Various Reserves	A-22	428,185.52	481,661.73
Sale of Sewer Utility	A-24	258,305.83	-
Sewer Fund Balance	A-25	1,892,441.98	-
Total Liabilities		<u>5,032,642.11</u>	<u>3,232,475.55</u>
Reserves for Receivables	A	1,600,919.70	1,831,201.83
Fund Balance	A-1	<u>8,260,879.84</u>	<u>5,971,013.77</u>
Total Current Fund		<u>14,894,441.65</u>	<u>11,034,691.15</u>
State & Federal Grants:			
Reserve for Grants Appropriated	A-27	1,168,339.79	2,056,060.96
Grants - Unappropriated	A-28	59,263.87	5,672.70
Encumbrances Payable	A-27	337,341.14	1,829,067.94
Interfunds Payable	A-30	1,270,272.17	1,452,109.88
Total State & Federal Grants		<u>2,835,216.97</u>	<u>5,342,911.48</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 17,729,658.62</u>	<u>\$ 16,377,602.63</u>

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

BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

	<u>REF.</u>	<u>2024</u>	<u>2023</u>
Revenue & Other Income Realized:			
Fund Balance Utilized	A-1, A-2	\$ 1,351,980.00	\$ 1,307,033.00
Miscellaneous Revenue Anticipated	A-2	10,480,868.71	11,458,776.74
Receipts from Delinquent Taxes	A-2	297,445.09	576,542.64
Receipts from Current Taxes	A-2	28,491,117.74	27,431,194.21
Nonbudget Revenues	A-2	332,631.72	651,936.84
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	486,381.68	300,561.40
Cancelled Reserves	A-7	-	66,261.86
Grant Reserve Cancelled	A-27	1,170,514.13	-
Cancelled Accounts Payable	A-18	158,005.55	3,612.80
Interfunds Returned	A-7	185,719.69	-
Total Income		<u>42,954,664.31</u>	<u>41,795,919.49</u>
Expenditures:			
Budget & Emergency Appropriations:			
Appropriations Within "CAPS":			
Operations	A-3	13,099,267.83	11,886,573.78
Deferred Charges & Statutory Expenditures	A-3	1,879,940.00	1,667,532.00
Appropriations Excluded from "CAPS":			
Other Operations	A-3	856,737.05	3,553,601.96
Capital Improvements	A-3	283,000.00	416,000.00
Municipal Debt Service	A-3	2,674,749.37	2,755,214.26
Deferred Charges	A-3	186,583.00	254,083.00
Transfer to Board of Education for Use of Local Schools	A-3	130,502.00	131,737.00
County Taxes Payable	A-16	4,368,526.04	4,173,369.85
Local School District Taxes	A-17	14,462,208.00	13,988,613.00
Special Improvement District	A-19	245,000.00	243,542.72
Interfund Advanced		-	1,414,549.86
Refund of Prior Year Revenue		-	26,679.95
Grants Receivable Cancelled	A-26	1,126,304.95	-
Total Expenditures		<u>39,312,818.24</u>	<u>40,511,497.38</u>
Excess in Revenue		3,641,846.07	1,284,422.11
Adjustments to Income Before Fund Balance:			
Expenditures Included Above which are by Statute			
Deferred Charges to Budgets of Succeeding Years		-	75,000.00
Statutory Excess to Fund Balance		3,641,846.07	1,359,422.11
Fund Balance, January 1	A-29	<u>5,971,013.77</u>	<u>5,918,624.66</u>
Total	A	9,612,859.84	7,278,046.77
Less: Amount of Fund Balance Utilized as Revenue	A1, A-2	<u>1,351,980.00</u>	<u>1,307,033.00</u>
Fund Balance, December 31	A	<u>\$ 8,260,879.84</u>	<u>\$ 5,971,013.77</u>

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

BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	REF.	ANTICIPATED		REALIZED	EXCESS (DEFICIT)
		ADOPTED BUDGET	SPECIAL N.J.S.40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,351,980.00	\$ -	\$ 1,351,980.00	\$ -
Miscellaneous Revenues Anticipated:					
Licenses:					
Alcoholic Beverages	A-12	38,000.00	-	40,388.00	2,388.00
Other	A-2	24,000.00	-	18,577.00	(5,423.00)
Fees & Permits	A-2	40,000.00	-	53,110.85	13,110.85
Municipal Court:					
Fines & Costs	A-12	240,000.00	-	509,914.96	269,914.96
Interest & Costs on Taxes	A-12	79,000.00	-	76,992.71	(2,007.29)
Parking Meter - Municipal	A-12	150,000.00	-	269,191.40	119,191.40
Interest on Investments and Deposits	A-12	420,000.00	-	944,071.63	524,071.63
Utility Fees (Refuse)	A-2	890,000.00	-	942,759.21	52,759.21
Fire Protection Fees	A-12	53,000.00	-	66,435.51	13,435.51
Housing Inspection & Vacant Property Fees	A-12	370,000.00	-	502,578.00	132,578.00
Rental Income	A-12	35,000.00	-	42,096.00	7,096.00
Municipal Relief Aid	A-22	116,688.26	-	116,688.26	-
Energy Receipts Tax	A-12	1,132,050.03	-	1,132,050.02	(0.01)
Uniform Construction Code Fees	A-2	500,000.00	-	168,385.00	(331,615.00)
Board of Education-SLEO III	A-2	120,080.00	-	122,086.00	2,006.00
Recycling Tonnage Program	A-26	8,338.60	-	8,338.60	-
Firefighters EMS	A-26	50,000.00	-	50,000.00	-
Body Armor Replacement Fund	A-26	2,227.68	-	2,227.68	-
Federal Bulletproof Vest Partnership	A-26	2,138.00	6,218.62	8,356.62	-
Clean Communities Program	A-26	-	23,777.66	23,777.66	-
Clean Fleet Grant	A-26	-	8,000.00	8,000.00	-
Somerset County Youth Services Program	A-26	-	13,068.00	13,068.00	-
NJ Department of Transportation - Alternatives	A-26	-	60,737.39	60,737.39	-
DOT Train Waiting Room	A-26	-	91,691.68	91,691.68	-
CDBG LaMonte Ave	A-26	-	150,000.00	150,000.00	-
CHPP	A-26	-	3,000.00	3,000.00	-
SAFER	A-26	-	162,000.00	162,000.00	-
Stormwater Grant	A-26	15,000.00	-	15,000.00	-
Local Arts	A-26	-	3,500.00	3,500.00	-
Alcohol Education Rehabilitation Fund	A-26	-	1,348.42	1,348.42	-
Payment in Lieu of Taxes (PILOT)	A-12	1,114,574.49	-	1,574,617.59	460,043.10
Administrative Fees - Police Outside Overtime	A-12	180,000.00	-	233,196.68	53,196.68
Capital Surplus	A-12	200,000.00	-	200,000.00	-
Utility Operating Surplus of Prior Year	A-12	500,000.00	-	500,000.00	-
Proceeds from Sale of Sewer Utility	A-12	1,745,000.00	-	1,745,000.00	-
Ambulance Billing	A-12	200,000.00	-	337,297.47	137,297.47
Cable TV Franchise Fees	A-12	90,000.00	-	84,386.37	(5,613.63)
Sale of Municipal Assets	A-21	200,000.00	-	200,000.00	-
Subtotal Local Revenues	A-1	8,515,097.06	523,341.77	10,480,868.71	1,442,429.88
Receipts From Delinquent Taxes	A1, A-8	265,000.00	-	297,445.09	32,445.09
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A2, A-8	9,573,456.84	-	10,515,383.70	941,926.86
Budget Totals		19,705,533.90	523,341.77	22,645,677.50	2,416,801.83
Non-Budget Revenues	A-2	-	-	332,631.72	332,631.72
Total Revenues		\$ 19,705,533.90	\$ 523,341.77	\$ 22,978,309.22	\$ 2,749,433.55
	REF.	A-3	A-3		

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

**BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

ANALYSIS OF REALIZED REVENUE

	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue From Collection	A-1, A-8	\$ 28,491,117.74
Allocated to:		
School, County & Special District	A-8	19,075,734.04
Support of Municipal Budget Appropriations		9,415,383.70
Add: Appropriation Reserve for Uncollected Taxes	A-3	1,100,000.00
Amount for Support of Municipal Budget Appropriations	A-2	\$ 10,515,383.70
Analysis of Delinquent Taxes:		
Delinquent Taxes		\$ 297,445.09
		\$ 297,445.09
Other Licenses:		
Clerk	A-12	
Bingo/Raffle License	A-12	\$ 1,940.00
Taxi Owner License	A-12	500.00
Tax Operator License	A-12	400.00
Limo License	A-12	200.00
Towing License	A-12	200.00
Pool License	A-12	1,350.00
Games License	A-12	350.00
Theater License	A-12	200.00
Food License	A-12	13,375.00
Vending License	A-12	62.00
	A-2	\$ 18,577.00
Fees and Permits - Other:		
Clerk	A-12	\$ 17,288.05
Police O/S Duty - Police Vehicle Fee	A-12	2,245.80
Zoning	A-12	9,450.00
Planning	A-12	4,300.00
Street Openings	A-12	6,300.00
Uniform Construction Code	A-12	4,190.00
Certification of Fire Arms	A-12	8,128.00
Fire Safety Bureau	A-12	210.00
Recreation	A-2	999.00
		\$ 53,110.85
Utility Fees (Refuse):		
Collections:		
Refuse Disposal Charges (Stickers)	A-12	\$ 23,448.16
Refuse Disposal Fees	A-10	804,114.31
Delinquent Refuse Fees	A-12	56,069.62
Prepaid Refuse Fees	A-12	58,026.12
Additional/Replaced Refuse Fees	A-12	1,101.00
Total	A-2	\$ 942,759.21

**BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative & Executive:						
Salaries and Wages	\$ 135,000.00	\$ 135,000.00	\$ 126,550.34	\$ -	\$ 8,449.66	\$ -
Other Expenses	121,500.00	121,500.00	87,939.83	26,503.89	7,056.28	-
Borough Clerk:						
Salaries and Wages	192,000.00	192,000.00	189,449.63	-	2,550.37	-
Other Expenses	37,000.00	37,000.00	26,674.62	7,417.12	2,908.26	-
Elections:						
Other Expenses	4,100.00	4,100.00	3,391.38	-	708.62	-
Codification:						
Other Expenses	9,500.00	9,500.00	7,023.58	-	2,476.42	-
Financial Administration:						
Salaries and Wages	244,000.00	244,000.00	236,431.57	-	7,568.43	-
Other Expenses	28,250.00	39,250.00	36,184.03	-	3,065.97	-
Audit Services:						
Other Expenses	67,000.00	67,000.00	6,510.00	60,000.00	490.00	-
Collection of Taxes:						
Salaries and Wages	40,000.00	40,000.00	39,999.98	-	0.02	-
Other Expenses	51,000.00	43,500.00	34,422.33	-	9,077.67	-
Assessment of Taxes:						
Salaries and Wages	47,000.00	47,000.00	45,819.32	-	1,180.68	-
Other Expenses	29,650.00	30,150.00	10,223.46	19,579.00	347.54	-
Legal Services & Costs:						
Other Expenses	360,000.00	360,000.00	108,040.00	238,228.50	13,731.50	-
IT Services:						
Other Expenses	100,000.00	125,000.00	102,981.45	18,942.86	3,075.69	-
Engineering Services & Costs:						
Other Expenses	30,000.00	30,000.00	3,000.00	25,000.00	2,000.00	-
Economic Development:						
Other Expenses	10,000.00	1,000.00	-	-	1,000.00	-
Planning Board:						
Salaries and Wages	8,000.00	13,000.00	12,289.32	-	710.68	-
Other Expenses	31,925.00	33,925.00	20,556.92	13,090.12	277.96	-
Housing Inspections:						
Salaries and Wages	168,000.00	150,000.00	127,970.14	-	22,029.86	-
Other Expenses	15,500.00	15,500.00	13,462.42	-	2,037.58	-
Insurance:						
Other Insurance	610,000.00	600,000.00	594,427.79	0.03	5,572.18	-
Group Insurance for Employees	2,046,989.00	2,136,989.00	2,133,189.45	2,345.93	1,453.62	-
Health Benefit Waiver	45,000.00	45,000.00	35,790.81	-	9,209.19	-
<u>PUBLIC SAFETY</u>						
Police:						
Salaries and Wages	3,211,969.38	3,211,969.38	3,001,768.44	-	210,200.94	-
Other Expenses	640,483.50	640,483.50	496,156.13	140,103.41	4,223.96	-
Fire Hydrant Service:						
Other Expenses	132,000.00	134,500.00	123,184.76	1.00	11,314.24	-
Parking:						
Salaries and Wages	52,000.00	52,000.00	50,918.40	-	1,081.60	-
Other Expenses	25,000.00	25,000.00	22,463.99	835.89	1,700.12	-
Emergency Management Services:						
Other Expenses	16,630.00	16,630.00	12,299.74	2,422.10	1,908.16	-
Aid to Fire Companies:						
Other Expenses	124,750.00	134,750.00	99,052.66	32,940.49	2,756.85	-
Aid to Volunteer Ambulance Companies:						
Other Expenses	50,000.00	50,000.00	50,000.00	-	-	-
Emergency Medical Services:						
Salaries and Wages	370,000.00	405,000.00	402,412.27	-	2,587.73	-
Other Expenses	68,220.00	68,220.00	44,272.17	6,782.86	17,164.97	-
Fire Prevention Bureau:						
Salaries and Wages	179,882.32	154,882.32	153,442.14	-	1,440.18	-
Other Expenses	11,250.00	11,250.00	9,300.98	479.53	1,469.49	-

**BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<u>PUBLIC WORKS:</u>						
Streets and Roads:						
Salaries and Wages	1,243,577.42	1,253,577.42	1,212,780.67	-	40,796.75	-
Other Expenses	157,000.00	157,000.00	124,255.07	31,326.84	1,418.09	-
Buildings & Grounds:						
Salaries and Wages	28,000.00	28,000.00	24,665.70	-	3,334.30	-
Other Expenses	150,000.00	150,000.00	137,160.69	9,881.05	2,958.26	-
Tree Commission:						
Other Expenses	41,855.00	41,855.00	17,783.00	23,674.06	397.94	-
<u>SANITATION:</u>						
Recycling:						
Other Expenses	110,000.00	110,000.00	110,000.00	-	-	-
Solid Waste Collection:						
Other Expenses	350,000.00	370,000.00	349,289.41	1,104.81	19,605.78	-
<u>HEALTH & WELFARE:</u>						
Board of Health:						
Other Expenses	100,000.00	100,000.00	91,094.16	26.46	8,879.38	-
Dog Regulation:						
Other Expenses	30,000.00	30,000.00	9,280.00	9,027.20	11,692.80	-
PEOSHA:						
Other Expenses	500.00	500.00	-	-	500.00	-
Senior Programs:						
Other Expenses	5,000.00	5,000.00	5,000.00	-	-	-
<u>RECREATION & EDUCATION</u>						
Recreation Programs:						
Salaries and Wages	134,160.00	99,160.00	80,638.33	2,965.00	15,556.67	-
Other Expenses	81,680.00	66,734.21	43,579.77	7,865.32	15,289.12	-
Parks & Playgrounds:						
Other Expenses	30,000.00	15,000.00	2,633.32	927.76	11,438.92	-
<u>MUNICIPAL COURT:</u>						
Municipal Court:						
Salaries and Wages	242,000.00	197,000.00	183,798.88	-	13,201.12	-
Other Expenses	32,400.00	32,400.00	19,557.16	5,650.00	7,192.84	-
Municipal Public Defender:						
Other Expenses	15,000.00	25,000.00	12,650.00	6,750.00	5,600.00	-
<u>STATE UNIFORM CONSTRUCTION CODE:</u>						
Construction Official:						
Salaries and Wages	220,000.00	220,000.00	199,505.40	-	20,494.60	-
Other Expenses	19,842.00	19,842.00	13,275.00	998.40	5,568.60	-
<u>OTHER COMMON OPERATING FUNCTIONS:</u>						
Celebration of Public Events	5,000.00	5,000.00	136.41	415.60	4,447.99	-
Accumulated Leave Compensation	61,600.00	61,600.00	61,600.00	-	-	-
Salary Adjustment	10,000.00	-	-	-	-	-
<u>UTILITIES:</u>						
Electricity/Heating	160,000.00	160,000.00	146,596.48	3,746.27	9,657.25	-
Street Lighting	180,000.00	183,000.00	166,962.58	1.00	16,036.42	-
Telephone	110,000.00	95,000.00	73,827.72	3,869.00	17,303.28	-
Water	85,000.00	70,000.00	43,832.70	403.24	25,764.06	-
Gasoline	150,000.00	146,500.00	96,633.14	13,142.48	36,724.38	-
Postage	37,000.00	32,000.00	19,677.74	-	12,322.26	-
TOTAL OPERATIONS WITHIN "CAPS"	13,103,213.62	13,099,267.83	11,713,813.38	716,447.22	669,007.23	-
Detail:						
Salaries and Wages	6,632,189.12	6,442,589.12	6,088,440.53	2,965.00	351,183.59	-
Other Expenses	6,471,024.50	6,656,678.71	5,625,372.85	713,482.22	317,823.64	-

**BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			UNEXPENDED BALANCE CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
DEFERRED CHARGES & STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":						
Deferred Charges:						
Prior Year Bills	240.00	240.00	240.00	-	-	-
Statutory Expenditures:						
Contribution to:						
Public Employment Retirement System of New Jersey	383,604.00	383,604.00	383,604.00	-	-	-
Social Security System (O.A.S.I.)	350,000.00	350,000.00	300,894.09	-	49,105.91	-
Police & Fireman's Retirement System of New Jersey	1,131,096.00	1,131,096.00	1,131,096.00	-	-	-
Unemployment Compensation Insurance	10,000.00	-	-	-	-	-
Defined Contribution Retirement Program (DCRP)	15,000.00	15,000.00	867.44	1.00	14,131.56	-
TOTAL DEFERRED CHARGES & STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS":	1,889,940.00	1,879,940.00	1,816,701.53	1.00	63,237.47	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	14,993,153.62	14,979,207.83	13,530,514.91	716,448.22	732,244.70	-
OPERATIONS EXCLUDED FROM "CAPS"						
Health Insurance	55,011.00	55,011.00	13,018.51	41,981.49	11.00	-
Length of Service Award (LOSAP)	43,000.00	45,100.00	42,900.00	2,200.00	-	-
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	98,011.00	100,111.00	55,918.51	44,181.49	11.00	-
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS						
CPAC - Somerset County	35,500.00	35,500.00	15,625.00	-	19,875.00	-
Board of Education SLEO III	120,080.00	120,080.00	104,931.76	-	15,148.24	-
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	155,580.00	155,580.00	120,556.76	-	35,023.24	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Program [N.J.S.A 40A: 4-87 + \$20,934.10]	-	23,777.66	23,777.66	-	-	-
Clean Fleet	-	8,000.00	8,000.00	-	-	-
Body Armor Replacement Fund	2,227.68	2,227.68	2,227.68	-	-	-
Youth Services [N.J.S.A 40A: 4-87 + \$17,843.00]	-	13,068.00	13,068.00	-	-	-
CHPP	-	3,000.00	3,000.00	-	-	-
Recycling Tonnage Grant	8,338.60	8,338.60	8,338.60	-	-	-
Transportation Alternative	-	60,737.39	60,737.39	-	-	-
DOT Train Waiting Room	-	91,691.68	91,691.68	-	-	-
Local Arts Program [N.J.S.A 40A: 4-87 + \$3,000.00]	-	3,500.00	3,500.00	-	-	-
Alcohol EDU Rehab[N.J.S.A 40A: 4-87 + \$1,946.92]	-	1,348.42	1,348.42	-	-	-
Firefighter/EMS Grant	-	162,000.00	162,000.00	-	-	-
CDBG-East Second Street [N.J.S.A 40A: 4- 87 + \$225,277.28]	-	150,000.00	150,000.00	-	-	-
ARP FFG	50,000.00	50,000.00	50,000.00	-	-	-
Stormwater	15,000.00	15,000.00	15,000.00	-	-	-
Bulletproof Vests [N.J.S.A 40 A: 4-87 + \$3,361.95]	2,138.00	8,356.62	8,356.62	-	-	-
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES	77,704.28	601,046.05	601,046.05	-	-	-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	331,295.28	856,737.05	777,521.32	44,181.49	35,034.24	-
Detail:						
Salaries and Wages	120,080.00	120,080.00	104,931.76	-	15,148.24	-
Other Expenses	211,215.28	736,657.05	672,589.56	44,181.49	19,886.00	-
CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"						
Capital Improvement Fund	283,000.00	283,000.00	283,000.00	-	-	-
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	283,000.00	283,000.00	283,000.00	-	-	-

**BOROUGH OF BOUND BROOK
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		EXPENDED			UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	BALANCE CANCELLED
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	1,745,000.00	1,745,000.00	1,745,000.00	-	-	-
Interest on Bonds	679,000.00	679,000.00	678,475.00	-	-	525.00
Interest on Notes	182,000.00	193,845.79	193,845.79	-	-	-
Somerset County Improvement Authority- Capital Lease Program	63,000.00	63,000.00	46,438.02	-	-	16,561.98
NJ Environmental Infrastructure Trust	12,000.00	12,000.00	10,990.56	-	-	1,009.44
<u>TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
	2,681,000.00	2,692,845.79	2,674,749.37	-	-	18,096.42
<u>DEFERRED CHARGES-MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorization- 5 Years (N.J.S.A. 40A:4-55)	111,583.00	111,583.00	111,583.00	-	-	-
Emergency Authorization	75,000.00	75,000.00	75,000.00	-	-	-
<u>TOTAL DEFERRED CHARGES-MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
	186,583.00	186,583.00	186,583.00	-	-	-
Transfer to Board of Education for Use of Local Schools	130,502.00	130,502.00	130,502.00	-	-	-
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>						
	3,612,380.28	4,149,667.84	4,052,355.69	44,181.49	35,034.24	18,096.42
SUB-TOTAL GENERAL APPROPRIATIONS	18,605,533.90	19,128,875.67	17,582,870.60	760,629.71	767,278.94	18,096.42
RESERVE FOR UNCOLLECTED TAXES	1,100,000.00	1,100,000.00	1,100,000.00	-	-	-
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 19,705,533.90</u>	<u>\$ 20,228,875.67</u>	<u>\$ 18,682,870.60</u>	<u>\$ 760,629.71</u>	<u>\$ 767,278.94</u>	<u>\$ 18,096.42</u>
REF.	A-2		A-1	A, A-1		
Amendment by (NJSA 40A:4-87)	A-2	\$ 523,341.77				
Budget	A-3	19,705,533.90				
Total		<u>\$ 20,228,875.67</u>				
Reserve for Uncollected Taxes	A-2		\$ 1,100,000.00			
Deferred Charges	A-31		186,583.00			
Reserve for Grants Appropriated	A-26		601,046.05			
Disbursements	A-4		16,795,241.55			
Total			<u>\$ 18,682,870.60</u>			

EXHIBIT B

**BOROUGH OF BOUND BROOK
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

<u>ASSETS</u>	<u>REF.</u>	<u>2024</u>	<u>2023</u>
Assessment Fund:			
Cash		\$ -	\$ 15,611.46
Assessment Receivable		-	3,641.64
		<u>-</u>	<u>19,253.10</u>
Animal Control Trust Fund:			
Cash	B-2	16,275.87	12,405.87
Due Trust Other Fund	B-14	49.90	-
		<u>16,325.77</u>	<u>12,405.87</u>
Other Funds:			
Cash & Cash Equivalents	B-2	2,342,366.70	2,413,858.20
Accounts Receivable - IRS		-	31,944.94
		<u>2,342,366.70</u>	<u>2,445,803.14</u>
Length of Service Award Program Fund ("LOSAP"):			
Investments	B-19	1,043,476.89	-
		<u>1,043,476.89</u>	<u>0.00</u>
 Total Assets		 <u>\$ 3,402,169.36</u>	 <u>\$ 2,477,462.11</u>
 <u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Assessment Fund:			
Assessment Overpayments		\$ -	\$ 2,254.06
Reserve for Assessments		-	445.74
Fund Balance		-	16,553.30
		<u>-</u>	<u>19,253.10</u>
Animal Control Trust Fund:			
Due Current Fund	B-7	5,314.77	385.20
Prepaid Dog Licenses	B-13	-	669.00
Reserve For Encumbrances Payable	B-18	-	3,212.00
Reserve for Expenditures	B-12	10,951.60	8,139.67
Reserve for Due to State Licenses	B-11	59.40	-
		<u>16,325.77</u>	<u>12,405.87</u>
Other Funds:			
Due Current Fund	B-7	23,519.44	5,591.23
Reserve for Due State of New Jersey - Marriage Licenses	B-9	1,000.00	375.00
Reserve for Due State of New Jersey - DCA Training Fee	B-10	2,042.00	6,465.00
Reserve for Various Trust Deposits	B-8	2,315,556.76	2,433,371.91
Due Sewer Utility Operating Fund	B-17	198.60	-
Due Animal Control Trust Fund	B-15	49.90	-
Total Other Funds		<u>2,342,366.70</u>	<u>2,445,803.14</u>
Length of Service Award Program Fund ("LOSAP"):			
Miscellaneous Reserves	B-20	1,043,476.89	-
		<u>1,043,476.89</u>	<u>-</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 3,402,169.36</u>	 <u>\$ 2,477,462.11</u>

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

**BOROUGH OF BOUND BROOK
GENERAL TRUST FUND
SCHEDULE OF ASSESSMENT TRUST FUND BALANCE REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> B	\$ 16,553.30
Decreased by:		
Disbursements		<u>16,553.30</u>
Balance, December 31, 2024		<u><u>\$ -</u></u>

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

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

<u>ASSETS</u>	<u>REF.</u>	<u>2024</u>	<u>2023</u>
Cash & Cash Equivalents	C-2, C-3	\$ 5,853,354.80	\$ 8,020,435.46
Deferred Charges to Future Taxation:			
Funded	C-4	17,811,918.91	19,702,942.30
Unfunded	C-6	8,987,579.36	7,654,233.86
Due Grant Fund	C-17	126,965.73	86,417.77
Grants Receivable	C-7	1,082,352.25	278,108.75
Developer Contribution Receivable	C-8	200,000.00	200,000.00
Total Assets		\$ 34,062,171.05	\$ 35,942,138.14
<u>LIABILITIES, RESERVES & FUND BALANCE</u>			
Serial Bonds	C-10	\$ 17,750,000.00	\$ 19,495,000.00
Bond Anticipation Notes	C-11	8,790,000.00	6,243,300.00
NJEIT Loan Payable	C-14	-	10,755.08
Improvement Authority Loans Payable	C-15	61,918.91	197,187.22
Capital Improvement Fund	C-5	214,971.15	99,265.15
Improvement Authorizations:			
Funded	C-9	919,205.08	1,123,752.64
Unfunded	C-6, C-9	1,453,959.09	2,270,293.27
Due Current Fund	C-13	19,354.53	-
Reserve for:			
Various Capital Reserves	C-16	360,640.49	814,325.88
Encumbrances Payable	C-12	4,279,400.96	5,229,917.26
Fund Balance	C-1	212,720.84	458,341.64
Total Liabilities, Reserves & Fund Balance		\$ 34,062,171.05	\$ 35,942,138.14

There were bonds and notes authorized but not issued on December 31, 2024 in the amount of \$573,729.86 and on December 31, 2023 in the amount of \$1,410,933.86.

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

BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	<u>REF.</u>		
Balance, December 31, 2023		\$	458,341.64
Increased by:			
Premium on Bond Anticipation Notes	C-2		39,379.20
			<u>497,720.84</u>
Decreased by:			
Improvement Authorization- Funded	C-9	\$	85,000.00
Utilized as Anticipated Revenue Current Fund	C-2		200,000.00
			<u>285,000.00</u>
Balance, December 31, 2024		\$	<u><u>212,720.84</u></u>

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

EXHIBIT D

**BOROUGH OF BOUND BROOK
SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
<u>Utility Operating Fund</u>			
Cash & Cash Equivalents		\$ -	\$ 4,395,946.41
Total Utility Operating Fund		-	4,395,946.41
<u>Utility Capital Fund</u>			
Cash		-	50,000.00
Total Utility Capital Fund		-	50,000.00
Total Assets		\$ -	\$ 4,445,946.41
<u>LIABILITIES, RESERVES & FUND BALANCE</u>			
<u>Utility Operating Fund</u>			
Liabilities:			
Reserve for Sale of Sewer Utility		\$ -	\$ 2,003,305.83
Fund Balance		-	2,392,640.58
Total Utility Operating Fund		-	4,395,946.41
<u>Utility Capital Fund</u>			
Liabilities:			
Due Current Fund		-	50,000.00
Total Utility Capital Fund		-	50,000.00
Total Liabilities, Reserves & Fund Balance		\$ -	\$ 4,445,946.41

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

BOROUGH OF BOUND BROOK
SEWER UTILITY FUND
STATEMENTS OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

	<u>REF.</u>	<u>2024</u>	<u>2023</u>
Revenue & Other Income Realized:			
Sewer Use Charges		\$ -	\$ 112,122.65
Miscellaneous Revenue Not Anticipated	D-2, D-4	-	280,535.37
Other Credits to Income:			
Accounts Payable Canceled		-	6,108.83
Unexpended Balance of Appropriation Reserves		-	691,708.32
		<u>-</u>	<u>1,090,475.17</u>
Total Revenue		<u>-</u>	<u>1,090,475.17</u>
Expenditures:			
Revenue Anticipated- Current Fund	D-3	\$ -	\$ 500,000.00
Refund of Prior Year Revenue		-	515.87
		<u>-</u>	<u>515.87</u>
Total Expenditures		<u>-</u>	<u>500,515.87</u>
Excess/(Deficit) in Revenue		<u>-</u>	<u>589,959.30</u>
Fund Balance, January 1	D	<u>2,392,640.58</u>	<u>1,802,681.28</u>
Adjustment to Fund Balance:			
Transfer Fund Balance to Current Fund		<u>(2,392,640.58)</u>	<u>-</u>
Fund Balance, December 31	D, D-3	<u><u>\$ -</u></u>	<u><u>\$ 2,392,640.58</u></u>

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

**BOROUGH OF BOUND BROOK
PAYROLL FUND
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Cash	\$ 154,103.69	\$ 60,604.18
Interfund Receivable	<u>-</u>	<u>31,944.94</u>
	<u><u>\$ 154,103.69</u></u>	<u><u>\$ 92,549.12</u></u>
<u>Liabilities</u>		
Interfund Payable- Current Fund	\$ 820.04	\$ -
Payroll Deductions Payable	<u>153,283.65</u>	<u>92,549.12</u>
Totals	<u><u>\$ 154,103.69</u></u>	<u><u>\$ 92,549.12</u></u>

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

**BOROUGH OF BOUND BROOK
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
General Fixed Assets:		
Land & Land Improvements	\$ 10,765,500.00	\$ 10,765,000.00
Building & Building Improvements	2,383,400.00	2,380,200.00
Machinery and Equipment	7,185,612.00	6,973,886.00
Vehicles	<u>723,922.00</u>	<u>653,668.00</u>
	<u>\$ 21,058,434.00</u>	<u>\$ 20,772,754.00</u>
<u>Liabilities</u>		
Investment in General Fixed Assets	<u>\$ 21,058,434.00</u>	<u>\$ 20,772,754.00</u>

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

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**BOROUGH OF BOUND BROOK
COUNTY OF SOMERSET**

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

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BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Bound Brook, County of Somerset, 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.

Sewer Operating and Capital Funds – The Sewer Utility Operating and Capital Funds were sold to a private company. Operations ended in 2023 and the remaining balance of the Sewer Utility Fund was transferred to 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 BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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 BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.

Sale of Municipal Assets – The proceeds from the Sale of Municipal Assets can be held in a reserve until anticipated as a revenue in future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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.

BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1. Summary of Significant Accounting Policies (continued)

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.

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 Somerset, and Bound Brook 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 Somerset. 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 Bound Brook School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district 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.

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.

BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024:

- 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. Management has determined that the implementation of this Statement did not have a significant impact on the Borough’s financial statements.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in additional footnote disclosures on the Borough’s financial statements. See Note 15 for further detail.

Accounting Pronouncements Effective in Future Reporting Periods

- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2024, the Borough's bank balance of \$21,685,578.38 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 19,342,383.94
Uninsured and Uncollateralized	<u>2,343,194.44</u>
	<u><u>\$ 21,685,578.38</u></u>

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. 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, 2024, the Borough had no investments held at Level 2 or 3.

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 2. Deposits and Investments (continued)

Investments (continued)

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

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, 2024 was as follows:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2024</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Money Markets	\$ 1,013.09	\$ 1,013.09	\$ 1,013.09	\$ 1,013.09
Mutual Funds	892,344.52	892,344.52	892,344.52	892,344.52
	<u>\$ 893,357.61</u>	<u>\$ 893,357.61</u>	<u>\$ 893,357.61</u>	<u>\$ 893,357.61</u>
<u>Fund</u>				
Trust Fund - LOSAP	\$ 893,357.61	\$ 893,357.61	\$ 893,357.61	\$ 893,357.61
	<u>\$ 893,357.61</u>	<u>\$ 893,357.61</u>	<u>\$ 893,357.61</u>	<u>\$ 893,357.61</u>

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$150,119.28 as of December 31, 2024. Lincoln Financial Group 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 Financial Group 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, 2024 was as follows:

BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 2. Deposits and Investments (continued)

Investments (continued)

	<u>12/31/2024</u>
Trust Fund - LOSAP (Fair Value)	\$ 893,357.61
Trust Fund - LOSAP (Contract Value)	<u>150,119.28</u>
Total Trust Fund - LOSAP	<u>\$ 1,043,476.89</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 mutual funds and money markets and these investments represent 100% 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>2024</u>	<u>2023</u>	<u>2022</u>
Tax Rate	<u>\$ 2.269</u>	<u>\$ 2.358</u>	<u>\$ 2.488</u>
Apportionment of Tax Rate:			
Municipal	0.765	0.800	0.845
County	0.348	0.358	0.365
Local School	1.156	1.200	1.278

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 3. Property Taxes (continued)

Net Valuation Taxable

<u>Year</u>	<u>Amount</u>
2024	\$ 1,251,593,600.00
2023	1,166,160,100.00
2022	1,071,574,900.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 28,726,147.70	\$ 28,491,117.74	99.18%
2023	27,771,267.45	27,431,194.21	98.77%
2022	26,903,367.87	26,263,105.40	97.62%

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>
2024	\$ 52,621.04	\$ 250,514.16	\$ 303,135.20	1.06%
2023	51,086.01	272,537.58	323,623.59	1.17%
2022	46,916.20	576,542.64	623,458.84	2.32%

The last tax sale was held on November 22, 2024.

Note 4. Property Acquired By Tax Title Lien Liquidation

No properties have been acquired, reported or recorded as of December, 31, 2024 but foreclosure or deed.

Note 5. Comparison of Refuse Billings and Collections (Component of Current Fund)

The following is a three-year comparison of refuse billings and refuse collections for the current and previous two years.

<u>Year</u>	<u>Billings</u>	<u>Collections</u>
2024	\$ 843,369.21	\$ 841,924.09
2023	843,237.60	841,792.48
2022	781,093.72	726,376.34

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 6. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and two 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:			
2024	\$ 8,260,879.84	\$ 2,364,271.00	28.62%
2023	5,971,013.77	1,351,980.00	22.64%
2022	5,918,624.66	1,307,033.00	22.08%

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, 2024:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 1,191,739.67	\$ -
State and Federal Grant Fund	-	1,270,272.17
Animal Control Trust	49.90	5,314.77
Trust Other Fund	-	24,012.43
Capital Fund	126,965.73	19,354.53
Utility Operating Fund	198.60	-
	<u>\$ 1,318,953.90</u>	<u>\$ 1,318,953.90</u>

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 5,114,120.41	\$ 403,707.99
State and Federal Grant Fund	44,513.27	270,560.16
Animal Control Trust	622.68	759.70
Trust Other Fund	97,015.97	98,294.58
General Capital Fund	302,354.53	323,547.96
Utility Operating Fund	2.00	4,396,147.01
Utility Capital Fund	-	50,000.00
Assessment	-	15,611.46
	<u>\$ 5,558,628.86</u>	<u>\$ 5,558,628.86</u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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, 2024.

	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>
Land	\$ 10,765,000.00	\$ 500.00	\$ -	\$ 10,765,500.00
Buildings and Improvements	2,380,200.00	3,200.00	-	2,383,400.00
Machinery & Equipment	6,973,886.00	292,864.00	81,138.00	7,185,612.00
Vehicles	653,668.00	70,254.00	-	723,922.00
	<u>\$ 20,772,754.00</u>	<u>\$ 366,818.00</u>	<u>\$ 81,138.00</u>	<u>\$ 21,058,434.00</u>

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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 Annual 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

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued):

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 2023, 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 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, 2023, the Borough's contractually required contribution to PERS plan was \$363,981.

Components of Net Pension Liability - At December 31, 2023, the Borough's proportionate share of the PERS net pension liability was \$3,944,579. The net pension liability was measured as of June 30, 2023. 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, 2022, which was rolled forward to June 30, 2023. 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, 2023. The Borough's proportion measured as of June 30, 2023, was 0.0272333391% which was an increase of 0.0021217657% from its proportion measured as of June 30, 2022.

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued)

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

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 841,160	\$ 932,704
Deferred Inflows of Resources	255,182	591,586
Net Pension Liability	3,944,579	3,789,682
Borough's portion of the Plan's total Net Pension Liability	0.02723%	0.02511%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2023, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is \$274,017. 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 \$363,981 to the plan in 2023.

At December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 37,715	\$ 16,124
Changes of Assumptions	8,665	239,058
Net Difference between Projected and Actual Earnings on Pension Plan Investments	18,165	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	776,615	-
	<u>\$ 841,160</u>	<u>\$ 255,182</u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued)

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

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>
2024	\$ (52,936)
2025	39,081
2026	317,764
2027	126,253
2028	<u>155,818</u>
	<u>\$ 585,980</u>

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a 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.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2023. At December 31, 2023, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$7,974.

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 BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the 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	<u>\$ 5,178,294</u>	<u>\$ 3,944,579</u>	<u>\$ 2,956,085</u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued)

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

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 Annual Comprehensive 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 2023, the State contributed an amount less 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 BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2023, the Borough's contractually required contributions to PFRS plan was \$1,058,721.

Net Pension Liability and Pension Expense - At December 31, 2023 the Borough's proportionate share of the PFRS net pension liability was \$8,787,236. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023. The Borough's proportion measured as of June 30, 2023, was 0.07953107%, which was a decrease of 0.0040776100% from its proportion measured as of June 30, 2022.

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 1,594,540	\$ 2,428,905
Deferred Inflows of Resources	1,421,989	1,906,112
Net Pension Liability	8,787,236	9,570,170
 Borough's portion of the Plan's total net pension Liability	 0.07953%	 0.08361%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2023, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date was \$626,151. 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 \$1,058,721 to the plan in 2023.

At December 31, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 376,252	\$ 419,073
Changes of Assumptions	18,966	593,349
Net Difference between Projected and Actual Earnings on Pension Plan Investments	447,517	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	751,805	409,567
	<u>\$ 1,594,540</u>	<u>\$ 1,421,989</u>

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:

<u>Year Ending December 31,</u>	<u>PFRS</u>
2024	\$ (273,521)
2025	(259,731)
2026	596,455
2027	23,035
2028	84,657
Thereafter	1,657
	<u>\$ 172,552</u>

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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued)

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

expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$1,619,150 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023 was 0.0795312600%, which was a decrease of 0.0040776100% from its proportion measured as of June 30, 2022, which is the same proportion as the Borough's. At December 31, 2023, 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	\$ 8,787,236
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,619,150</u>
	<u>\$ 10,406,386</u>

At December 31, 2023, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$184,175.

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%

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2022 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 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	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 9. Pension Obligations (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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.

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	\$ 12,243,475	\$ 8,787,236	\$ 5,909,015
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>2,256,002</u>	<u>1,619,150</u>	<u>1,088,804</u>
	<u><u>\$ 14,499,477</u></u>	<u><u>\$ 10,406,386</u></u>	<u><u>\$ 6,997,819</u></u>

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

Note 10. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2024. 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, 2023.

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>.

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 10. Postemployment Benefits Other Than Pensions (continued)

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

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

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 10. Postemployment Benefits Other Than Pensions (continued)

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, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. 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.

For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. 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, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. 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

Police and Firemen's Retirement System (PFRS)	
Rate for all future years	

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.
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PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.
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* - Salary Increases are based on years of service within the respective plan.

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 10. Postemployment Benefits Other Than Pensions (continued)

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, 2023 was \$15,627,960. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.1041409982%, which was an increase of 0.0203799961% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$108,750 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, 2023 measurement date.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% decreasing to 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. 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 of the participating employers as of June 30, 2023, 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:

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 10. Postemployment Benefits Other Than Pensions (continued)

	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 18,102,159.02	\$ 15,627,960.00	\$ 13,637,848.52
State of New Jersey's Total Nonemployer OPEB Liability	17,382,355,978.00	15,006,539,477.00	13,095,561,553.00

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

The following presents the net OPEB liability as of June 30, 2023, 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	\$ 13,281,927.13	\$ 15,627,960.00	\$ 18,631,599.02
State of New Jersey's Total Nonemployer OPEB Liability	12,753,792,805.00	15,006,539,477.00	17,890,743,651.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2023:

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

	12/31/2023	12/31/2022
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 9,133,524,491.00	\$ 7,897,070,518.00
Collective Deferred Inflows of Resources	14,817,220,551.00	13,408,600,309.00
Collective Net OPEB Liability	16,149,595,478.00	17,999,781,235.00
Borough's Portion	0.104141%	0.083761%

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:

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Year Ending June 30:		
2024	\$	(1,702,483,126)
2025		(1,394,440,795)
2026		(754,368,466)
2027		(353,621,247)
2028		(713,799,887)
Thereafter		<u>(764,982,539)</u>
	\$	<u><u>(5,683,696,060)</u></u>

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 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

	<u>June 30, 2022</u>
Active Plan Members	65,613
Retirees Currently Receiving Benefits	<u>34,771</u>
Total Plan Members	<u><u>100,384</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Service Cost	\$ 597,135,801.00
Interest on the Total OPEB Liability	581,375,849.00
Change of Benefit Terms	23,039,435.00
Differences Between Expected and Actual Experience	(2,123,324,632.00)
Changes of Assumptions	255,103,873.00
Contributions From the Employer	(431,386,179.00)
Contributions From Non-Employer Contributing Entity	(55,614,978.00)
Net Investment Income	(2,001,914.00)
Administrative Expense	<u>12,616,744.00</u>
Net Change in Total OPEB Liability	(1,143,056,001.00)
Total OPEB Liability (Beginning)	<u>16,149,595,478.00</u>
Total OPEB Liability (Ending)	<u><u>\$ 15,006,539,477.00</u></u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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>2024</u>	<u>2023</u>	<u>2022</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 26,601,918.91	\$ 25,946,242.32	\$ 21,518,650.99
Total Debt Issued	<u>26,601,918.91</u>	<u>25,946,242.32</u>	<u>21,518,650.99</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	573,729.86	1,410,933.86	3,828,143.31
Total Authorized But Not Issued	<u>573,729.86</u>	<u>1,410,933.86</u>	<u>3,828,143.31</u>
Total Gross Debt	<u>\$ 27,175,648.77</u>	<u>\$ 27,357,176.18</u>	<u>\$ 25,346,794.30</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 37,918.74	\$ 275,110.86	\$ -
Total Deductions	<u>37,918.74</u>	<u>275,110.86</u>	<u>-</u>
Total Net Debt	<u>\$ 27,137,730.03</u>	<u>\$ 27,082,065.32</u>	<u>\$ 25,346,794.30</u>

Summary of Statutory Debt Condition - Annual Debt Statement

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

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 19,640,000.00	\$ 19,640,000.00	\$ -
General Debt	27,175,648.77	37,918.74	27,137,730.03
	<u>\$ 46,815,648.77</u>	<u>\$ 19,677,918.74</u>	<u>\$ 27,137,730.03</u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 11. Municipal Debt (continued)

Net Debt \$27,137,730.03 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,169,294,974.33 equals 2.321%. 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, 2024 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 40,925,324.10
Net Debt	<u>27,137,730.03</u>
Remaining Borrowing Power	<u><u>\$ 13,787,594.07</u></u>

General Debt

A. Serial Bonds Payable

\$9,747,000.00 General Improvement Bonds of 2016 due in annual installments of \$447,000.00 to \$650,000.00 through 2034 at an interest rate of 3.00% to 4.00%

\$4,830,000.00 Refunding Bonds of 2016 due in annual installments of \$600,000.00 to \$615,000.00 through 2026 at an interest rate of 4.00%

\$4,660,000.00 General Improvement Bonds of 2020 due in annual installments of \$260,000.00 to \$500,000.00 through 2032 at an interest rate of 2.00% to 4.00%

\$7,230,000.00 General Improvement Bonds of 2016 due in annual installments of \$280,000.00 to \$925,000.00 through 2033 at an interest rate of 5.00%

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,810,000.00	\$ 613,375.00	\$ 2,423,375.00
2026	1,865,000.00	551,075.00	2,416,075.00
2027	1,890,000.00	494,968.75	2,384,968.75
2028	1,925,000.00	423,750.00	2,348,750.00
2029	1,960,000.00	359,968.75	2,319,968.75
2030-2034	8,300,000.00	752,125.00	9,052,125.00
	<u>\$ 17,750,000.00</u>	<u>\$ 3,195,262.50</u>	<u>\$ 20,945,262.50</u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 11. Municipal Debt (continued)

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2024:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2024</u>
Acquisition of Real Property	8/27/2024	9/11/2025	3.750%	\$ 295,000.00
Various Capital Improvements	8/27/2024	9/11/2025	3.750%	542,500.00
Reconstruction & Improvements to Pool	8/27/2024	9/11/2025	3.750%	1,567,500.00
Acquisitions of Properties	8/27/2024	9/11/2025	3.750%	845,000.00
Acquisition of Propoerty	8/27/2024	9/11/2025	3.750%	1,110,000.00
Various Capital Improvements	8/27/2024	9/11/2025	3.750%	1,295,800.00
Various Capital Improvements	8/27/2024	9/11/2025	3.750%	1,425,000.00
Various Capital Acquisitions and Improvements	8/27/2024	9/11/2025	3.750%	1,709,200.00
				<u>\$ 8,790,000.00</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, 2024, the Borough had \$573,729.86 in various General Capital bonds and notes authorized but not issued.

D. Somerset County Improvement Authority Loans

\$151,500.00 Somerset County Improvement Authority Loans of 2021 due in annual installments of \$31,616.46 through 2026 at an interest rate of 1.69%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 30,698.86	\$ 917.60	\$ 31,616.46
2026	31,220.05	396.41	31,616.46
	<u>\$ 61,918.91</u>	<u>\$ 1,314.01</u>	<u>\$ 63,232.92</u>

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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>2023</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2024</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 19,495,000.00	\$ -	\$ 1,745,000.00	\$ 17,750,000.00	\$ 1,810,000.00
Bond Anticipation Notes	6,243,300.00	8,790,000.00	6,243,300.00	8,790,000.00	8,790,000.00
NEJIT Loan Payable	10,755.10	-	10,755.10	-	-
Improvement Authority Loans	197,187.22	-	135,268.31	61,918.91	30,698.86
Authorized but Not Issued	1,410,933.86	1,709,496.00	2,546,700.00	573,729.86	-
	<u>\$ 27,357,176.18</u>	<u>\$ 10,499,496.00</u>	<u>\$ 10,681,023.41</u>	<u>\$ 27,175,648.77</u>	<u>\$ 10,630,698.86</u>

Note 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2024</u>	<u>2023</u>
Total Balance of Local Tax	\$ -	\$ 3,893.86
Deferred Taxes	-	-
Local Tax Payable	<u>\$ -</u>	<u>\$ 3,893.86</u>

Note 13. 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.

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2024, the following deferred charges are shown on Statement of Assets, Liabilities, Reserves and Fund Balances of the following funds:

<u>Description</u>	Balance December 31, <u>2023</u>	2024 <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Covid-19 Deficit in Revenues	\$ 214,748.85	\$ 71,583.00	\$ 143,165.85
N.J.S.A. 40A: 4-55 Hurricane IDA	120,000.00	40,000.00	80,000.00
Downpayment on Improvements	75,000.00	75,000.00	-
			<u>\$ 223,165.85</u>

Note 15. Accrued Sick, Vacation and Compensation Time

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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 absence amount is not reported as a liability in the accompanying financial statements.

It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$1,107,262.79 at December 31, 2024.

Note 16. 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

Worker's Compensation
General Liability
Employer's Liability
Auto Liability
Property Damage
Property/Boiler and Machinery
Auto Physical Damage
Employee Dishonesty Liability
Environmental Impairment Liability

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 16. Risk Management (continued)

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2024 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>Borough Share/ State Refund</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ -	\$ 19,856.11	\$ 20,593.44	\$ 108,566.87
2023	-	5,566.60	8,840.70	109,304.20
2022	100,120.95	9,264.76	17,499.89	112,578.30

Note 17. 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, 2024, the Borough estimates that no material liabilities will result from such audits.

Litigation

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

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2024.

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 18. 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 \$1,100.00 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 \$1,100.00 for the year ended December 31, 2024 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2024, the Borough contributed a total of \$43,857.33 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.

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, 2024 payouts of \$46,916.67 were made to vested participants.

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

**BOROUGH OF BOUND BROOK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2024 and July 28th, 2025, the date the financial statements were available to be issued.

The Borough is currently involved in litigation with a plaintiff alleging that the Borough breached a contract designating the plaintiff as the exclusive redeveloper of a designated redevelopment area within the Borough. The plaintiff is seeking damages of up to \$50,000,000. As of the date of issuance, the Borough's insurance carrier has indicated that no portion of the claim will be covered under existing policies. Accordingly, the Borough may be liable for approximately \$46.3 million. Per discussions with the Borough's legal counsel, we can not yet determine the likelihood of an unfavorable outcome however it is believed to be more likely than not that the Borough will be responsible for a material portion of the damages. However, the Borough is filing a malpractice complaint against its former counsel by which it is anticipated the Borough would be indemnified for any damages.

On April 8th, an Ordinance providing for Various 2025 Capital Acquisitions and Improvements, By and in the Borough of Bound Brook, in the County of Somerset, State of New Jersey, Appropriating \$1,877,700 therefor and authorizing the issuance of \$1,788,000 in Bonds or Notes of the Borough to finance part of the cost thereof.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER
YEAR ENDED DECEMBER 31, 2024

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
	A	\$	\$
Balance, December 31, 2023		8,790,989.06	843,810.55
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	327,416.43	-
Revenue Accounts Receivable	A-12	8,864,777.40	-
Property Taxes Receivable	A-8	28,637,388.20	-
Due State of New Jersey-Sr. Citizens & Veterans Exemptions	A-9	26,484.93	-
Prepaid Taxes	A-15	123,088.51	-
Refuse Disposal Fees Receivable	A-10	859,759.05	-
Prepaid Refuse Disposal Fees	A-20	62,844.27	-
Grants Receivable	A-26	-	1,373,842.32
Interfunds	A-7, A-30	345,406.37	44,513.27
Reserve for Sale of Sewer Utility	A-24	258,305.83	-
Reserve for Sewer Fund Balance	A-25	1,892,441.98	-
Reserve for Due County - 5% PILOT	A-23	85,091.28	-
Reserve for Grants Unappropriated	A-28	-	57,956.85
Reserve for Sale of Municipal Assets	A-21	13,490.00	-
Reserve for Various Reserves	A-22	63,212.05	-
Receipts Total		41,559,706.30	1,476,312.44
Subtotal		50,350,695.36	2,320,122.99
Decreased by Disbursements:			
2024 Appropriations	A-3	16,795,241.55	-
2023 Appropriation Reserves	A-13	657,574.15	-
County Taxes	A-16	4,358,478.90	-
Local District School Tax	A-17	14,915,146.98	-
Special District Taxes Payable	A-19	245,000.00	-
Interfunds	A-7, A-30	312,123.75	270,560.16
Reserve for Grants Appropriated	A-27	-	1,809,979.89
Disbursements Total		37,283,565.33	2,080,540.05
Balance, December 31, 2024	A	\$ 13,067,130.03	\$ 239,582.94

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2024**

REF.

Balance, December 31, 2024	A	\$ <u>620.00</u>
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ANALYSIS OF BALANCE

OFFICE

Collector		\$ 200.00
Refuse		20.00
Clerk		100.00
Recreation		100.00
Municipal Court		<u>200.00</u>
Total		<u>\$ 620.00</u>

BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2024

REF.	TOTAL	GRANT FUND	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	SEWER OPERATING FUND
A	\$ 1,421,668.54	\$ 1,365,692.11	\$ 385.20	\$ 5,591.23	\$ -	\$ 50,000.00
Balance, December 31, 2023						
Receivable						
Receipts						
Receipts Included in Revenues	345,406.37	270,560.16	385.20	24,461.01	-	50,000.00
Statutory Excess	2,494,015.73	865.31	53.93	28,741.96	219,354.53	2,245,000.00
Cancelled Reserves	5,016.69	-	5,016.69	-	-	-
Interfunds Cleared - In Revenue/Appropriations	63,710.39	44,209.18	-	19,501.21	-	-
Disbursements	2,355,489.89	-	324.60	27,165.29	83,000.00	2,245,000.00
Disbursements Included in Appropriations	5,485.31	-	-	5,485.31	-	-
Reserve/Operations	306,638.44	3,100.00	568.75	19,969.69	283,000.00	-
	-	-	-	3,899.17	-	-
A-1						
Balance, December 31, 2024						
Receivable						
A	\$ 1,191,739.67	\$ 1,143,306.44	\$ 5,314.77	\$ 23,763.93	\$ 19,354.53	\$ -

BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2024

YEAR	BALANCE DECEMBER 31, 2023	ADDED TAXES	2024 TAX LEVY	COLLECTION BY CASH		CANCELLED/ ADJUSTMENTS	TRANSFER TO TAX TITLE LIENS	OVERPAYMENTS APPLIED	CHAPTER 20, P.L. 1971 SENIOR CITIZENS & VETERANS	BALANCE DECEMBER 31, 2024
				2023	2024					
Prior 2024	\$ 272,537.58	\$ 24,298.00	\$ -	\$ -	\$ 297,445.09	\$ 3.63	\$ -	\$ 177.27	\$ (790.41)	\$ -
	-	90,897.84	28,635,249.86	123,424.63	28,339,943.11	(17,019.23)	1,535.03	-	27,750.00	250,514.16
Balance	\$ 272,537.58	\$ 115,195.84	\$ 28,635,249.86	\$ 123,424.63	\$ 28,637,388.20	\$ (17,015.60)	\$ 1,535.03	\$ 177.27	\$ 26,959.59	\$ 250,514.16
REF.	A		A-2	A-2, A-15			A-11		A-9	A

Collector - Treasurer
Due from State of New Jersey per Chapter 20 P.L. 1971

REF.	A-4	\$ 28,609,638.20
A-9		27,750.00
		<u>\$ 28,637,388.20</u>

ANALYSIS OF 2024 PROPERTY TAX LEVY

TAX YIELD	REF.	2024 TAX LEVY
General Purpose Tax:		
General Purpose Tax		\$ 28,635,249.86
Added Taxes (54-4-63.1 et seq.)		90,897.84
Total		<u>\$ 28,726,147.70</u>
TAX LEVY	REF.	2024 TAX LEVY
Local District School Tax (Abstract)	A-17	\$ 14,462,208.00
Special Improvement District	A-19	245,000.00
County Taxes:		
County Tax (Abstract)		\$ 3,508,561.07
County Library Tax		481,226.07
County Open Space Tax		364,797.88
County Tax Added		13,941.02
Local Tax for Municipal Purposes (Abs)	A-16	4,368,526.04
Add: Additional Tax Levied	A-16	9,573,456.84
Local Tax for Municipal Purposes Levied	A-2	76,956.82
Total		<u>\$ 9,650,413.66</u>
		<u>\$ 28,726,147.70</u>

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971 -
SENIOR CITIZENS AND VETERANS EXEMPTIONS
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023 (Due From)	A	\$	2,131.41
Increased by:			
Senior Citizens Deductions Per Tax Billings		\$	3,750.00
Veterans Deductions Per Tax Billings			23,500.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>500.00</u>
Subtotal			<u>27,750.00</u>
			29,881.41
Decreased by:			
Received From State of New Jersey	A-4		26,484.93
Disallowed By Tax Collector- prior year			<u>790.41</u>
			<u>27,275.34</u>
Balance, December 31, 2024		\$	<u><u>2,606.07</u></u>

**CALCULATION OF STATE'S SHARE OF
2024 SENIOR CITIZENS AND VETERANS DEDUCTION**

Senior Citizens and Veterans Deductions:			
Per Tax Duplicate		\$	27,250.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2024 Taxes			<u>500.00</u>
	A-8		<u><u>27,750.00</u></u>

EXHIBIT A-10

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF REFUSE DISPOSAL FEES RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> A		\$ 56,162.50
Increased by:			
2024 Levy			<u>913,149.06</u>
Subtotal			969,311.56
Decreased by:			
Collected	A-4	\$ 859,759.05	
Transferred From Prepaid Refuse Disposal Fees	A-20	<u>58,026.12</u>	
			<u>917,785.17</u>
Balance, December 31, 2024	A		<u><u>\$ 51,526.39</u></u>

EXHIBIT A-11

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	A	\$ 51,086.01
Increased by:		
Transfer From Taxes Receivable	A-8	<u>1,535.03</u>
Balance, December 31, 2024	A	<u><u>\$ 52,621.04</u></u>

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

		BALANCE DECEMBER 31, <u>2023</u>	ACCRUED IN <u>2024</u>	<u>COLLECTED</u>	BALANCE DECEMBER 31, <u>2024</u>
<u>REF.</u>					
Clerk:					
Alcoholic Beverage Licenses	A-2	\$ -	\$ 40,388.00	\$ 40,388.00	\$ -
Other Licenses	A-2	-	18,577.00	18,577.00	-
Other Fees and Permits	A-2	-	53,110.85	53,110.85	-
Municipal Court:	A-2				
Fines and Costs		29,747.20	534,686.20	509,914.96	54,518.44
Construction Code Official:	A-2				
Fees and Permits		-	168,385.00	168,385.00	-
Interest and Costs on Taxes	A-2	-	76,992.71	76,992.71	-
Interest on Investments and Deposits	A-2	-	944,071.63	944,071.63	-
Parking Meters	A-2	-	269,191.40	269,191.40	-
Utility Fees (Refuse)	A-2	-	942,759.21	942,759.21	-
Fire Protection Fees	A-2	-	66,435.51	66,435.51	-
Housing Inspection Fees	A-2	-	502,578.00	502,578.00	-
Rental Income	A-2	-	42,096.00	42,096.00	-
Energy Receipts Tax	A-2	-	1,132,050.02	1,132,050.02	-
Cable TV Franchise Tax	A-2	-	84,386.37	84,386.37	-
Payment in Lieu of Taxes (PILOT)	A-2	-	1,574,617.59	1,574,617.59	-
Administrative Fees - Police Outside Services	A-2	-	233,196.68	233,196.68	-
General Capital Fund Balance	A-2	-	200,000.00	200,000.00	-
Proceeds from Sale of Sewer Utility	A-2	-	1,745,000.00	1,745,000.00	-
Utility Operating Surplus of Prior Year	A-2	-	500,000.00	500,000.00	-
Ambulance Billing	A-2	-	337,297.47	337,297.47	-
Board of Education-SLEO III	A-2	-	122,086.00	122,086.00	-
Reserve for Municipal Relief Aid	A-2	-	116,688.26	116,688.26	-
Reserve for Sale of Municipal Assets	A-2	-	200,000.00	200,000.00	-
Total		\$ 29,747.20	\$ 9,904,593.90	\$ 9,879,822.66	\$ 54,518.44
<u>REF.</u>		<u>A</u>	<u>A-4</u>		<u>A</u>

Non-Cash Items	\$ 1,015,045.26
Cash Receipts	<u>8,864,777.40</u>
Total Revenue	<u>\$ 9,879,822.66</u>

BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

	BALANCE DECEMBER 31, <u>2023</u>	BUDGET AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	<u>ENCUMBRANCES</u>	BALANCE <u>LAPSED</u>
Salaries and Wages:					
Administrative and Executive	\$ 7,412.05	\$ 412.05	\$ -	\$ -	\$ 412.05
Borough Clerk	11,004.69	4.69	-	-	4.69
Financial Administration	910.59	910.59	-	-	910.59
Assessment of Taxes	836.71	836.71	-	-	836.71
Collection of Taxes	6,491.40	491.40	-	-	491.40
Planning Board	119.43	119.43	-	-	119.43
Housing Inspections	2,477.37	2,477.37	-	-	2,477.37
Police	74,794.74	5,794.74	5,665	-	129.90
Parking	1,093.00	1,093.00	-	-	1,093.00
Emergency Medical Services	24,233.18	233.18	-	-	233.18
Fire Prevention Bureau	3,782.22	1,782.22	-	-	1,782.22
Streets and Roads	64,646.52	39,646.52	-	-	39,646.52
Buildings and Grounds	2,575.58	2,575.58	-	-	2,575.58
Recreation Programs	10,892.13	10,892.13	-	-	10,892.13
Municipal Court	13,727.73	13,727.73	-	-	13,727.73
Construction Official	9,040.85	40.85	-	-	40.85
Other Expenses:					
Administrative and Executive	12,568.50	17,568.50	15,414.26	961.35	1,192.89
Elections	1,271.50	71.50	-	-	71.50
Municipal Clerk	5,777.81	7,777.81	4,618.55	757.87	2,401.39
Codification	4,748.64	4,748.64	1,195.00	-	3,553.64
Financial Administration	904.17	1,904.17	408.85	-	1,495.32
Audit Services	14,990.00	39,990.00	39,990.00	-	-
Assessment of Taxes	4,881.60	14,881.60	3,100.50	11,781.00	0.10
Collection of Taxes	16,201.41	16,201.41	8,558.00	-	7,643.41
Legal Services & Costs	83,013.67	83,013.67	62,016.66	-	20,997.01
IT Services	21,395.96	66,395.96	66,394.99	-	0.97
Engineering Services and Costs	16,797.75	16,797.75	1,536.50	14,761.25	500.00
Economic Development Program	1,000.00	1,000.00	-	-	1,000.00
Planning Board	19,421.00	19,421.00	5,434.50	1,975.00	12,011.50
Housing Inspections	1,375.07	1,375.07	335.00	-	1,040.07
Other Insurance	4,558.73	4,558.73	-	-	4,558.73
Group Insurance for Employees	209,220.42	189,220.42	177,957.76	-	11,262.66
Health Benefit Waiver	1,077.02	1,077.02	-	-	1,077.02
Police	205,853.63	205,853.63	160,428.15	900.00	44,525.48
Fire Hydrant Service	10,243.00	10,243.00	-	-	10,243.00
Parking	5,379.29	6,579.29	5,494.23	-	1,085.06
Emergency Management Services	87.89	87.89	-	-	87.89
Emergency Medical Services	2,711.06	12,711.06	4,578.06	3,357.83	4,775.17
Aid to Fire Companies	18,097.26	18,097.26	13,265.13	260.00	4,572.13
Fire Prevention Bureau	1,251.07	1,251.07	200.00	-	1,051.07
Streets and Roads	31,079.64	41,079.64	38,684.99	-	2,394.65
Buildings and Grounds	17,034.33	19,034.33	6,719.29	5,061.00	7,254.04
Shade Tree Commission	21,156.04	21,156.04	16,780.90	370.00	4,005.14
Recycling	2,973.88	2,973.88	-	70.00	2,903.88
Solid Waste Collection	5,919.64	60,919.64	53,838.74	1.00	7,079.90
Board of Health	18,134.48	18,134.48	7,442.32	-	10,692.16
Dog Regulation	9,754.60	9,754.60	-	-	9,754.60

BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

	BALANCE DECEMBER 31, <u>2023</u>	BUDGET AFTER <u>MODIFICATION</u>	PAID OR <u>CHARGED</u>	<u>ENCUMBRANCES</u>	BALANCE <u>LAPSED</u>
POESHA	500.00	500.00	-	-	500.00
Recreation Programs	12,540.11	12,540.11	8,219.32	638.74	3,682.05
Parks and Playgrounds	32,983.45	32,983.45	6,730.42	11,500.00	14,753.03
Municipal Public Defender	10,400.00	10,400.00	-	-	10,400.00
Municipal Court	5,992.49	8,992.49	50.24	7,003.85	1,938.40
Construction Code Official	2,730.19	2,730.19	30.00	-	2,700.19
Celebration of Public Events	3,421.67	3,421.67	-	-	3,421.67
Heating/ Electricity	39,968.26	39,968.26	12,975.18	-	26,993.08
Street Lighting	6,922.91	6,922.91	6,922.91	-	-
Telephone	14,177.26	19,177.26	117.00	-	19,060.26
Water	56,102.27	56,102.27	-	-	56,102.27
Gasoline	69,747.46	69,747.46	19,055.72	-	50,691.74
Postage	257.91	257.91	32.55	-	225.36
Social Security System (O.A.S.1)	31,746.36	31,746.36	-	-	31,746.36
Defined Contribution Plan	9,563.54	9,563.54	-	-	9,563.54
Length of Service Award Program (LOSAP)	4,400.00	4,400.00	1,100.00	3,300.00	-
Total	\$ 1,304,371.13	\$ 1,304,371.13	\$ 755,290.56	\$ 62,698.89	\$ 486,381.68

REF.

A-1

Balance, December 31, 2023	A, A-13	\$ 614,722.91
Encumbrances Payable	A-18	689,648.22
		<u>\$ 1,304,371.13</u>

EXHIBIT A-14

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023		\$ -
Increased by:		
Overpayments in 2024	A-8	<u>45,373.31</u>
Subtotal		45,373.31
Decreased by:		
Refunded		<u>45,373.31</u>
Balance, December 31, 2024	A	<u><u>\$ -</u></u>

EXHIBIT A-15

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	A	\$ 123,424.63
Increased by:		
Collection - 2024 Taxes	A-8	\$ 123,088.51
Overpayment Reversed		<u>0.91</u>
		<u>123,089.42</u>
		246,514.05
Decreased by:		
Applied to Taxes Receivable	A-8	<u>123,424.63</u>
Balance, December 31, 2024	A	<u><u>\$ 123,089.42</u></u>

EXHIBIT A-16

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	A		\$ 3,893.86
Increased by:			
County Taxes		\$ 3,508,561.07	
County Library Taxes		481,226.07	
County Open Space Taxes		364,797.88	
Added Taxes		<u>13,941.02</u>	
Total Increased	A-1, A-8		4,368,526.04
Subtotal			<u>4,372,419.90</u>
Decreased by:			
Disbursements	A-4	4,354,585.02	
Added & Omitted Taxes		<u>3,893.88</u>	
Total Decreased			<u>4,358,478.90</u>
Balance, December 31, 2024	A		<u><u>\$ 13,941.00</u></u>

EXHIBIT A-17

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	A		\$ 322,436.20
Increased by:			
2024 Levy	A-1, A-8	\$ 14,462,208.00	
Non-Cash Adjustments	A-1, A-8	<u>130,502.78</u>	
Subtotal			<u>14,592,710.78</u> 14,915,146.98
Decreased by:			
Disbursements	A-4		<u>14,915,146.98</u>
Balance, December 31, 2024	A		<u><u>\$ -</u></u>

EXHIBIT A-18

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF ENCUMBRANCES/ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	A		\$ 898,681.44
Increased by:			
Transferred from 2024 Appropriations	A-3	\$ 760,629.71	
Transferred from Appropriation Reserves	A-13	62,698.89	
		<u>823,328.60</u>	
			<u>1,722,010.04</u>
Decreased by:			
Transferred to Appropriation Reserves	A-13	689,648.22	
Cancelled	A-1	158,005.55	
Disbursements	A-4	16,010.15	
		<u>863,663.92</u>	
Balance, December 31, 2024	A:A-18		<u><u>\$ 858,346.12</u></u>

ANALYSIS OF BALANCE

Encumbrances Payable - 2024 Appropriations		\$ 760,629.71
Accounts Payable - Appropriation Reserves		62,698.89
Accounts Payable - Prior		35,017.52
	A-18	<u><u>\$ 858,346.12</u></u>

EXHIBIT A-19

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF RESERVE FOR SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	A		\$ -
Increased by:			
2024 Levy	A-1, A-8		<u>245,000.00</u>
Decreased by:			
Disbursements	A-4		<u>245,000.00</u>
Balance, December 31, 2024	A		<u><u>\$ -</u></u>

EXHIBIT A-20

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF PREPAID REFUSE DISPOSAL FEES
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ 58,026.12
Increased by:		
Receipts	A-4	62,844.27
Subtotal		<u>120,870.39</u>
Decreased by:		
Applied to Receivable	A-10	<u>58,026.12</u>
Balance, December 31, 2024	A	<u><u>\$ 62,844.27</u></u>

EXHIBIT A-21

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	A	\$ 387,053.50
Increased by:		
Receipts	A-4	13,490.00
Subtotal		<u>400,543.50</u>
Decreased by:		
2024 Budget	A-2	<u>200,000.00</u>
Balance, December 31, 2024	A	<u><u>\$ 200,543.50</u></u>

EXHIBIT A-22

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2024**

<u>RESERVE</u>	BALANCE DECEMBER 31, <u>2023</u>	<u>RECEIPTS</u>	APPLIED TO <u>REVENUE</u>	BALANCE DECEMBER 31, <u>2024</u>
Tax Map Preparation	\$ 1,806.00	\$ -	\$ -	\$ 1,806.00
Master Plan	7,886.48	-	-	7,886.48
Library	78,679.99	18,600.05	-	97,280.04
Reserve for Parking	271,300.00	42,840.00	-	314,140.00
Municipal Tax Relief Aid	116,788.26	-	116,788.26	-
State Library Aid	5,301.00	1,772.00	-	7,073.00
Total	\$ 481,761.73	\$ 63,212.05	\$ 116,788.26	\$ 428,185.52
<u>REF.</u>	A	A-4	A-2	A

EXHIBIT A-23

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF RESERVE FOR DUE COUNTY- 5% PILOT
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> A	\$ 342,575.16
Increased by:		
Receipts	A-4	<u>85,091.28</u>
Balance, December 31, 2024	A	<u>\$ 427,666.44</u>

EXHIBIT A-24

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF RESERVE FOR SALE OF SEWER UTILITY
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	A	\$ -
Increased by:		
Transferred from Sewer Utility	D-2	2,003,305.83
Subtotal		<u>2,003,305.83</u>
Decreased by:		
Recognized as Revenue	A-2	<u>1,745,000.00</u>
Balance, December 31, 2024	A	<u><u>\$ 258,305.83</u></u>

EXHIBIT A-25

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF RESERVE FOR SEWER FUND BALANCE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	A	\$ -
Increased by:		
Transferred from Sewer Utility	D-2	2,392,441.98
Subtotal		<u>2,392,441.98</u>
Decreased by:		
Recognized as Revenue	A-2	<u>500,000.00</u>
Balance, December 31, 2024	A	<u><u>\$ 1,892,441.98</u></u>

**BOROUGH OF BOUND BROOK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

PURPOSE	BALANCE DECEMBER 31, 2023	2024 ACCRUED	RECEIPTS	RESERVES REALIZED AS REVENUE	CANCELLED	BALANCE DECEMBER 31, 2024
	\$	\$	\$	\$	\$	\$
Body Armor Replacement Fund		2,227.68	-	2,227.68	-	-
Body Camera (State)	3,817.63	-	-	-	-	3,817.63
Federal Bulletproof Vest Partnership	-	8,356.62	-	2,138.00	-	6,218.62
Alcohol Education Rehabilitation Program	-	1,348.42	1,348.42	-	-	-
CHPP - Community Housing Planning Partnership	-	3,000.00	2,250.00	-	-	750.00
Clean Communities Program	-	23,777.66	23,777.66	-	-	-
Firefighters/EMS Grant	163,142.85	50,000.00	157,716.00	-	340.65	55,086.20
Leary Firefighter Foundation Grant	17,049.30	-	-	-	17,049.30	-
Historic Preservation	53,125.00	-	53,125.00	-	-	-
USDA Grant - Rural Development	20,800.00	-	-	-	-	20,800.00
Local Arts Grant	1,190.50	3,500.00	3,375.00	-	-	1,315.50
Library Construction Bond Act	256,040.16	-	256,040.16	-	-	-
NJ DEP - It Pays to Plug In- NJ Electric Vehicle Program	9,000.00	-	-	-	9,000.00	-
NJ Forest Service Community Forestry Program	165.00	-	-	-	165.00	-
Recycling Tonnage Grant	-	8,338.60	8,338.60	-	-	-
SAFER Grant	14,520.00	162,000.00	14,520.00	-	-	162,000.00
Somerset County Youth Services	17,843.00	13,068.00	30,911.00	-	-	-
Recreation Improvement Grant	141,000.00	-	-	-	-	141,000.00
Sustainable Jersey	2,000.00	-	-	-	2,000.00	-
Safe Routes to School	517,000.00	-	-	-	-	517,000.00
Safe Corridors Program	2,266.00	-	-	-	-	2,266.00
CDBG - East Second Street	100,000.00	-	22,040.00	-	-	77,960.00
CDBG - Library HVAC	225,277.28	-	-	-	-	225,277.28
CDBG - LaMonte St	-	150,000.00	46,190.00	-	-	103,810.00
NJ DOT - Rehabilitation of West Second Street	149,052.77	-	-	-	93,750.00	55,302.77
NJ DOT - Transportation Alternatives	1,000,000.00	60,737.39	-	-	1,000,000.00	60,737.39
NJ DOT - Train Station Waiting Room	1,728,521.44	91,691.68	735,210.48	-	-	1,085,002.64
Transportation Enhancement Grant- Main Street	27,290.00	-	-	-	-	27,290.00
Transportation Enhancement Grant- West Maple Street	50,000.00	-	-	-	-	50,000.00
Clean Fleet	-	8,000.00	4,000.00	-	4,000.00	-
Stormwater Grant	-	15,000.00	15,000.00	-	-	-
Total	\$ 4,499,100.93	\$ 601,046.05	\$ 1,373,842.32	\$ 4,365.68	\$ 1,126,304.95	\$ 2,595,634.03

REF.

A

A-2

A-4

A

Original Budget \$ 77,704.28
Ch. 159 Budget Amendments 523,341.77

\$ 601,046.05

**BOROUGH OF BOUND BROOK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED
YEAR ENDED DECEMBER 31, 2024**

	TRANSFERS							
	BALANCE DECEMBER 31, 2023	2024 BUDGET		EXPENDED	CANCELLED	PRIOR ENCUMBRANCES PAYABLE	CURRENT YEAR ENCUMBRANCES	BALANCE DECEMBER 31, 2024
		APPROPRIATIONS						
	\$	\$	\$	\$	\$	\$	\$	\$
Body Armor Replacement Fund	-	2,227.68	1,796.01	-	300.71	732.38	-	
Federal Bulletproof Vest Program	1,941.47	8,356.62	2,781.17	-	1,375.07	2,673.37	6,218.62	
LGAP Housing	21,000.00	-	10,933.42	-	-	-	10,066.58	
Alcohol Education Rehabilitation Fund	1,902.27	1,348.42	700.00	-	1,826.00	775.00	3,601.69	
Distracted Driver Grant	5,500.00	-	-	5,500.00	-	-	-	
Drive Sober or Get Pulled Over	1,700.00	-	-	1,700.00	-	-	-	
Drunk Driving Enforcement Fund	28,725.05	-	44,223.00	-	22,086.20	144.56	6,443.69	
CHPP - Community Housing Planning Partnership	874.27	3,000.00	700.00	-	-	-	3,174.27	
Clean Communities Program	36,590.01	23,777.66	19,000.00	-	-	-	41,367.67	
Detective Tarentino Grant	-	-	-	137.58	137.58	-	-	
Domestic Violence	4,422.64	-	-	4,422.64	-	-	-	
Downtown Improvements- SC EDIP	32,746.85	-	-	32,746.85	-	-	-	
EDJP- West Main Street	9,195.55	-	-	-	-	-	9,195.55	
Office of Emergency Management	3,194.62	-	-	-	-	-	3,194.62	
Firefighters/EMS	340.65	50,000.00	51,143.20	340.65	6,000.00	-	4,856.80	
First Responders Grant	1,165.00	-	-	-	-	-	1,165.00	
Fine Prevention Bureau	2,325.65	-	1,127.35	-	1,127.35	-	2,325.65	
Local Arts Grant	3,574.50	3,500.00	2,500.00	3,574.50	-	-	1,000.00	
Historic Preservation	106,250.00	-	98,065.00	-	-	-	8,185.00	
Library Construction Bond Act	-	-	256,040.16	-	256,040.16	-	-	
NJ DEP- It Pays to Plug In- NJ Electric Vehicle Program	-	-	-	8,712.00	8,712.00	-	-	
NJ Forest Service Community Forestry Program	13,629.61	-	-	13,629.61	-	-	-	
Public Works Grant- Match	33,095.63	-	-	-	2,195.46	2,195.46	33,095.63	
Recreation- Target Grant	2,000.00	-	-	2,000.00	-	-	-	
Recycling Tonnage Grant	23,532.02	8,338.60	8,071.00	-	-	270.00	23,529.62	
Somerset County Youth Services Grant	19,503.69	13,068.00	25,881.05	-	452.74	395.46	6,747.92	
Somerset County Youth Athletic Grant	15,245.90	-	-	-	-	-	15,245.90	
Somerset County Open Space - Pool Improvements	-	-	455,000.00	-	455,000.00	-	-	
Recreation Improvements	-	-	30,100.00	-	141,000.00	110,900.00	-	
USDA Grant - Rural Development	20,800.00	-	-	0.30	0.30	-	20,800.00	
CDBG- East Second Street	-	-	-	-	100,000.00	100,000.00	-	
CDBG- Library HVAC	-	-	99,670.90	-	121,931.78	22,260.88	-	
CDBG- LaMonte Ave	-	150,000.00	-	-	-	-	150,000.00	
SAFER Grant	14,370.00	162,000.00	14,370.00	-	-	-	162,000.00	
Safe Corridors Program	14,391.31	-	-	-	-	-	14,391.31	
Safe Routes to School	517,000.00	-	-	-	-	-	517,000.00	
NJ Department of Transportation- Transportation Enhancement	1,000,000.00	60,737.39	-	1,000,000.00	-	-	60,737.39	
NJ DOT - Train Station Waiting Room	-	91,691.68	442,868.05	-	410,122.59	21,618.61	37,327.61	
NJ DOT- Rehabilitation of West Second Street	93,750.00	-	-	93,750.00	-	-	-	
Municipal Aid DOT	-	-	225,384.58	-	300,760.00	75,375.42	-	
Opioids Settlement	27,294.27	-	15,625.00	-	-	-	11,669.27	
NJ DEP Stormwater Management	-	15,000.00	-	-	-	-	15,000.00	
Clean Fleet Grant	-	8,000.00	4,000.00	4,000.00	-	-	-	
Total	\$	2,056,060.96	\$	601,046.05	\$	1,809,979.89	\$	1,168,339.79
	A	A-3	A-27	A	A	A	A	A

BOROUGH OF BOUND BROOK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2024

	BALANCE DECEMBER 31, <u>2023</u>		RECEIPTS		ANTICIPATED IN BUDGET		BALANCE DECEMBER 31, <u>2024</u>	
Body Armor Replacement Fund	\$	2,227.68	\$	2,379.41	\$	2,227.68	\$	2,379.41
Federal Bulletproof Vest Partnership		2,138.00		-		2,138.00		-
Opioids Settlement		1,307.02		55,577.44		-		56,884.46
Totals	\$	5,672.70	\$	57,956.85	\$	4,365.68	\$	59,263.87
<u>REF.</u>		A		A-4				A

EXHIBIT A-29

**BOROUGH OF BOUND BROOK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> A	\$ 1,829,067.94
Increased by:		
Grants Appropriated	A-27	337,341.14
Subtotal		<u>2,166,409.08</u>
Decreased by:		
Grants Appropriated	A-27	<u>1,829,067.94</u>
Balance, December 31, 2024	A	<u><u>\$ 337,341.14</u></u>

EXHIBIT A-30

**BOROUGH OF BOUND BROOK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2024**

		TOTAL	GENERAL CAPITAL FUND	CURRENT FUND
Balance, December 31, 2023 (Due To)	A	\$ 1,452,109.88	\$ 86,417.77	\$ 1,365,692.11
Increased by:				
Receipts	A-4	44,513.27	40,547.96	3,965.31
Grants Cancelled	A-4	44,209.18	-	44,209.18
Subtotal		<u>1,540,832.33</u>	126,965.73	1,413,866.60
Decreased by:				
Disbursements	A-4	<u>270,560.16</u>	-	270,560.16
Balance, December 31, 2024 (Due To)	A	<u><u>\$ 1,270,272.17</u></u>	\$ 126,965.73	<u><u>\$ 1,143,306.44</u></u>

**BOROUGH OF BOUND BROOK
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2024**

<u>DESCRIPTION</u>	BALANCE, DECEMBER 31 <u>2023</u>	AMOUNT IN 2024 <u>BUDGET</u>	BALANCE, DECEMBER 31 <u>2024</u>
Covid-19 Deficit in Revenues	\$ 214,748.85	\$ 71,583.00	\$ 143,165.85
N.J.S.A. 40A: 4-55 Hurricane IDA	120,000.00	40,000.00	80,000.00
Downpayment on Improvements	75,000.00	75,000.00	-
Total	<u>\$ 409,748.85</u>	<u>\$ 186,583.00</u>	<u>\$ 223,165.85</u>
REF.	<u>A</u>	<u>A-3</u>	<u>A</u>

TRUST FUND

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BOROUGH OF BOUND BROOK
TRUST FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS
YEAR ENDED DECEMBER 31, 2024

	REF.	ASSESSMENT	ANIMAL CONTROL	OTHER
Balance, December 31, 2023	B	\$ 15,611.46	\$ 12,405.87	\$ 2,413,858.20
Increased by Receipts:				
Reserve for Animal Control Expenditures	B-12	\$ -	\$ 5,276.77	\$ -
New Jersey State Board of Health	B-11	-	393.60	-
Reserve for Various Trust Deposits	B-8	-	-	8,220,088.10
Reserve for Due State of New Jersey - Marriage Licenses	B-9	-	-	3,175.00
Reserve for Due State of New Jersey - DCA Training Fees	B-10	-	-	7,330.00
Accounts Receivable	B-16	-	-	31,944.94
Due Sewer Utility Operating Fund	B-17	-	-	200.60
Due Animal Control Trust Fund	B-15	-	-	49.90
Due Current Fund	B-7	-	622.68	96,765.47
Subtotal		-	6,293.05	8,359,554.01
		15,611.46	18,698.92	10,773,412.21
Decreased by Disbursements:				
Due Current Fund	B-6, B-7	15,611.46	709.80	98,338.47
Due Trust Other Fund	B-14	-	49.90	-
Due Sewer Utility Operating Fund	B-17	-	-	2.00
New Jersey State Board of Health	B-11	-	334.20	-
Expenditures Under R.S.4:19-15.11	B-12	-	660.15	-
Reserve for Prepaid Dog Licenses	B-13	-	669.00	-
Reserve for Due State of New Jersey - Marriage Licenses	B-9	-	-	2,550.00
Reserve for Due State of New Jersey - DCA Training Fees	B-10	-	-	11,753.00
Reserve for Various Trust Deposits	B-8	-	-	8,318,402.04
		15,611.46	2,423.05	8,431,045.51
Balance, December 31, 2024	B	\$ -	\$ 16,275.87	\$ 2,342,366.70

**BOROUGH OF BOUND BROOK
TRUST FUND
SCHEDULE OF ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

<u>ORDINANCE</u>	<u>IMPROVEMENT</u>	<u>CONFIRMATION DATE</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE PLEDGED TO RESERVE</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2024</u>
98-21	Curbs, Sidewalks & Driveways-Fairview Ave.	9/12/2000	11/13/00 - 11/13/09	\$ 445.74	\$ 445.74	\$ 445.74	\$ -
99-19	Reconstruction of Winsor Street	2/13/2001	04/13/01 - 04/13/10	2,551.02	2,551.02	2,551.02	-
01-21	Reconstruction of Cherry Street	4/8/2003	06/01/03- 06/01/12	644.88	644.88	644.88	-
				\$ 3,641.64	\$ 3,641.64	\$ 3,641.64	\$ -
				<u>B</u>			
			<u>REF.</u>				

EXHIBIT B-4

BOROUGH OF BOUND BROOK
ASSESSMENT TRUST FUND
SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS
YEAR ENDED DECEMBER 31, 2024

<u>ORDINANCE</u>	<u>IMPROVEMENT</u>	BALANCE, DECEMBER 31 2023	<u>DECREASED</u>	BALANCE, DECEMBER 31 2024
98-21	Curbs, Sidealks, & Driveways - Fairview Ave	\$ 445.74	\$ 445.74	\$ -
	<u>REF.</u>	B		B

EXHIBIT B-5

BOROUGH OF BOUND BROOK
ASSESSMENT TRUST FUND
SCHEDULE OF ASSESSMENTS OF OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2023	<u>REF.</u>	\$ 2,254.06
Decreased by:	B	
Disbursements		<u>2,254.06</u>
Balance, December 31, 2024	B	<u>\$ -</u>

**BOROUGH OF BOUND BROOK
ASSESSMENT TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	CURRENT <u>FUND</u>	TRUST OTHER <u>FUND</u>
Balance, December 31, 2023	B	\$ -	\$ -
Increased by:			
Receipts	B-2	15,611.46	-
Subtotal		<u>15,611.46</u>	<u>-</u>
Decreased by:			
Disbursements	B-2	<u>15,611.46</u>	<u>-</u>
Balance, December 31, 2024	B	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BOROUGH OF BOUND BROOK
GENERAL TRUST FUND
SCHEDULE OF INTERFUND - CURRENT FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	ANIMAL CONTROL <u>FUND</u>	TRUST OTHER <u>FUND</u>
Balance, December 31, 2023 (Due To)	B	\$ 385.20	\$ 5,591.23
Receipts	B-2	622.68	96,765.47
Statutory Excess	B-12	5,016.69	-
Reserve Cancelled	B-7	-	19,501.21
Subtotal		<u>6,024.57</u>	<u>121,857.91</u>
Disbursements	B-2	<u>709.80</u>	<u>98,338.47</u>
Balance, December 31, 2024 (Due To)	B	<u><u>\$ 5,314.77</u></u>	<u><u>\$ 23,519.44</u></u>
Regular Trust			\$ 20,808.56
Recreation			508.94
Tax Collector Trust- Tax Sale Premiums			914.78
Redemption of Tax Title Liens			18.13
State Unemployment Trust Fund			358.39
Developers Escrow			90.60
Payroll Deductions Payable			820.04
			<u><u>\$ 23,519.44</u></u>

**BOROUGH OF BOUND BROOK
GENERAL TRUST FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2024**

	BALANCE DECEMBER 31, 2023		INCREASED	DECREASED	CANCELLED	BALANCE DECEMBER 31, 2024	
Public Defender	\$	11,253.00	\$ 4,305.70	\$ 11,880.00	\$ -	\$	3,678.70
Police Offense Adjudication Act		9,413.32	3,708.00	-	-		13,121.32
Public Assistance		2,653.63	-	-	2,653.63		-
Escrow Deposits		1,502.75	-	-	-		1,502.75
Street Opening Permits		31,893.00	-	-	-		31,893.00
Billian Trust		7.02	-	-	7.02		-
Flood Relief		20,425.48	-	-	12,262.80		8,162.68
Flood Donations		4,100.12	-	-	-		4,100.12
Advanced Surety Bond		3,850.00	-	-	3,850.00		-
American Legion Trust		70.63	-	-	-		70.63
Van Horne Plaza		15,668.76	-	-	-		15,668.76
Train Station		20,000.00	-	-	-		20,000.00
Dedicated Fire Department Fines and Penalties		387.00	1,000.00	719.66	-		667.34
Fire Marshal (Bureau) Penalties		8,986.25	1,000.00	2,220.96	-		7,765.29
Housing Property Maintenance Penalties		3,930.77	200.00	-	-		4,130.77
OEM Donation		5,794.24	-	-	-		5,794.24
Police Donations		21,515.35	-	-	-		21,515.35
Shade Tree Commission		2,200.50	-	-	-		2,200.50
Riverfest Donations		2,551.72	-	-	-		2,551.72
Tower Lease Agreement		1,972.85	4,734.48	6,707.18	-		0.15
Credit Card Fees		-	18,110.85	18,110.85	-		-
Bound Brook Land Development		727.76	-	-	727.76		-
Park Improvements- CDBG		7,469.38	-	-	-		7,469.38
Fire Recovery Donations		4,290.00	-	-	-		4,290.00
Public Safety Donations		100.00	-	-	-		100.00
Storm Recovery		107,805.70	-	3,149.50	-		104,656.20
Accumulated Absences		31,688.21	61,600.00	81,569.69	-		11,718.52
Local Art		105,794.25	-	8,900.00	-		96,894.25
Lead Hazard Control Fund		-	140.00	-	-		140.00
Recreation		180,405.81	61,632.00	86,469.26	-		155,568.55
Tax Collector Trust- Tax Sale Premiums		440,900.00	59,200.00	223,400.00	-		276,700.00
Redemption of Tax Title Liens		3,479.78	248,485.03	200,472.25	-		51,492.56
State Unemployment Trust Fund		109,304.20	19,856.11	20,593.44	-		108,566.87
Police Forfeited Funds		42,012.68	37,564.10	15,035.04	-		64,541.74
Housing Rehabilitation		665,237.63	24,699.00	31,610.00	-		658,326.63
Developers Escrow		286,172.21	127,726.67	223,935.94	-		189,962.94
Performance Escrow		89,573.52	132,564.17	10,773.87	-		211,363.82
Engineering Escrow		97,685.27	-	22,056.70	-		75,628.57
Maintenance Escrow		-	2,029.76	-	-		2,029.76
Payroll Deductions Payable		92,549.12	7,411,532.23	7,350,797.70	-		153,283.65
Total	\$	2,433,371.91	\$ 8,220,088.10	\$ 8,318,402.04	\$ 19,501.21	\$	2,315,556.76
REF.	B		B-2			B	

EXHIBIT B-9

**BOROUGH OF BOUND BROOK
GENERAL TRUST FUND
SCHEDULE OF DUE STATE OF NEW JERSEY- MARRIAGE LICENSES
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	B	\$ 375.00
Increased by:		
Receipts	B-2	<u>3,175.00</u>
Subtotal		<u>3,550.00</u>
Decreased by:		
Disbursements	B-2	<u>2,550.00</u>
Balance, December 31, 2024	B	<u><u>\$ 1,000.00</u></u>

EXHIBIT B-10

**BOROUGH OF BOUND BROOK
GENERAL TRUST FUND
SCHEDULE OF DUE STATE OF NEW JERSEY- CONSTRUCTION DCA TRAINING FEES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	B	\$ 6,465.00
Increased by:		
Receipts	B-2	<u>7,330.00</u>
Subtotal		<u>13,795.00</u>
Decreased by:		
Disbursements	B-2	<u>11,753.00</u>
Balance, December 31, 2024	B	<u><u>\$ 2,042.00</u></u>

**BOROUGH OF BOUND BROOK
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> B	\$ -
Increased by:		
State Registration Fees Collected	B-2	<u>393.60</u>
Subtotal		<u>393.60</u>
Decreased by:		
Paid to State Department of Health	B-2	<u>334.20</u>
Balance, December 31, 2024	B	<u><u>\$ 59.40</u></u>

**BOROUGH OF BOUND BROOK
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> B		\$	8,139.67
Increased by:				
Dog License Fees Collected	B-2	\$	5,276.77	
Reserve for Encumbrances	B-18		<u>3,212.00</u>	
Subtotal				<u>8,488.77</u>
				16,628.44
Decreased by:				
Statutory Excess to Current Fund	B-7		5,016.69	
Reserve for Expenditures	B-2		<u>660.15</u>	
				<u>5,676.84</u>
Balance, December 31, 2024	B		<u>\$</u>	<u>10,951.60</u>

LICENSE FEES COLLECTED

YEAR	AMOUNT
2023	\$ 5,152.60
2022	<u>5,799.00</u>
	<u>\$ 10,951.60</u>

**BOROUGH OF BOUND BROOK
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR PREPAID DOG LICENSES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> B	\$ 669.00
Decreased by:		
Disbursements	B-2	<u>669.00</u>
Balance, December 31, 2024	B	<u><u>\$ -</u></u>

EXHIBIT B-14

**BOROUGH OF BOUND BROOK
ANIMAL CONTROL TRUST FUND
SCHEDULE OF INTERFUND - DUE TRUST OTHER FUND
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> B	\$ -
Increased by:		
Disbursements	B-2	<u>49.90</u>
Balance, December 31, 2024 (Due From)	B	<u><u>\$ 49.90</u></u>

EXHIBIT B-15

**BOROUGH OF BOUND BROOK
TRUST OTHER FUND
SCHEDULE OF INTERFUND - DUE ANIMAL CONTROL TRUST
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	B	\$ -
Increased by:		
Receipts	B-2	<u>49.90</u>
Balance, December 31, 2024 (Due To)	B	<u><u>\$ 49.90</u></u>

EXHIBIT B-16

**BOROUGH OF BOUND BROOK
TRUST OTHER FUND
SCHEDULE OF ACCOUNTS RECIEVABLE - PAYROLL AGENCY
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	B	\$ 31,944.94
Decreased by:		
Receipts	B-2	<u>31,944.94</u>
Balance, December 31, 2024	B	<u><u>\$ -</u></u>

EXHIBIT B-17

**BOROUGH OF BOUND BROOK
TRUST OTHER FUND
SCHEDULE OF DUE SEWER OPERATING FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	B	\$ -
Increased by:		
Receipts	B-2	<u>200.60</u>
Decreased by:		
Disbursements	B-2	<u>2.00</u>
Balance, December 31, 2024 (Due To)	B	<u><u>\$ 198.60</u></u>

**BOROUGH OF BOUND BROOK
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	B	\$	3,212.00
Decreased by:			
Reserve for Animal Control Expenditures	B-12		<u>3,212.00</u>
Balance, December 31, 2024	B	<u>\$</u>	<u>-</u>

BOROUGH OF BOUND BROOK
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2023		\$	-
Increased By:			
Adjustment to Prior Year	\$	870,320.83	
Appreciation		178,640.40	
Borough Contributions		43,857.33	
			<u>1,092,818.56</u>
			1,092,818.56
Decreased By:			
Withdrawals		46,916.67	
Accounting Charges		2,425.00	
			<u>49,341.67</u>
Balance, December 31, 2024		\$	<u><u>1,043,476.89</u></u>

**BOROUGH BOUND BROOK
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$	-
Increased By:			
Adjustment to Prior Year	\$	870,320.83	
Appreciation		178,640.40	
Borough Contributions		<u>43,857.33</u>	
			<u>1,092,818.56</u>
			1,092,818.56
Decreased By:			
Withdrawals		46,916.67	
Accounting Charges		<u>2,425.00</u>	
			<u>49,341.67</u>
Balance, December 31, 2024		\$	<u><u>1,043,476.89</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	<u>REF.</u> C		\$ 8,020,435.46
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-5	\$ 283,000.00	
Premium on Bond Anticipation Notes	C-1	39,379.20	
Bond Anticipation Notes	C-11	8,790,000.00	
Grants Receivable	C-7	24,275.50	
Due Current Fund	C-13	302,354.53	
Various Capital Reserves	C-16	40,265.11	
			<u>9,479,274.34</u>
Subtotal			17,499,709.80
Decreased by Disbursements:			
Encumbrances Payable	C-9	4,879,507.04	
Due Current Fund	C-13	283,000.00	
Due Grant Fund	C-17	40,547.96	
Fund Balance	C-1	200,000.00	
Bond Anticipation Notes	C-11	6,243,300.00	
			<u>11,646,355.00</u>
Balance, December 31, 2024	C		<u><u>\$ 5,853,354.80</u></u>

EXHIBIT C-3

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
ANALYSIS OF CASH & INVESTMENTS
YEAR ENDED DECEMBER 31, 2024**

BALANCE
DECEMBER 31,
2024

Capital Improvement Fund	C-4	\$	214,971.15
Fund Balance	C-1		212,720.84
Grants Receivable	C-7		(1,082,352.25)
Developers Contribution Receivable	C-7		(200,000.00)
Various Capital Reserves	C-16		360,640.49
Encumbrances Payable	C-12		4,279,400.96
Due to Current Fund	C-13		19,354.53
Due from Grant Fund	C-17		(126,965.73)
Excess Financing	C-6		376,150.50
Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6)	C-6		1,450,841.60
Funded Improvement Authorizations	C-9		919,205.08
Unfunded Improvements Expended (Listed on C-6)	C-6		<u>(570,612.37)</u>
Total		\$	<u>5,853,354.80</u>
	<u>REF.</u>		C

EXHIBIT C-4

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	C	\$	19,702,942.30
Decreased by:			
Improvement Authority Loans Paid by Budget	C-15	\$	42,267.15
Improvement Authority Loans Cancelled	C-15		93,001.16
Infrastructure Loans Paid by Budget	C-14		10,755.08
Bonds Paid by Budget	C-10		1,745,000.00
			<u>1,891,023.39</u>
Balance, December 31, 2024	C	\$	<u><u>17,811,918.91</u></u>

EXHIBIT C-5

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	C	\$	99,265.15
Increased by:			
2024 Budget Appropriation	C-2		<u>283,000.00</u>
Subtotal			382,265.15
Decreased by:			
Appropriated to Finance Improvements	C-9		<u>167,294.00</u>
Balance, December 31, 2024	C	\$	<u><u>214,971.15</u></u>

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EXHIBIT C-7

BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024

ORDINANCE	CAPITAL PROJECT/PROGRAM	BALANCE DECEMBER 31,			BALANCE DECEMBER 31,	
		<u>2023</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>2024</u>	
18-07	Community Development Block Grant	\$ 12,483.75	\$ -	\$ -	\$ 12,483.75	
18-09	Community Development Block Grant	75,000.00	-	-	75,000.00	
22-07	NJ Department of Transportation	110,625.00	-	-	110,625.00	
22-07	Community Development Block Grant	80,000.00	-	24,275.50	55,724.50	
24-14	NJ Department of Transportation	-	828,519.00	-	828,519.00	
	Total	\$ 278,108.75	\$ 828,519.00	\$ 24,275.50	\$ 1,082,352.25	
		<u>REF.</u>	<u>C</u>			<u>C</u>
			<u>REF.</u>			
	Receipts		C-2	\$ 24,275.50		
				<u>\$ 24,275.50</u>		

EXHIBIT C-8

BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF DEVELOPER CONTRIBUTIONS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024

ORDINANCE	CAPITAL PROJECT/PROGRAM	BALANCE DECEMBER 31, 2023 & 2024
15-08	Various Improvements to Train Station	\$ 200,000.00
	Total	\$ 200,000.00
		<u>REF.</u> <u>C</u>

BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2024

	ORDINANCE	Balance, December 31, 2023		2024 AUTHORIZATIONS		PRIOR YEAR		EXPENDED	ENCUMBERED	Balance, December 31, 2024					
		FUNDED	UNFUNDED	FUNDED	UNFUNDED	ENCUMBRANCES	ENCUMBRANCES			FUNDED	UNFUNDED				
15-08	Various Improvements to Train Station	\$	-	\$	84,255.00	\$	-	\$	68,512.72	\$	-	\$	2,821.49		
17-09	Various Equipment	8,662.50	-	-	-	-	-	-	-	8,662.50	-	-	-		
18-09	Roadway Improvement	-	-	-	-	7,247.87	-	5,469.63	1,778.24	-	-	-	-		
18-27	Various Capital Improvements	-	-	-	-	43,781.89	-	-	43,781.89	-	-	-	-		
19-06	Purchase of Fire Gear	-	-	-	-	28.60	-	-	28.60	-	-	-	-		
19-16	Various Capital Improvements	52,245.02	-	-	-	-	-	-	-	52,245.02	-	-	-		
19-32	Acquisition of Equipment	9,730.54	-	-	-	-	-	-	-	9,730.54	-	-	-		
19-33	Various Capital Improvements	34,782.77	-	-	-	-	-	-	-	34,782.77	-	-	-		
19-35	Purchase of Two Hybrid Explorers	2,226.57	-	-	-	-	-	-	-	2,226.57	-	-	-		
20-17	Various Capital Improvements	196,179.44	-	-	-	73,114.20	-	-	73,114.20	196,179.44	-	-	-		
20-26	Truck Radio System for Police Department	3,777.14	-	-	-	9,653.40	-	-	9,653.40	3,777.14	-	-	-		
21-06	Hamilton Street Plaza Design	380.00	-	-	-	78,586.62	-	10,654.36	700.00	67,612.26	-	-	-		
21-10	Various Capital Acquisitions	449,617.08	-	-	-	22,389.71	-	429.08	21,960.63	449,617.08	-	-	-		
21-23	Solid Waste Improvements	-	-	-	-	549.15	-	-	549.15	-	-	-	-		
21-28	Acquisition of Protective Equipment for Fire Dept	9,395.22	-	-	-	-	-	-	-	9,395.22	-	-	18.32		
21-33	Acquisition of Real Property	-	4,818.32	-	-	-	-	4,800.00	-	-	-	-	557,094.63		
22-07	Various Capital Improvements	49,926.29	542,000.00	-	-	758,472.07	-	659,204.75	84,172.69	49,926.29	-	-	-		
22-25	Reconstruction & Improvements to Pool (Phase I)	-	50.00	-	-	1,643,000.00	-	50.00	1,643,000.00	-	-	-	-		
22-30	Acquisition of Properties	-	209,914.40	-	-	22,196.22	-	53,820.22	6,910.87	-	-	-	171,379.53		
23-07	Acquisition of Property	173,400.00	1,110,000.00	-	-	-	-	1,078,779.63	1,422.33	203,198.04	-	-	87,357.75		
23-08	Various Capital Improvements	-	143,236.89	-	-	1,030,113.66	-	1,052,756.86	33,235.94	-	-	-	-		
23-13	Purchase of Various Equipment	5,359.66	-	-	-	15,601.13	-	16,645.89	4,141.77	173.13	-	-	-		
23-18	Purchase of Rescue Support Fire vehicle	4,487.34	-	-	-	-	-	-	-	4,487.34	-	-	-		
23-24	Purchase of Radio Equipment- Fire	902.02	-	-	-	-	-	-	-	1,042.02	-	-	-		
23-25	General Improvements to Municipal Complex & Purchase of Equipment	20,000.00	-	-	-	-	-	-	-	20,000.00	-	-	-		
23-34	Purchase of Various Equipment	3,617.09	-	-	-	21,382.91	-	21,382.90	0.01	3,617.09	-	-	-		
23-41	Various Capital Improvements	-	176,018.66	-	-	1,299,000.00	-	1,289,291.69	17,500.01	-	-	-	168,226.96		
23-44	Purchase of Fire Hoses	-	-	-	-	20,000.00	-	16,750.00	-	3,250.00	-	-	-		
23-51	Purchase of Security Cameras and Monitoring	99,063.96	-	-	-	-	-	99,063.96	-	-	-	-	-		
24-09	Improvement to Recreation Billian Legion Park	-	-	-	-	-	-	53,200.00	-	1,800.00	-	-	-		
24-14	Various Capital Improvements	-	-	-	1,709,496.00	-	-	179,770.88	2,267,475.75	-	-	-	263,862.37		
24-17	Various Capital Improvements	-	-	-	112,000.00	-	-	109,864.13	1,462.76	673.11	-	-	-		
24-22	Improvement to Police Department Jail Cell	-	-	-	30,000.00	-	-	29,992.44	-	7.56	-	-	-		
Total		\$	1,123,752.64	\$	2,270,293.27	\$	1,198,613.00	\$	1,709,496.00	\$	5,229,917.26	\$	919,205.08	\$	1,453,959.09
REF.		C		C		C-12		C-12		C		C, C-6			
C-5	Capital Improvement Fund			\$	167,294.00										
C-7	Grants Receivable				828,519.00										
C-1	Fund Balance				85,000.00										
C-16	Various Reserves				117,800.00										
					<u>\$</u>										
					<u>\$</u>										

BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2024

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2023	BUDGET	BALANCE DECEMBER 31, 2024
			Balance, December 31, 2024	AMOUNT				
General Improvement Bonds	4/21/2016	\$ 9,747,000.00	2/1/2025	\$ 550,000.00	2.000%	\$ 6,850,000.00	\$ 525,000.00	\$ 6,325,000.00
			2/1/2026	575,000.00	2.000%			
			2/1/2027	650,000.00	2.125%			
			2/1/2028	650,000.00	2.250%			
			2/1/2029	650,000.00	2.375%			
			2/1/2030	650,000.00	2.500%			
			2/1/2031	650,000.00	3.000%			
			2/1/2032	650,000.00	3.000%			
			2/1/2033	650,000.00	3.000%			
			2/1/2034	650,000.00	3.000%			
General Improvement Refunding Bonds	9/15/2016	4,830,000.00	2/15/2025	605,000.00	4.000%	1,815,000.00	610,000.00	1,205,000.00
			2/15/2026	600,000.00	4.000%			
General Improvement Bonds	8/6/2020	4,660,000.00	8/1/2025	290,000.00	3.000%	3,880,000.00	285,000.00	3,595,000.00
			8/1/2026	305,000.00	4.000%			
			8/1/2027	500,000.00	4.000%			
			8/1/2028	500,000.00	2.000%			
			8/1/2029	500,000.00	2.000%			
			8/1/2030	500,000.00	2.000%			
			8/1/2031	500,000.00	2.000%			
			8/1/2032	500,000.00	2.000%			
General Improvement Bonds	9/29/2022	7,230,000.00	8/1/2025	365,000.00	5.000%	6,950,000.00	325,000.00	6,625,000.00
			8/1/2026	385,000.00	5.000%			
			8/1/2027	740,000.00	5.000%			
			8/1/2028	775,000.00	5.000%			
			8/1/2029	810,000.00	5.000%			
			8/1/2030	850,000.00	5.000%			
			8/1/2031	875,000.00	5.000%			
			8/1/2032	900,000.00	5.000%			
			8/1/2033	925,000.00	5.000%			

Total

\$	19,495,000.00	\$	1,745,000.00	\$	17,750,000.00
		REF.		C	
				C-4	
				C	

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2024**

ORDINANCE NUMBER/ DATE	IMPROVEMENT DESCRIPTION	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2023	ISSUED	MATURED	BALANCE DECEMBER 31, 2024
21-33	Acquisition of Real Property	8/27/2024	8/27/2024	9/11/2025	3.750%	\$ -	\$ 295,000.00	\$ -	\$ 295,000.00
22-07	Various Capital Improvements	8/27/2024	8/27/2024	9/11/2025	3.750%	-	542,500.00	-	542,500.00
22-25	Reconstruction & Improvements to Pool	12/20/2023	8/27/2024	9/11/2025	3.750%	1,567,500.00	1,567,500.00	1,567,500.00	1,567,500.00
22-30	Acquisitions of Properties	12/20/2023	8/27/2024	9/11/2025	3.750%	845,000.00	845,000.00	845,000.00	845,000.00
23-07	Acquisition of Property	12/20/2023	8/27/2024	9/11/2025	3.750%	1,110,000.00	1,110,000.00	1,110,000.00	1,110,000.00
23-08	Various Capital Improvements	12/20/2023	8/27/2024	9/11/2025	3.750%	1,295,800.00	1,295,800.00	1,295,800.00	1,295,800.00
23-41	Various Capital Improvements	12/20/2023	8/27/2024	9/11/2025	3.750%	1,425,000.00	1,425,000.00	1,425,000.00	1,425,000.00
24-14	Various Capital Acquisitions and Improvements	8/27/2024	8/27/2024	9/11/2025	3.750%	-	1,709,200.00	-	1,709,200.00
Total						\$ 6,243,300.00	\$ 8,790,000.00	\$ 6,243,300.00	\$ 8,790,000.00
REF.						C	C-2	C-2	C, C-6

EXHIBIT C-12

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	C	\$ 5,229,917.26
Increased by:		
Charges to Improvement Authorizations	C-9	4,279,400.96
Subtotal		<u>9,509,318.22</u>
Decreased by:		
Disbursements	C-9	<u>5,229,917.26</u>
Balance, December 31, 2024	C	<u><u>\$ 4,279,400.96</u></u>

EXHIBIT C-13

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	C	\$ -
Increased by:		
Receipts	C-2	302,354.53
Subtotal		<u>302,354.53</u>
Decreased by:		
Disbursements	C-2	<u>283,000.00</u>
Balance, December 31, 2024 Due To	C	<u><u>\$ 19,354.53</u></u>

EXHIBIT C-14

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	C	\$	10,755.08
Decreased by:			
Payment on Loan	C-4		<u>10,755.08</u>
Balance, December 31, 2024	C	\$	<u><u>-</u></u>

EXHIBIT C-15

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>			
Balance, December 31, 2023	C	\$		197,187.22
Decreased by:				
Payment on Loans	C-4	\$	42,267.15	
Lease Cancelled			<u>93,001.16</u>	
				<u>135,268.31</u>
Balance, December 31, 2024	C	\$		<u><u>61,918.91</u></u>

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS CAPITAL RESERVES
YEAR ENDED DECEMBER 31, 2024**

	BALANCE DECEMBER 31, 2023	INCREASED	DECREASED	BALANCE DECEMBER 31, 2024
Reserve For:				
New Jersey American Water	\$ 172,438.50	\$ -	\$ 117,800.00	\$ 54,638.50
Preliminary Expenses - Library	2,250.00	-	-	2,250.00
Debt Service	275,110.86	28,265.11	265,457.23	37,918.74
Grants Receivable	364,526.52	-	110,693.27	253,833.25
East Street	-	12,000.00	-	12,000.00
Total	\$ 814,325.88	\$ 40,265.11	\$ 493,950.50	\$ 360,640.49
	C			C
	<u>REF.</u>			
Receipts	C-2	\$ 40,265.11		
		<u>\$ 40,265.11</u>		
Ordinance 2024-14	C-9	\$ 117,800.00		
Deferred Charges - Unfunded	C-6	265,457.23		
Grants Receivable	C-7	<u>24,275.50</u>		
		<u>\$ 407,532.73</u>		

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF DUE GRANT FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023 (Due To)	C	\$ 86,417.77
Increased by:		
Disbursements	C-2	<u>40,547.96</u>
Subtotal		126,965.73
Balance, December 31, 2024 (Due To)	C	<u><u>\$ 126,965.73</u></u>

**BOROUGH OF BOUND BROOK
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2024**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2023	2024 AUTHORIZATIONS	BANS ISSUED	BALANCE DECEMBER 31, 2024
12-19	Various Road Improvements	\$ 27,175.42	\$ -	-	\$ 27,175.42
13-09	Repair to Church Street Culvert	1,745.24	-	-	1,745.24
14-11	Various Public Improvements	35,142.20	-	-	35,142.20
15-08	Various Improvements to Train Station	450,000.00	-	-	450,000.00
16-02	Road Reconstruction - Thompson Street	37,670.86	-	-	37,670.86
16-03	Sewer Repair and Rehabilitation	15,300.00	-	-	15,300.00
17-16	Renovations to Ball Field at Machine Rock Park	6,400.14	-	-	6,400.14
21-33	Acquisition of Real Property	295,000.00	-	295,000.00	-
22-07	Various Capital Improvements	542,500.00	-	542,500.00	-
24-14	Various Capital Improvements	-	1,709,496.00	1,709,200.00	296.00
Total		\$ 1,410,933.86	\$ 1,709,496.00	\$ 2,546,700.00	\$ 573,729.86

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SEWER UTILITY FUND

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**BOROUGH OF BOUND BROOK
SEWER UTILITY FUND
SCHEDULE OF CASH AND CASH EQUIVALENTS - TREASURER
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2023	D	\$ 4,395,946.41	\$ 50,000.00
Decreased by Disbursements:			
Due Current Fund	D-5	-	50,000.00
Transfer to Reserve for Sale of Sewer Utility-Current Fund	D-3	2,003,305.83	-
Transfer to Reserve for Sewer Fund Balance-Current Fund	D-1	2,392,640.58	-
Disbursements Total		<u>4,395,946.41</u>	<u>50,000.00</u>
Balance, December 31, 2024		<u>\$ -</u>	<u>\$ -</u>

EXHIBIT D-3

**BOROUGH OF BOUND BROOK
SEWER UTILITY OPERATING FUND
RESERVE FOR SALE OF SEWER UTILITY
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	D		\$ 2,003,305.83
Decreased by:			
Miscellaneous Revenue Anticipated- Current Fund	A-2	\$ 1,745,000.00	
Transfer to Current Fund	A-24	<u>258,305.83</u>	
			<u>2,003,305.83</u>
Balance, December 31, 2024	D		<u><u>\$ -</u></u>

EXHIBIT D-4

**BOROUGH OF BOUND BROOK
SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE CURRENT FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>		
Balance, December 31, 2023	D		\$ -
Increased by:			
Receipts	D-1, D-3	<u>2,245,000.00</u>	
Subtotal			<u>2,245,000.00</u>
Decreased by:			
Disbursements	D-1, D-3	<u>2,245,000.00</u>	
Balance, December 31, 2024	D		<u><u>\$ -</u></u>

**BOROUGH OF BOUND BROOK
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND
YEAR ENDED DECEMBER 31, 2024**

	<u>REF.</u>	
Balance, December 31, 2023	D	\$ 50,000.00
Decreased By:		
Disbursements	D-2	<u>50,000.00</u>
Balance, December 31, 2024	D	<u><u>\$ -</u></u>

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**BOROUGH OF BOUND BROOK
COUNTY OF SOMERSET**

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2024

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

The Honorable Mayor and Members
of the Borough Council
Borough of Bound Brook
County of Somerset
Bound Brook, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Borough of Bound Brook's compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Bound Brook's major state programs for the year ended December 31, 2024. The Borough of Bound Brook's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Bound Brook complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and New Jersey OMB's Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Bound Brook and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the Borough of Bound Brook's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough of Bound Brook's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Bound Brook's compliance based on our audit. 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 New Jersey OMB's Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough Bound Brook's compliance with the requirements of each state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough of Bound Brook's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Bound Brook's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Bound Brook's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

A handwritten signature in black ink, appearing to read 'R. W. Allison', with a stylized, cursive script.

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

Lakewood, New Jersey
July 28, 2025

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BOROUGH OF BOUND BROOK
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

STATE PROGRAM	STATE ACCOUNT NUMBER OR GRANT NUMBER	GRANT PERIOD	GRANT AWARD	CURRENT EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	CUMULATIVE EXPENDITURES
Department of Transportation:						
Highway Planning and Construction:						
West Second Street	480-078-6300-XXX	Various	442,500	\$ 318,342.19	\$ -	\$ 324,959.34
Total Highway Planning and Construction				318,342.19	-	324,959.34
Other Programs:						
Municipal Aid DOT*	Unavailable	Various	Various	225,384.58	-	225,384.58
Total Department of Transportation				543,726.77	-	550,343.92
Department of Environmental Protection:						
Clean Communities Act	765-042-4900-004	1/1/2024-12/31/2024	23,778	19,000.00	-	19,000.00
Recycling Tonnage Grant	100-042-4910-224	1/1/2024-12/31/2024	8,339	8,071.00	-	8,071.00
Total Department of Environmental Protection				27,071.00	-	27,071.00
Department of Law & Public Safety:						
Body Armor Grant	718-066-1020-001	1/1/2024-12/31/2024	2,228	1,796.01	-	1,796.01
Drunk Driving Enforcement Fund	100-078-6400	1/1/2024-12/31/2024	51,084	44,223.00	-	44,223.00
Total Department of Law & Public Safety				46,019.01	-	46,019.01
Department of Community Affairs						
Recreation Improvements	Unavailable	Various	141,000	30,100.00	-	30,100.00
Lead Grant Assistance Program (LGAP)	Unavailable	1/1/2024-12/31/2024	21,000	10,933.42	-	10,933.42
Total Department of Community Affairs				41,033.42	-	41,033.42
Department of Judiciary:						
Alcohol Education & Rehabilitation	760-098-9735-001	1/1/2024-12/31/2024	1,348	700.00	-	700.00
Total Department of Judiciary:				700.00	-	700.00
Department of Human Services						
National Opioids Settlement	Unavailable	1/1/2024-12/31/2024	27,294	15,625.00	-	15,625.00
Total Department of Human Services				15,625.00	-	15,625.00
New Jersey State Library						
Library Construction Bond Act	587-074-2541-005	1/1/2024-12/31/2024	256,040	256,040.16	-	256,040.16
Total New Jersey State Library				256,040.16	-	256,040.16
New Jersey Board of Public Utilities						
Clean Fleet EV Incentive Grant	100-082-2008-009	1/1/2024-12/31/2024	8,000	4,000.00	-	4,000.00
Total New Jersey Board of Public Utilities				4,000.00	-	4,000.00
Total State Financial Assistance				\$ 934,215.36	\$ -	\$ 940,832.51

* Denotes Major Program

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BOROUGH OF BOUND BROOK
NOTES TO SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state awards present the activity of all state awards of the Borough of Bound Brook. The Borough is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of State Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for State Awards* (Uniform Guidance). All state awards received directly from state agencies, as well as state awards passed through other government agencies is included on the schedule of expenditures of state awards.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of state awards is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of State Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for State Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Borough did not elect the applicable de minimis indirect cost rate as discussed in 2 CFR 200.414.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

	State	Total
State & Federal Grant Fund	\$ 615,873.17	\$ 615,873.17
General Capital Fund	<u>318,342.19</u>	<u>318,342.19</u>
Total	<u>\$ 934,215.36</u>	<u>\$ 934,215.36</u>

Note 4. Relationship to State and State Financial Reports

The regulations and guidelines governing the preparation of state reports vary by state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the state reports do not necessarily agree with the amounts reported in the accompanying Schedules, which is prepared on the modified accrual basis of accounting as explained in Note 2.

BOROUGH OF BOUND BROOK
NOTES TO SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 5. State Loans Outstanding

The Borough had no loan balances outstanding at December 31, 2024.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Borough's grant program for economy, efficiency and program results. However, the Borough administration does not believe such audits would result in material amounts of disallowed costs.

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

BOROUGH OF BOUND BROOK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Adverse - GAAP, Unmodified - Regulatory Basis	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards - Not Applicable

State Financial Assistance

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	<u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?	_____ yes	<u> X </u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A	NJ DOT - Municipal Aid

Dollar threshold used to determine Type A programs	\$ 750,000.00
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

**BOROUGH OF BOUND BROOK
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 BOUND BROOK
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 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.

FEDERAL AWARDS

N/A – No Federal Single Audit

STATE FINANCIAL ASSISTANCE

None.

**BOROUGH OF BOUND BROOK
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

No Prior Year Findings.

**BOROUGH OF BOUND BROOK
COUNTY OF SOMERSET**

PART III

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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The Honorable Mayor and Members
of the Borough Council
Borough of Bound Brook
County of Somerset
Bound Brook, 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, 2024.

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, 2024.

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 23, 2024 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, pursuant to N.J.S.A. 54:4-67, the governing body is permitted to fix the interest rates charged for nonpayment of taxes or assessments and other municipal charges subject to any abatement or discount for the late payment of taxes; and

WHEREAS, pursuant to N.J.S.A. 54:4-67, the fixing of said rates as 8% per annum of the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00; and

WHEREAS, pursuant to N.J.S.A. 54:4-67, a 6% penalty can be assessed on all amounts owed in excess of \$10,000.00 at the end of the year; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the Borough Council of the Borough of Bound Brook, that the Tax Collector is hereby authorized and directed to charge the 6% year end penalty on delinquent taxes greater than \$10,000.00

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.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2024:

<u>Name</u>	<u>Title</u>
Dominic Longo	Mayor
Kendal Lopez	Council President
Linda Brnicevic	Council Member
Shawn Guerra	Council Member
Glen Rossi	Council Member
Mark Speed	Council Member
David Morris	Council Member
Jasmine McCoy	Borough Administrator/Clerk/QPA
Natasha Turchan	Chief Financial Officer *
Jodi Schneider	Tax Collector *
Michael Imbriaco	Tax Assessor
Britt J. Simon	Borough Court Judge *
Valeria Vasquez	Court Administrator *
Decotis, Fitzpatrick, Cole & Giblin, LLP	Borough Attorney

*All official and employees handling and collecting Borough Funds are covered by a blanket position bond for faithful performance for \$1,000,000 through Middlesex County Municipal Joint Insurance Fund

All of the bonds were examined and were properly executed.

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read 'R. W. Allison', with a stylized, cursive script.

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

Lakewood, New Jersey
July 28, 2025