

*Report of Audit*

*on the*

*Financial Statements*

*of the*

*Borough of Bound Brook*

*in the*

*County of Somerset*  
*New Jersey*

*for the*

*Year Ended*  
*December 31, 2023*



BOROUGH OF BOUND BROOK

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BOROUGH OF BOUND BROOK

PART I

INDEPENDENT AUDITOR'S REPORT ON  
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2023 AND 2022



# SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of Bound Brook  
County of Somerset  
Bound Brook, New Jersey 08805

### ***Report on the Audit of the Financial Statements***

#### ***Adverse and Unmodified Opinions***

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Bound Brook (the "Borough"), as of and for the year ended December 31, 2023 and 2022, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, 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 various individual funds and account group of the Borough as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2023.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

## **SUPLEE, CLOONEY & COMPANY LLC**

### ***Basis for Adverse and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

### ***Matter Giving Rise to Adverse Opinion***

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements 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.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the regulatory financial statements in accordance with the regulatory basis of accounting prescribed by the Division, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of regulatory financial statements that are free from material misstatement, whether due to fraud or error. In preparing the regulatory financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

## SUPLEE, CLOONEY & COMPANY LLC

In performing an audit in accordance with GAAS, *Government Auditing Standards* Uniform Guidance, State of NJ OMB Circular 15-08 and audit requirements prescribed by the Division, we:

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's regulatory financial statements. The supplementary information, schedules of expenditure of federal awards and state financial assistance and data listed in the table of contents as required by the Division, the Uniform Guidance and New Jersey OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid are 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 supplemental information, schedules of expenditures of federal awards and state financial Assistance and data listed in the table of contents, as required by the Division, the Uniform Guidance and New Jersey OMB 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

## SUPLEE, CLOONEY & COMPANY LLC

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024 on our consideration of the Borough'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'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 Borough's internal control over financial reporting and compliance.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 29, 2024

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CURRENT FUND

BOROUGH OF BOUND BROOK

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>ASSETS</u>			
Current Fund:			
Cash	A-4	\$ 8,790,989.06	\$ 7,948,031.94
Cash - Change Funds	A-5	620.00	620.00
Due From State of New Jersey			
Senior Citizens Deductions	A-9	2,131.41	2,273.19
		<u>\$ 8,793,740.47</u>	<u>\$ 7,950,925.13</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 272,537.58	\$ 576,542.64
Tax Title Liens	A-11	51,086.01	46,916.20
Refuse Disposal Fees Receivable	A-10	56,162.50	54,717.38
Revenue Accounts Receivable	A-12	29,747.20	16,408.72
Interfunds Receivable	A-7	1,421,668.54	7,118.68
	A	<u>\$ 1,831,201.83</u>	<u>\$ 701,703.62</u>
Deferred Charges:			
Emergency Appropriations	A-29	\$ 409,748.85	\$ 588,831.85
		<u>\$ 409,748.85</u>	<u>\$ 588,831.85</u>
		<u>\$ 11,034,691.15</u>	<u>\$ 9,241,460.60</u>
Grants:			
Cash	A-4	\$ 843,810.55	\$ 159,771.09
Grants Receivable	A-24	4,499,100.93	3,211,615.93
Interfunds Receivable	A-28		2,235.26
		<u>\$ 5,342,911.48</u>	<u>\$ 3,373,622.28</u>
		<u>\$ 16,377,602.63</u>	<u>\$ 12,615,082.88</u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 614,722.91	\$ 418,111.99
Interfunds	A-7		42,018.28
Prepaid Taxes	A-15	123,424.63	107,613.65
Encumbrances/ Accounts Payable	A-18	898,681.44	850,544.21
Reserve Due County- 5% PILOT	A-23	342,575.16	281,066.06
County Taxes Payable- Added Taxes	A-16	3,893.86	8,674.84
Local School Taxes Payable	A-17	322,436.20	30,888.20
Prepaid Refuse Disposal Fees	A-20	58,026.12	49,940.85
Reserve For:			
Sale of Municipal Assets	A-21	387,053.50	527,988.50
Various Reserves	A-22	481,661.73	304,285.74
		<u>\$ 3,232,475.55</u>	<u>\$ 2,621,132.32</u>
Reserve for Receivables	A	1,831,201.83	701,703.62
Fund Balance	A-1	<u>5,971,013.77</u>	<u>5,918,624.66</u>
		<u>\$ 11,034,691.15</u>	<u>\$ 9,241,460.60</u>
Grant Fund:			
Reserve for Grants Appropriated	A-25	\$ 2,056,060.96	\$ 2,016,297.28
Grants - Unappropriated	A-26	5,672.70	
Encumbrances Payable	A-27	1,829,067.94	1,357,325.00
Interfunds Payable	A-28	1,452,109.88	
		<u>\$ 5,342,911.48</u>	<u>\$ 3,373,622.28</u>
		<u>\$ 16,377,602.63</u>	<u>\$ 12,615,082.88</u>

The accompanying Notes to the 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

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2023</u>	<u>YEAR ENDED DECEMBER 31, 2022</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,307,033.00	\$ 983,673.08
Miscellaneous Revenue Anticipated	A-2	11,458,776.74	8,000,205.38
Receipts from Delinquent Taxes	A-2	576,542.64	329,736.83
Receipts from Current Taxes	A-2	27,431,194.21	26,263,105.42
Non-Budget Revenue	A-2	651,936.84	674,430.74
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	300,561.40	646,952.94
Canceled Reserves	A-7	66,261.86	10,009.00
Grant Reserve Canceled			1,355,468.28
Canceled Accounts Payable	A-18	3,612.80	160,165.41
Interfunds Returned			171,516.43
<u>Total Income</u>		<u>\$ 41,795,919.49</u>	<u>\$ 38,595,263.51</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Within "CAPS":			
Operations	A-3	\$ 11,886,573.78	\$ 11,077,243.00
Deferred Charges and Statutory Expenditures	A-3	1,667,532.00	1,608,970.00
Excluded from "CAPS":			
Other Operations	A-3	3,553,601.96	1,642,186.31
Capital Improvements	A-3	416,000.00	100,000.00
Municipal Debt Service	A-3	2,755,214.26	2,118,642.11
Deferred Charges	A-3	254,083.00	184,915.00
Transferred to Board of Education for Use of Schools	A-3	131,737.00	133,547.00
County Taxes	A-16	4,173,369.85	3,917,966.01
Local District School Tax	A-17	13,988,613.00	13,695,255.00
Special Improvement District	A-19	243,542.72	159,386.00
Interfunds Advanced		1,414,549.86	
Refund of Prior Year Revenue		26,679.95	38,156.28
Grants Receivable Canceled			1,351,547.26
<u>Total Expenditures</u>		<u>\$ 40,511,497.38</u>	<u>\$ 36,027,813.97</u>
Excess in Revenue		\$ 1,284,422.11	\$ 2,567,449.54
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-29	75,000.00	142,500.00
Statutory Excess to Fund Balance		\$ 1,359,422.11	\$ 2,709,949.54
Fund Balance, January 1	A	5,918,624.66	4,192,348.20
		<u>\$ 7,278,046.77</u>	<u>\$ 6,902,297.74</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1:A-2	1,307,033.00	983,673.08
Balance, December 31	A	<u>\$ 5,971,013.77</u>	<u>\$ 5,918,624.66</u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

REF.	ANTICIPATED		SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
	BUDGET				
Fund Balance Anticipated	A-1	\$ 1,307,033.00		\$ 1,307,033.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-12	\$ 40,000.00	\$	\$ 42,138.00	\$ 2,138.00
Other	A-2	30,000.00		23,508.00	(6,492.00)
Fees and Permits:	A-2	35,000.00		77,492.72	42,492.72
Municipal Court:					
Fines and Costs:	A-12	190,000.00		247,323.23	57,323.23
Interest and Cost on Taxes	A-12	79,000.00		115,853.44	36,853.44
Parking Meter - Municipal	A-12	78,000.00		155,556.04	77,556.04
Interest on Investments and Deposits	A-12	45,000.00		462,007.48	417,007.48
Utility Fees (Refuse)	A-2	790,000.00		808,020.09	18,020.09
Fire Protection- Life Hazard Fees	A-12	18,000.00		12,995.46	(5,004.54)
Housing Inspection & Vacant Property Fees	A-12	395,000.00		401,077.00	6,077.00
Rental Income	A-12	33,685.00		37,332.00	3,647.00
Non Life Hazard Fire Fees	A-12	8,500.00		11,250.00	2,750.00
Municipal Relief Aid	A-22	58,356.00		58,356.26	0.26
Energy Receipts Tax	A-12	1,126,443.00		1,126,443.00	
Uniform Construction Code Fees	A-2	500,000.00		654,961.00	154,961.00
Recycling Tonnage Program	A-24	6,088.08		6,088.08	
Firefighters EMS	A-24	107,142.85		107,142.85	
Municipal Aid	A-24	300,760.00		300,760.00	
Body Armor Replacement Fund	A-24	1,842.93		1,842.93	
Federal Bulletproof Vest Partnership	A-24		3,361.95	3,361.95	
Clean Communities Program	A-24		20,934.10	20,934.10	
Somerset County Youth Services Program	A-24		17,843.00	17,843.00	
Recreational Improvements	A-24	75,000.00	66,000.00	141,000.00	
NJ Department of Transportation- Alternatives	A-24	1,303,975.42		1,303,975.42	
Fire Prevention	A-24		3,453.00	3,453.00	
Opioid Settlement	A-24		27,294.27	27,294.27	
CDBG East Second Street	A-24	100,000.00		100,000.00	
CHPP	A-24	2,000.00		2,000.00	
Safe Routes to School	A-24	517,000.00		517,000.00	
Safe Corridors	A-24	2,266.00		2,266.00	
LPAG Housing	A-24		21,000.00	21,000.00	
Rural Development- USDA	A-24		20,800.00	20,800.00	
Library Construction Bond	A-24		256,040.16	256,040.16	
Library HVAC	A-24		225,277.28	225,277.28	
Local Arts	A-24		3,000.00	3,000.00	
Alcohol Education Rehabilitation Fund	A-24		1,946.92	1,946.92	
Payment in Lieu of Taxes (PILOT)	A-12	909,900.00		945,715.17	35,815.17
Administrative Fees - Police Outside Overtime	A-12	170,000.00		220,064.66	50,064.66
Capital Surplus	A-12	100,000.00		100,000.00	
Utility Operating Surplus of Prior Year	A-12	500,000.00		500,000.00	
Proceeds from Sale of Sewer Utility	A-12	1,841,814.27		1,841,814.27	
Ambulance Building	A-12	70,000.00		45,731.76	(24,268.24)
Cable T.V. Franchise Fee	A-12	101,000.00		90,111.20	(10,888.80)
Reserve for Parking	A-22	190,000.00		190,000.00	
Sale of Municipal Assets	A-21	150,000.00		150,000.00	
Additional Refuse Revenue	A-12	58,000.00		58,000.00	
	A-1	\$ 9,933,773.55	\$ 666,950.68	\$ 11,458,776.74	\$ 858,052.51
Receipts from Delinquent Taxes	A-1:A-8	\$ 400,000.00		\$ 576,542.64	\$ 176,542.64
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-8	\$ 9,330,050.81		\$ 10,025,668.64	\$ 695,617.83
<u>Budget Totals</u>		\$ 20,970,857.36	\$ 666,950.68	\$ 23,368,021.02	\$ 1,730,212.98
Non-Budget Revenues	A-2			651,936.84	651,936.84
		\$ 20,970,857.36	\$ 666,950.68	\$ 24,019,957.86	\$ 2,382,149.82

REF. A-3 A-3

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-8	\$ 27,431,194.21
Allocated to:		
School and County and Special District		<u>18,405,525.57</u>
Support of Municipal Budget Appropriations		\$ 9,025,668.64
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>1,000,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>10,025,668.64</u></u>
Other Licenses:		
Clerk	A-12	\$ 3,870.00
Registrar	A-12	528.00
Board of Health	A-12	<u>19,110.00</u>
	A-2	\$ <u><u>23,508.00</u></u>
Fees and Permits - Other:		
Clerk	A-12	\$ 8,175.00
Police	A-12	6,077.72
Zoning	A-12	8,350.00
Planning	A-12	3,800.00
Street Openings	A-12	5,250.00
Tax Collector	A-12	5,250.00
Certification of Fire Alarms	A-12	31,870.00
Registrar	A-12	<u>8,720.00</u>
	A-2	\$ <u><u>77,492.72</u></u>
Utility Fees (Refuse):		
Collections:		
Refuse Disposal Charges (Stickers)	A-12	\$ 24,282.00
Refuse Disposal Fees	A-10	<u>783,924.09</u>
		\$ 808,206.09
Less: Refunds	A-4	<u>186.00</u>
	A-2	\$ <u><u>808,020.09</u></u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

<u>ANALYSIS OF REALIZED REVENUES</u>		<u>REF.</u>	
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-8	\$	27,431,194.21
Allocated to:			
School and County and Special District			<u>18,405,525.57</u>
Support of Municipal Budget Appropriations		\$	9,025,668.64
Add: Appropriation Reserve for Uncollected Taxes	A-3		<u>1,000,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>10,025,668.64</u></u>
Other Licenses:			
Clerk	A-12	\$	3,870.00
Registrar	A-12		528.00
Board of Health	A-12		<u>19,110.00</u>
	A-2	\$	<u><u>23,508.00</u></u>
Fees and Permits - Other:			
Clerk	A-12	\$	8,175.00
Police	A-12		6,077.72
Zoning	A-12		8,350.00
Planning	A-12		3,800.00
Street Openings	A-12		5,250.00
Tax Collector	A-12		5,250.00
Certification of Fire Alarms	A-12		31,870.00
Registrar	A-12		<u>8,720.00</u>
	A-2	\$	<u><u>77,492.72</u></u>
Utility Fees (Refuse):			
Collections:			
Refuse Disposal Charges (Stickers)	A-12	\$	24,282.00
Refuse Disposal Fees	A-10		<u>783,924.09</u>
		\$	<u>808,206.09</u>
Less: Refunds	A-4		<u>186.00</u>
	A-2	\$	<u><u>808,020.09</u></u>

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>OPERATIONS WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 200,000.00	\$ 211,000.00	\$ 203,587.95	\$ 7,412.05	
Other Expenses	131,500.00	111,500.00	108,231.01	3,268.99	
Borough Clerk:					
Salaries and Wages	185,000.00	185,000.00	173,995.31	11,004.69	
Other Expenses	30,500.00	30,500.00	29,061.55	1,438.45	
Elections:					
Other Expenses	4,100.00	4,100.00	2,828.50	1,271.50	
Codification:					
Other Expenses	9,500.00	9,500.00	7,042.82	2,457.18	
Financial Administration:					
Salaries and Wages	199,000.00	199,000.00	198,089.41	910.59	
Other Expenses	22,500.00	22,500.00	21,751.81	748.19	
Audit Services	55,000.00	55,100.00	55,050.00	50.00	
Collection of Taxes:					
Salaries and Wages	47,000.00	47,000.00	40,508.60	6,491.40	
Other Expenses	60,650.00	50,650.00	39,093.59	11,556.41	
Assessment of Taxes:					
Salaries and Wages	45,000.00	45,000.00	44,163.29	836.71	
Other Expenses	22,150.00	22,150.00	17,768.40	4,381.60	
Legal Services and Costs:					
Other Expenses	360,000.00	416,500.00	414,985.00	1,515.00	
IT Services:					
Other Expenses	75,000.00	135,000.00	120,526.89	14,473.11	
Engineering Services and Costs:					
Other Expenses	25,000.00	25,000.00	24,500.00	500.00	
Economic Development:					
Other Expenses	10,000.00	1,000.00		1,000.00	
Planning Board:					
Salaries and Wages	7,500.00	7,500.00	7,380.57	119.43	
Other Expenses	57,459.00	37,459.00	30,469.50	6,989.50	
Housing Inspections:					
Salaries and Wages	193,000.00	206,000.00	203,522.63	2,477.37	
Other Expenses	15,500.00	10,500.00	9,144.93	1,355.07	
Insurance:					
Other Insurance	660,000.00	565,000.00	560,441.28	4,558.72	
Group Insurance for Employees	1,437,280.00	1,617,979.00	1,590,447.06	27,531.94	
Health Benefit Waiver	45,000.00	42,000.00	40,922.98	1,077.02	
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	3,250,000.00	3,290,000.00	3,220,870.10	69,129.90	
Other Expenses	617,679.11	551,379.11	513,483.19	37,895.92	
Fire Hydrant Service:					
Other Expenses	120,000.00	122,300.00	112,058.00	10,242.00	
Parking:					
Salaries and Wages	20,000.00	30,000.00	28,907.00	1,093.00	
Other Expenses	10,000.00	14,000.00	9,492.49	4,507.51	
Emergency Management Services:					
Salaries and Wages					
Other Expenses	6,000.00	6,000.00	5,972.11	27.89	
Aid to Fire Companies:					
Other Expenses	115,000.00	115,000.00	114,610.98	389.02	
Aid to Volunteer Ambulance Companies:					
Other Expenses	50,000.00	50,000.00	50,000.00		
Emergency Medical Services					
Salaries and Wages	201,166.67	161,166.67	136,933.49	24,233.18	
Other Expenses	7,500.00	7,500.00	4,788.94	2,711.06	
Fire Prevention Bureau:					
Salaries and Wages	68,000.00	63,000.00	59,217.78	3,782.22	
Other Expenses	11,250.00	11,250.00	9,998.93	1,251.07	
<u>PUBLIC WORKS</u>					
Street and Roads:					
Salaries and Wages	1,171,225.00	1,131,225.00	1,066,578.48	64,646.52	
Other Expenses	166,000.00	166,000.00	165,764.48	235.52	
Buildings and Grounds					
Salaries and Wages	26,000.00	24,000.00	21,424.42	2,575.58	
Other Expenses	139,500.00	134,500.00	130,849.46	3,650.54	
Tree Commission:					
Other Expenses	51,600.00	46,600.00	30,209.68	16,390.32	

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



BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
OPERATIONS WITHIN "CAPS" (Continued)					
SANITATION					
Recycling:					
Other Expenses	\$ 98,325.00	\$ 98,325.00	\$ 95,351.12	\$ 2,973.88	
Solid Waste Collection:					
Other Expenses	310,500.00	310,500.00	307,753.17	2,746.83	
HEALTH AND WELFARE					
Board of Health:					
Other Expenses	100,000.00	100,000.00	89,307.84	10,692.16	
Dog Regulation:					
Other Expenses	35,000.00	30,000.00	20,450.55	9,549.45	
POESHA:					
Other Expenses	500.00	500.00		500.00	
Senior Programs:					
Other Expenses	5,000.00	5,000.00	5,000.00		
RECREATION AND EDUCATION					
Recreation Programs:					
Salaries and Wages	51,000.00	71,000.00	60,107.87	10,892.13	
Other Expenses	59,760.00	54,760.00	50,327.05	4,432.95	
Parks and Playgrounds:					
Other Expenses	40,000.00	40,000.00	20,949.66	19,050.34	
Municipal Court:					
Salaries and Wages	210,000.00	185,000.00	171,272.27	13,727.73	
Other Expenses	25,505.00	25,505.00	25,466.36	38.64	
Municipal Public Defender:					
Other Expenses	20,000.00	17,000.00	6,600.00	10,400.00	
State Uniform Construction Code:					
Construction Official:					
Salaries and Wages	220,000.00	215,000.00	205,959.15	9,040.85	
Other Expenses	17,000.00	17,000.00	14,269.81	2,730.19	
Celebration of Public Events	5,000.00	5,000.00	1,578.33	3,421.67	
Accumulated Leave Compensation	15,000.00	15,000.00	15,000.00		
Salary Adjustment	10,000.00				
Utilities:					
Electricity/ Heating	175,000.00	175,000.00	139,862.13	35,137.87	
Street Lighting	170,000.00	170,000.00	166,884.99	3,115.01	
Telephone	100,000.00	100,000.00	99,719.22	280.78	
Water	60,000.00	120,000.00	111,500.00	8,500.00	
Gasoline	181,125.00	121,125.00	51,379.00	69,746.00	
Postage	30,000.00	30,000.00	29,742.10	257.90	

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>TOTAL OPERATIONS WITHIN "CAPS"</u>	\$ 11,867,274.78	\$ 11,886,573.78	\$ 11,313,153.23	\$ 573,420.55	
Detail:					
Salaries and Wages	\$ 6,103,891.67	\$ 6,070,891.67	\$ 5,842,518.32	\$ 228,373.35	
Other Expenses	5,763,383.11	5,815,682.11	5,470,634.91	345,047.20	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>					
Statutory Expenditures:					
Contribution To:					
Public Employment Retirement System of New Jersey	\$ 300,620.00	\$ 300,620.00	\$ 300,620.00		
Social Security System (O.A.S.I.)	293,467.00	293,467.00	261,720.64	31,746.36	
Police & Firemen's Retirement System of New Jersey	1,062,444.00	1,062,445.00	1,062,445.00		
Unemployment Compensation Insurance	20,000.00				
Defined Contribution Retirement Plan (DCRP)	16,000.00	11,000.00	1,444.00	9,556.00	
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</u>	\$ 1,692,531.00	\$ 1,667,532.00	\$ 1,626,229.64	\$ 41,302.36	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	\$ 13,559,805.78	\$ 13,554,105.78	\$ 12,939,382.87	\$ 614,722.91	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Health Insurance	\$ 198,720.00	\$ 198,720.00	\$ 198,720.00		
Recycling	21,675.00	21,675.00	21,675.00		
Solid Waste Collection	39,500.00	39,500.00	39,500.00		
Public Employees Retirement System	35,293.00	35,293.00	35,293.00		
Police and Firemen's Retirement System of NJ	95,813.00	95,813.00	95,813.00		
Gasoline	38,875.00	38,875.00	38,875.00		
Length of Service Award (LOSAP)	35,000.00	40,700.00	40,700.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	\$ 464,876.00	\$ 470,576.00	\$ 470,576.00		
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Clean Communities Program [N.J.S.A 40A: 4-87 + \$20,934.10]	\$	\$ 20,934.10	\$ 20,934.10	\$	
Historic Preservation					
Body Armor Replacement Fund	1,842.93	1,842.93	1,842.93		
Youth Services [N.J.S.A 40A: 4-87 + \$17,843.00]		17,843.00	17,843.00		
CHPP	2,000.00	2,000.00	2,000.00		
Recycling Tonnage Grant	6,088.08	6,088.08	6,088.08		
NJ Department of Transportation	1,303,975.42	1,303,975.42	1,303,975.42		
USDA - Rural Development [N.J.S.A 40A: 4-87 + \$20,800.00]		20,800.00	20,800.00		
Opioids [N.J.S.A 40A: 4-87 + \$27,294.27]		27,294.27	27,294.27		
Local Arts Program [N.J.S.A 40A: 4-87 + \$3,000.00]		3,000.00	3,000.00		
Fire Prevention Bureau [N.J.S.A 40A: 4-87 + \$3,453.00]		3,453.00	3,453.00		
Library Construction Bond [N.J.S.A 40A: 4-87 + \$256,040.16]		256,040.16	256,040.16		
Alcohol EDU Rehab[N.J.S.A 40A: 4-87 + \$1,946.92]		1,946.92	1,946.92		
LGAP [N.J.S.A 40A: 4-87 + \$21,000.00]		21,000.00	21,000.00		
Firefighter/EMS Grant	107,142.85	107,142.85	107,142.85		
CDBG-East Second Street [N.J.S.A 40A: 4-87 + \$225,277.28]		325,277.28	325,277.28		
Recreation Improvement Grant [N.J.S.A 40A: 4-87 + \$66,000.00]	75,000.00	141,000.00	141,000.00		
Safe Corridors	2,266.00	2,266.00	2,266.00		
Safe Routes to School	517,000.00	517,000.00	517,000.00		
NJ DOT Grant	300,760.00	300,760.00	300,760.00		
Bulletproof Vests [N.J.S.A 40A: 4-87 + \$3,361.95]		3,361.95	3,361.95		
<u>TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>	\$ 2,416,075.28	\$ 3,083,025.96	\$ 3,083,025.96	\$	
<u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u>	\$ 2,880,951.28	\$ 3,553,601.96	\$ 3,553,601.96	\$	

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

BOROUGH OF BOUND BROOK

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>CAPITAL IMPROVEMENTS-EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 416,000.00	\$ 416,000.00	\$ 416,000.00	\$	\$
<u>TOTAL CAPITAL IMPROVEMENTS- EXCLUDED FROM "CAPS"</u>	\$ 416,000.00	\$ 416,000.00	\$ 416,000.00	\$	\$
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 1,650,000.00	\$ 1,650,000.00	\$ 1,650,000.00	\$	\$
Interest on Bonds	721,107.30	721,107.30	717,058.33		4,048.97
Interest on Notes	7,000.00	7,000.00	5,486.40		1,513.60
Downpayment on Improvement		75,000.00	75,000.00		
Somerset County Improvement Authority- Capital Lease Program	125,000.00	125,000.00	122,506.14		2,493.86
NJ Environmental Infrastructure Trust	11,000.00	11,000.00	10,990.39		9.61
<u>TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"</u>	\$ 2,688,280.30	\$ 2,763,280.30	\$ 2,755,214.26	\$	\$ 8,066.04
<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 Appropriation	182,500.00	182,500.00	142,500.00		40,000.00
<u>TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"</u>	\$ 294,083.00	\$ 294,083.00	\$ 254,083.00	\$	\$ 40,000.00
Transfer to Board of Education for Use of Local Schools	\$ 131,737.00	\$ 131,737.00	\$ 131,737.00	\$	\$
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	\$ 6,411,051.58	\$ 7,158,702.26	\$ 7,110,636.22	\$	\$ 48,066.04
<u>SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>	\$ 19,970,857.36	\$ 20,712,808.04	\$ 20,050,019.09	\$ 614,722.91	\$ 48,066.04
	1,000,000.00	1,000,000.00	1,000,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 20,970,857.36	\$ 21,712,808.04	\$ 21,050,019.09	\$ 614,722.91	\$ 48,066.04
	REF	A-2	A-1	A.A-1	
Amendment by (NJSA 40A:4-87)	A-2	\$ 666,950.68			
Emergency	A-29	75,000.00			
Budget	A-3	20,970,857.36			
		\$ 21,712,808.04			
Reserve for Uncollected Taxes	A-2		\$ 1,000,000.00		
Deferred Charges	A-29		254,083.00		
Reserve for Grants Appropriated	A-22		3,083,025.96		
Disbursements	A-4		16,023,261.91		
Encumbrances Payable	A-7		689,648.22		
			\$ 21,050,019.09		

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

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TRUST FUND

Page 1 of 1

"B"

BOROUGH OF BOUND BROOK

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
Assessment Fund:			
Cash	B-2	\$ 15,611.46	\$ 15,611.46
Assessment Receivable	B-3	3,641.64	3,641.64
		<u>\$ 19,253.10</u>	<u>\$ 19,253.10</u>
Animal Control Fund:			
Cash	B-2	\$ 12,405.87	\$ 20,347.81
		<u>\$ 12,405.87</u>	<u>\$ 20,347.81</u>
Other Funds:			
Cash	B-2	\$ 2,413,858.20	\$ 2,339,865.75
Accounts Receivable - IRS	B-15	31,944.94	
Due Animal Control Trust Fund	B-14		1.50
Due Sewer Utility Operating Fund	B-16		2,283.00
		<u>\$ 2,445,803.14</u>	<u>\$ 2,342,150.25</u>
		<u>\$ 2,477,462.11</u>	<u>\$ 2,381,751.16</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Trust Fund:			
Assessment Overpayments	B-5	\$ 2,254.06	\$ 2,254.06
Reserve for Assessments	B-4	445.74	445.74
Fund Balance	B-1	16,553.30	16,553.30
		<u>\$ 19,253.10</u>	<u>\$ 19,253.10</u>
Animal Control Fund:			
Due Current Fund	B-6	\$ 385.20	\$ 4,484.64
Due Trust Other Fund	B-13		1.50
Prepaid Dog Licenses	B-12	669.00	
Reserve For Encumbrances Payable	B-17	3,212.00	2,843.00
Reserve For Expenditures	B-11	8,139.67	13,018.67
		<u>\$ 12,405.87</u>	<u>\$ 20,347.81</u>
Other Funds:			
Due Current Fund	B-6	\$ 5,591.23	\$ 2,634.04
Reserve for Due State of New Jersey- Marriage Licenses	B-8	375.00	
Reserve for Due State of New Jersey- DCA Training Fees	B-9	6,465.00	6,178.00
Reserve for Various Trust Deposits	B-7	2,433,371.91	2,333,338.21
		<u>\$ 2,445,803.14</u>	<u>\$ 2,342,150.25</u>
		<u>\$ 2,477,462.11</u>	<u>\$ 2,381,751.16</u>

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

"B-1"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ASSESSMENT TRUST FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2022 and 2023

B

\$ 16,553.30

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

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GENERAL CAPITAL FUND

"C"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2023</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2022</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 8,020,435.46	\$ 3,833,921.67
Deferred Charges to Future Taxation:			
Funded	C-4	19,702,942.30	21,344,477.99
Unfunded	C-6	7,654,233.86	4,002,316.31
Due Current Fund	C-13		32,300.00
Due Grant Fund	C-17	86,417.77	
Grants Receivable	C-7	278,108.75	886,906.75
Developer Contribution Receivable	C-8	200,000.00	200,000.00
		<u>\$ 35,942,138.14</u>	<u>\$ 30,299,922.72</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-10	\$ 19,495,000.00	\$ 21,145,000.00
Bond Anticipation Notes	C-11	6,243,300.00	174,173.00
Infrastructure Loan Payable	C-14	10,755.10	21,396.35
Improvement Authority Loans Payable	C-15	197,187.22	178,081.64
Capital Improvement Fund	C-5	99,265.15	8,629.74
Improvement Authorizations:			
Funded	C-9	1,123,752.64	2,738,854.44
Unfunded	C-6:C-9	2,270,293.27	3,140,553.57
Reserve for:			
Various Capital Reserves	C-16	814,325.88	943,795.25
Encumbrances Payable	C-12	5,229,917.26	1,664,074.07
Fund Balance	C-1	458,341.64	285,364.66
		<u>\$ 35,942,138.16</u>	<u>\$ 30,299,922.72</u>

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

"C-1"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2022	C		\$ 285,364.66
Increased by:			
Improvement Authorizations Canceled	C-9	\$ 424,507.28	
Reserve for Grants Receivable	C-16	174,173.00	
Premium on Bond Anticipation Notes	C-2	<u>13,360.66</u>	
			<u>612,040.94</u>
			\$ 897,405.60
Decreased by-			
Improvement Authorization- Funded	C-9	\$ 339,063.96	
Utilized as Anticipated Revenue Current Fund	C-2	<u>100,000.00</u>	
			<u>439,063.96</u>
Balance, December 31, 2023	C		\$ <u><u>458,341.64</u></u>

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

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SEWER UTILITY FUND

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>OPERATING FUND:</u>			
Cash	D-5	\$ 4,395,946.41	\$ 6,343,450.18
Due Current Fund	D-10		7,483.02
		<u>\$ 4,395,946.41</u>	<u>\$ 6,350,933.20</u>
Receivables with Full Reserves:			
Sewer Charges Receivable	D-7	\$	\$ 112,122.65
	D	\$	\$ 112,122.65
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,395,946.41</u>	<u>\$ 6,463,055.85</u>
<u>CAPITAL FUND - REGULAR:</u>			
Cash	D-5:D-6	\$ 50,000.00	\$ 50,000.00
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>
	D	<u>\$ 4,445,946.41</u>	<u>\$ 6,513,055.85</u>

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

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>OPERATING FUND:</u>			
Liabilities:			
Due General Trust Fund	D-11	\$	\$ 2,283.00
Appropriation Reserves	D-15		692,399.99
Encumbrances Payable	D-12		2,340.00
Accounts Payable	D-12		6,108.83
Reserve for Sale of Sewer Utility	D-8	2,003,305.83	3,845,120.10
		<u>\$ 2,003,305.83</u>	<u>\$ 4,548,251.92</u>
Reserve for Receivables	D		112,122.65
Fund Balance	D-1	2,392,640.58	1,802,681.28
		<u>2,392,640.58</u>	<u>1,802,681.28</u>
<u>TOTAL OPERATING FUND</u>	D	<u>\$ 4,395,946.41</u>	<u>\$ 6,463,055.85</u>
<u>CAPITAL FUND - REGULAR:</u>			
Liabilities:			
Capital Improvement Fund	D-13	\$	\$ 50,000.00
Due Current Fund	D-14	50,000.00	
		<u>50,000.00</u>	
<u>TOTAL CAPITAL FUND</u>	D	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>
	D	<u>\$ 4,445,946.41</u>	<u>\$ 6,513,055.85</u>

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

"D-1"

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Sewer Use Charges	D-3	\$ 112,122.65	\$ 1,874,114.91
Shared Service- Township of Bridgewater			270,294.21
Miscellaneous Revenue Not Anticipated	D-3:D-5	280,535.37	722,440.41
Other Credits to Income:			
Accounts Payable Canceled	D-12	6,108.83	
Unexpended Balance of Appropriation Reserves	D-15	<u>691,708.32</u>	<u>363,780.34</u>
<u>TOTAL INCOME</u>		<u>\$ 1,090,475.17</u>	<u>\$ 3,230,629.87</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$	\$ 1,670,000.00
Deferred Charges and Statutory Expenditures	D-4		20,000.00
Revenue Anticipated- Current Fund	D-5	500,000.00	
Refund of Prior Year Revenue		<u>515.87</u>	<u>5,869.99</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 500,515.87</u>	<u>\$ 1,695,869.99</u>
Excess in Revenue		<u>\$ 589,959.30</u>	<u>\$ 1,534,759.88</u>
Fund Balance, January 1	D	<u>1,802,681.28</u>	<u>267,921.40</u>
Fund Balance, December 31		<u><u>\$ 2,392,640.58</u></u>	<u><u>\$ 1,802,681.28</u></u>

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



"D-3"

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2023

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Sewer Use Charges	D-1:D-7	\$ _____	\$ 112,122.65	\$ 112,122.65
Non - Budget Revenue	D-1:D-3:D-5	_____	280,535.37	280,535.37
		\$ _____	\$ 392,658.02	\$ 392,658.02

ANALYSIS OF NON-BUDGET REVENUE:

Miscellaneous:		
Interest on Sewer Charges		\$ 5,939.35
Interest on Investments and Deposits		273,407.64
Miscellaneous		1,188.38
	D-1:D-3:D-5	\$ 280,535.37

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF BOUND BROOK

STATEMENT OF GENERAL FIXED ASSETS

BALANCE SHEETS - REGULATORY BASIS

	BALANCE DECEMBER 31, 2023	BALANCE DECEMBER 31, 2022
FIXED ASSETS		
Land	\$ 10,765,000.00	\$ 10,765,000.00
Buildings	2,380,200.00	2,380,200.00
Machinery and Equipment	<u>6,973,886.00</u>	<u>6,304,247.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 20,119,086.00</u>	<u>\$ 19,449,447.00</u>
RESERVE		
Investments in General Fixed Assets	<u>\$ 20,119,086.00</u>	<u>\$ 19,449,447.00</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF BOUND BROOK

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023 AND 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough (Borough) of Bound Brook is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Except as noted below, the financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the local school district, first aid organization, volunteer fire organization or library, inasmuch as their activities are administered by a separate board.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Bound Brook conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Under this method of accounting, the financial transactions and accounts of the Borough of Bound Brook are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity.

As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created

General Capital Fund - receipts and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund

Sewer Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally-owned sewer utility. The sewer utility was dissolved in 2022.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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 revenue when received.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Borough's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

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

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage system are not capitalized. No depreciation has been provided on general fixed assets or reported in the financial statements. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by the Borough. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The costs 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 balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

The New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2023 was not available, therefore the information dated June 30, 2022 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

The New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2023 was not available, therefore the information dated June 30, 2022 is disclosed.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from financial statements required by GAAP.

## NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

### A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Bound Brook had the following cash and cash equivalents at December 31, 2023:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$620.00	\$8,848,001.57	\$65,309.04	\$122,321.55	\$8,791,609.06
Grant Fund		1,104,990.60		261,180.05	843,810.55
Assessment Trust Fund		15,674.88		63.42	15,611.46
Animal Control Fund		12,464.22	3.70	62.05	12,405.87
Trust Other Fund		2,470,376.85	35.00	56,553.65	2,413,858.20
General Capital Fund		8,134,031.94	48,774.09	162,370.57	8,020,435.46
Sewer Operating Fund		4,392,015.67	4,010.32	79.58	4,395,946.41
Sewer Capital Fund		50,203.12		203.12	50,000.00
	<u>\$620.00</u>	<u>\$25,027,758.85</u>	<u>\$118,132.15</u>	<u>\$602,833.99</u>	<u>\$24,543,677.01</u>

### A. Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2023, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$1,000,000.00 was covered by Federal Depository Insurance and \$24,027,758.85 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Bound Brook's investment activities during the year were in accordance with the above New Jersey Statute.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2023</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
Issued:			
General:			
Bonds	\$ 19,495,000.00	\$ 21,145,000.00	\$ 15,260,000.00
Notes	6,243,300.00	174,173.00	5,492,565.00
Infrastructure Loans	10,755.08	21,396.35	31,932.05
SCIA Loans- Capital Leases	<u>197,187.22</u>	<u>178,081.64</u>	<u>291,702.76</u>
Debt Issued	\$ 25,946,242.30	\$ 21,518,650.99	\$ 21,076,199.81
Less:			
Reserve to Pay Debt	<u>275,110.86</u>		
Net Debt Issued	\$ <u>25,671,131.44</u>	\$ <u>21,518,650.99</u>	\$ <u>21,076,199.81</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	\$ <u>1,410,933.86</u>	\$ <u>3,828,143.31</u>	\$ <u>2,083,959.87</u>
TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	\$ <u><u>27,082,065.30</u></u>	\$ <u><u>25,346,794.30</u></u>	\$ <u><u>23,160,159.68</u></u>

SUMMARY OF REGULATORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 2.550%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local High School District Debt	\$ 20,620,000.00	\$ 20,620,000.00	\$
General Debt	<u>27,357,176.16</u>	<u>275,110.86</u>	<u>27,082,065.30</u>
	\$ <u><u>47,977,176.16</u></u>	\$ <u><u>20,895,110.86</u></u>	\$ <u><u>27,082,065.30</u></u>

NET DEBT \$27,082,065.30 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S. 40A:2-2, \$1,062,166,755.67 EQUALS 2.550%.

NOTE 3: LONG-TERM DEBT(CONTINUED)

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

Equalized Valuation Basis* - December 31, 2023	\$ <u>1,062,166,755.67</u>
3-1/2% of Equalized Valuation Basis	\$ 37,175,836.45
Net Debt	<u>27,082,065.30</u>
Remaining Borrowing Power	\$ <u>10,093,771.15</u>

\*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements and the assessed valuation of Class II railroad property of the Borough of Bound Brook for the last three (3) preceding years.

	<u>Amount Outstanding December 31, 2023</u>
General Serial Bonds:	
\$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%	\$9,950,000.00
\$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%	\$6,850,000.00
\$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%	1,815,000.00
\$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%	<u>3,880,000.00</u>
	<u>\$19,495,000.00</u>



NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST  
LOANS ISSUED AND OUTSTANDING AT DECEMBER 31, 2023

<u>Payment Date</u>	<u>Fund Loan</u>	<u>Trust Loan</u>		
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$7,501.57</u>	<u>\$3,352.51</u>	<u>\$121.04</u>	<u>\$3,374.55</u>

Environmental Infrastructure Trust Loan  
2% interest, final maturity 2024 \$3,352.51

Environmental Infrastructure Fund Loan  
0% interest, final maturity 2024 7,501.57

\$10,755.08

SCHEDULE OF SOMERSET COUNTY IMPROVEMENT AUTHORITY LOANS  
ISSUED AND OUTSTANDING AT DECEMBER 31, 2023

<u>Year</u>	<u>2021 Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$30,186.37	\$1,430.09	\$31,616.46
2025	30,698.86	917.60	31,616.46
2026	<u>31,220.05</u>	<u>396.41</u>	<u>31,616.46</u>
	<u>\$92,105.28</u>	<u>\$2,744.10</u>	<u>\$94,849.38</u>

<u>Year</u>	<u>2022 Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$24,161.56	\$5,481.56	\$29,643.12
2025	25,516.17	4,126.95	29,643.12
2026	26,946.72	2,696.40	29,643.12
2027	<u>28,457.49</u>	<u>1,185.63</u>	<u>29,643.12</u>
	<u>\$105,081.94</u>	<u>\$13,490.54</u>	<u>\$118,572.48</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF SOMERSET COUNTY IMPROVEMENT AUTHORITY LOANS  
ISSUED AND OUTSTANDING AT DECEMBER 31, 2023 (CONTINUED)

Somerset County Improvement Authority Loan 5.53% interest, final maturity 2027	\$105,081.94
Somerset County Improvement Authority Loan 1.690% interest, final maturity 2026	<u>92,105.28</u>
	<u>\$197,187.22</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2023

<u>CALENDAR YEAR</u>	<u>GENERAL IMPROVEMENTS</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2024	\$1,745,000.00	\$678,475.00	\$2,423,475.00
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	167,000.00	2,092,000.00
2029	1,960,000.00	359,968.75	2,319,968.75
2030	2,000,000.00	293,625.00	2,293,625.00
2031	2,025,000.00	223,250.00	2,248,250.00
2032	2,050,000.00	150,000.00	2,200,000.00
2033	1,575,000.00	75,500.00	1,650,500.00
2034	650,000.00	9,750.00	659,750.00
	<u>\$19,495,000.00</u>	<u>\$3,616,987.50</u>	<u>\$23,111,987.50</u>

At December 31, 2023, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 1,410,933.86</u>
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NOTE 4: SHORT-TERM DEBT

The Borough had the following short-term debt:

Bond Anticipation Notes:

Outstanding Bond Anticipation Notes are summarized as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
General Capital Fund	3.975%	09/13/24	<u>\$6,243,300.00</u>

NOTE 5: FUND BALANCES APPROPRIATED

Fund balance at December 31, 2023, which was appropriated and included as anticipated revenue in the introduced budget in its own respective fund for the year ending December 31, 2024, were as follows:

Current Fund	<u>\$1,351,980.00</u>
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NOTE 6: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	<u>BALANCE DECEMBER 31, 2023</u>	<u>BALANCE DECEMBER 31, 2022</u>
Prepaid Taxes	<u>\$123,424.63</u>	<u>\$107,613.65</u>

NOTE 7: PENSION PLANS

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at [www.nj.gov/treasury/pensions/annrpts.shtml](http://www.nj.gov/treasury/pensions/annrpts.shtml).

*Public Employees' Retirement System (PERS)* - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

*Police and Firemen's Retirement System (PFRS)* - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

*Defined Contribution Retirement Program (DCRP)* - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 7: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested.

However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

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 life insurance benefits is based on actual claims paid. For 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. During 2023, PERS provides for employee contributions of 7.50% of employees' base salary.

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. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2023, the State contributed an amount less than the actuarially determined amount. During 2023, PFRS provides for employee contributions of 10.00% of employees' base salary.

NOTE 7: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

Certain portions of the costs are contributed by the employees. The Borough's share of PERS and Police and Firemen's pension, which is based upon the annual billings received from the state, amounted to \$1,363,065.00 for 2023, \$1,316,970.00 for 2022 and \$1,204,772.00 for 2021.

The Borough's share for DCRP amounted to \$1,444.00 for 2023, \$2,102.80 for 2022 and \$2,772.75 for 2021.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2022.

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$3,789,682.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0251115734 percent, which was an increase of 0.0019756118 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension expense of \$17,467.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$270,949.00.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$27,352.00	\$24,121.00
Changes of assumptions	11,742.00	567,465.00
Net difference between projected and actual earnings on pension plan investments	156,852.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>736,758.00</u>	
	<u>\$932,704.00</u>	<u>\$591,586.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	(\$177,723.40)
2024	(18,263.40)
2025	66,584.60
2026	323,554.60
2027	<u>146,965.60</u>
	<u>\$341,118.00</u>

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.



NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 assets class included in PERS's target assets allocation as of June 30, 2022 asset are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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 in determining the total pension liability.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, 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 was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$4,868,631.00	\$3,789,682.00	\$2,871,453.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported a net pension liability of \$9,570,170.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

At June 30, 2022, the Borough's proportion was 0.0836088700 percent, which was an increase of 0.0016968800 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension expense of \$174,118.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2022 billing was \$954,655.00.

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$433,171.00	\$586,303.00
Changes of assumptions	26,228.00	1,204,695.00
Net difference between projected and actual earnings on pension plan investments	876,346.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,093,160.00</u>	<u>115,114.00</u>
	<u>\$2,428,905.00</u>	<u>\$1,906,112.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Year Ended	
June 30	Amount
2023	\$ (\$283,051.80)
2024	(110,284.80)
2025	(95,788.80)
2026	804,295.20
2027	201,473.20
Thereafter	6,150.00
	<u>\$522,793.00</u>

Actuarial Assumptions

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

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-16.25%
	Based on years of Service
Investment Rate of Return	7.00%

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

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

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

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of both June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the 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 of the participating employers as of June 30, 2022 respectively, 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 was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$13,131,306.00	\$9,570,170.00	\$6,605,506.00

NOTE 7: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

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

Special Funding Situation

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

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,703,210.00 and \$1,683,863.00, respectively.

At June 30, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$9,570,170.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>1,703,210.00</u>
	<u>\$11,273,380.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 8: COMPENSATED ABSENCES

Under exiting collective bargaining agreements and personnel policies of the Borough, employees are allowed to accumulate unused compensatory, vacation and sick pay over the life of their working careers, which may be taken as time off, additional annual pay, or as termination payments upon retirement, at agreed upon rates. At December 31 2023 and 2022, the estimated value of accumulated and unused compensated absences, was \$964,694.64 and \$1,126,867.27, respectively.

Under accounting principles and practices prescribed by the Division of local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be recorded as expenditures in the year of projected disbursement and accordingly, no liability has been accrued as of December 31, 2022. At December 31, 2023, the Borough has a reserve balance in the Trust Other Fund of \$31,688.21.

NOTE 9: LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The Borough of Bound Brook adopted an ordinance establishing a Length of Service Awards Program for the members of the Bound Brook Fire Department pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer of the Bound Brook Fire Department that performs the minimum amount of service will have an annual amount between \$100.00 and \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The Borough budgeted \$40,700.00 for the program in 2023.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations

NOTE 10: LITIGATION

The Borough Attorney's letters did not indicate any litigation, claims or contingent liabilities which would materially affect the financial statements of the Borough.

NOTE 11: TAX APPEAL

There are tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2023 and prior. Any reduction in assessed valuation will result in a refund of prior years taxes in the year of settlement, which may be funded from current tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51.



NOTE 12: CONTINGENT LIABILITIES

The Borough participated in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2023, the Borough does not believe that any material liabilities will result from such audits.

NOTE 13: 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. The Borough maintains commercial insurance coverage through a Joint Insurance Fund covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable 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>
2023	\$	\$ 5,566.60	\$ 8,840.70	\$ 109,304.20
2022	100,120.95	9,264.76	17,499.89	112,578.30
2021	35,000.00	5,314.59	29,409.49	20,692.48

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following Interfund balances remained on the balance sheet at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,448,348.49	\$
Grant Fund		1,478,789.83
Animal Control Fund		385.20
Trust Other Fund		5,591.23
General Capital Fund	86,417.77	
Sewer Capital Fund		50,000.00
	<u>\$ 1,534,766.26</u>	<u>\$ 1,534,766.26</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and, in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the Borough is not required to recognize any long-term obligations resulting from OPEB on their financial statements.

Plan Description and Benefits Provided

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. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Contributions

The Borough's contributions to the Plan for the years ended December 31, 2023, 2022, and 2021, were \$806,304.89, \$625,546.98 and \$492,840.67 respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2022, the Plan reported a liability of \$13,527,063.00 for the Borough's proportionate share of the collective net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

At June 30, 2022, the Borough's proportion was 0.083761 percent, which was an increase of 0.002782 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State reported OPEB expense of \$179,608.00. This OPEB benefit was based on the OPEB plans June 30, 2022 measurement date.

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

	Deferred Outflow of <u>Resources</u>	Deferred Inflow of <u>Resources</u>
Differences between expected and actual experience	\$698,552.00	\$2,507,342.00
Changes of assumptions	1,805,243.00	4,616,526.00
Net difference between projected and actual earnings on OPEB plan investments	3,561.00	
Changes in proportion	<u>1,762,271.00</u>	<u>884,245.00</u>
	<u>\$4,269,627.00</u>	<u>\$8,008,113.00</u>

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2023	(\$1,050,136.80)
2024	(1,051,218.80)
2025	(793,199.80)
2026	(257,068.80)
2027	78,601.20
Total Thereafter	<u>(665,463.00)</u>
	<u><u>(\$3,738,486.00)</u></u>

Actuarial Assumptions and Other Inputs

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
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Police and Firemen's Retirements System (PFRS)

Rate for all future years	3.25% to 16.25% based on years of service
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NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs (Continued)

Mortality:

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

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

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

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

Discount Rate

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

NOTE 15: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability associated with the Borough's as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the 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:

	June 30, 2022		
	1.00% <u>Decrease (2.54%)</u>	At Discount <u>Rate (3.54%)</u>	1.00% <u>Increase (4.54%)</u>
Borough's proportionate share of the Net OPEB Liability	\$15,680,589	\$13,527,063	\$11,794,349

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough's as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$11,475,415	\$13,527,063	\$16,154,646

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2023:

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	Balance December 31, <u>2023</u>
Land	\$10,765,500.00	\$1,205,267.00		\$11,970,767.00
Buildings	2,380,200.00			2,380,200.00
Machinery and Equipment	<u>6,304,247.00</u>	<u>\$985,264.00</u>	<u>\$315,625.00</u>	<u>6,973,886.00</u>
	<u>\$19,449,447.00</u>	<u>\$2,190,531.00</u>	<u>\$315,625.00</u>	<u>\$21,324,853.00</u>

NOTE 17: DEFERRED CHARGES TO BE RAISED IN FUTURE BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, the following deferred charges are shown on the current fund balance sheet:

	Balance December 31, <u>2022</u>	<u>Raised in 2024 Budget</u>	<u>To Be Raised in Succeeding Years</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	<u>75,000.00</u>	<u>75,000.00</u>	
	<u>\$409,748.85</u>	<u>\$186,583.00</u>	<u>\$223,165.85</u>

NOTE 18: SUBSEQUENT EVENTS

The Borough of Bound Brook has evaluated subsequent events occurring after the financial statement date through April 29, 2024 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent events needed to be disclosed.



BOROUGH OF BOUND BROOK  
SUPPLEMENTARY SCHEDULES – ALL FUNDS  
YEAR ENDED DECEMBER 31, 2023

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF CASH

REF.		CURRENT FUND	GRANT FUND
A	Balance, December 31, 2022	\$ 7,948,031.94	\$ 159,771.09
	Increased by Receipts:		
A-2	Miscellaneous Revenue Not Anticipated	\$ 651,936.84	\$
A-12	Revenue Accounts Receivable	7,138,951.43	
A-8	Property Taxes Receivable	27,871,347.86	
A-6	Petty Cash	400.00	
A-14	Tax Overpayments	78,475.48	
A-9	Due State of New Jersey-Sr. Citizens & Veterans Exemptions	28,917.12	
A-15	Prepaid Taxes	123,424.63	
A-10	Refuse Disposal Fees Receivable	789,911.99	
A-20	Prepaid Refuse Disposal Fees	58,026.12	
A-24	Grants Receivable		1,795,540.96
A-7-A-28	Interfunds	2,471,541.97	2,090,070.00
A-23	Reserve for Due County - 5% PILOT	61,509.10	
A-26	Reserve for Grants Unappropriated		5,672.70
A-21	Reserve for Sale of Municipal Assets	9,065.00	
A-22	Reserve for Various Reserves	425,732.25	
		<u>\$ 39,709,239.79</u>	<u>3,891,283.66</u>
		\$ 47,657,271.73	\$ 4,051,054.75
	Decreased by Disbursements:		
A-3	2023 Appropriations	\$ 16,023,261.91	\$
A-13	Appropriation Reserves	746,508.11	
A-14	Tax Overpayments	76,404.23	
A-16	County Taxes	4,178,150.83	
A-17	Local District School Tax	13,697,065.00	
A-19	Special District Taxes Payable	243,542.72	
A-7-A-28	Interfunds	3,888,528.20	609,044.91
A-25	Reserve for Grants Appropriated		2,598,199.29
A-1	Refund of Prior Year Revenue		
A-6	Petty Cash	400.00	
A-18	Reserve for Encumbrances/ Accounts Payable	8,940.67	
	Refund of Miscellaneous Revenue Anticipated:		
A-2	Refuse Fees	186.00	
A-2	Housing Inspections	2,955.00	
A-2	Parking Permits/ Meters	100.00	
A-2	Uniform Construction Code Fees	240.00	
		<u>38,866,282.67</u>	<u>3,207,244.20</u>
A	Balance, December 31, 2023	\$ 8,790,989.06	\$ 843,810.55

"A-5"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance, December 31, 2022  
and December 31, 2023

A

\$ 620.00

ANALYSIS OF BALANCE

OFFICE

Collector  
Refuse  
Clerk  
Recreation  
Municipal Court

\$ 200.00  
20.00  
100.00  
100.00  
200.00  
620.00  
\$ 620.00

"A-6"

SCHEDULE OF PETTY CASH

Increased by:  
Disbursements

A-4

\$ 400.00

Decreased by:  
Receipts

A-4

\$ 400.00

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>SEWER OPERATING FUND</u>
Balance, December 31, 2022:							
Receivable	A	\$ 7,118.68	\$	\$ 4,484.64	\$ 2,634.04	\$	\$ 7,483.02
Payable	A	42,018.28	2,235.26			32,300.00	
Receipts	A-4	2,498,221.92	383,937.63	4,487.04	34,063.93	75,733.32	2,000,000.00
Canceled Reserves	A-28:A-1	66,261.86			16,261.86		50,000.00
Disbursements	A-4	3,888,528.20	1,751,865.00	387.60	20,759.26	108,033.32	2,007,483.02
Balance, December 31, 2023:							
Receivable	A	\$ 1,421,668.54	\$ 1,365,692.11	\$ 385.20	\$ 5,591.23	\$	\$ 50,000.00

"A-8"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>ADDED TAXES</u>	<u>2023 LEVY</u>	<u>COLLECTION BY CASH</u>	<u>CANCELED</u>	<u>TRANSFER TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2023</u>
Prior	\$ 576,542.64	\$ 1,000.00	\$	\$ 577,542.64	\$	\$	\$
2023			\$ 27,771,267.45	\$ 107,613.65	\$ 63,365.85	\$ 4,169.81	\$ 272,537.58
	\$ 576,542.64	\$ 1,000.00	\$ 27,771,267.45	\$ 107,613.65	\$ 63,365.85	\$ 4,169.81	\$ 272,537.58
<u>REF.</u>	<u>A</u>			<u>A-2-A-15</u>		<u>A-11</u>	<u>A</u>

REF.

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

A-4	\$ 27,871,347.86
A-9	29,775.34
	<u>\$ 27,901,123.20</u>

ANALYSIS OF 2023 PROPERTY TAX LEVY

REF.

TAX YIELD	
General Purpose Tax:	
General Purpose Tax	\$ 27,741,597.88
Added Taxes (54:4-63.1 et seq.)	29,669.57
<u>TOTAL</u>	<u>\$ 27,771,267.45</u>

TAX LEVY	
Local District School Tax (Abstract)	A-17
Special Improvement District	A-19
County Taxes:	
County Tax (Abstract)	A-16
County Tax Added	A-2
Local Tax for Municipal Purposes (Abstract)	
Add: Additional Tax Levied	
Local Tax for Municipal Purposes Levied	
	\$ 13,988,613.00
	243,542.72
	4,173,369.85
	9,365,741.88
	<u>\$ 27,771,267.45</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

	<u>REF.</u>		
Balance, December 31, 2022 (Due From)	A	\$	2,273.19
Increased by:			
Senior Citizens Deductions Per Tax Billings		\$	4,500.00
Veterans Deductions Per Tax Billings			25,250.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>250.00</u>
			<u>30,000.00</u>
		\$	<u>32,273.19</u>
Decreased by:			
Received From State of New Jersey	A-4	\$	28,917.12
Disallowed By Tax Collector- prior year			1,000.00
Disallowed By Tax Collector			<u>224.66</u>
			<u>30,141.78</u>
Balance, December 31, 2023 (Due From)	A	\$	<u><u>2,131.41</u></u>

CALCULATION OF STATE'S SHARE OF  
2023 SENIOR CITIZENS AND VETERANS DEDUCTION

Senior Citizens and Veterans Deductions:		
Per Tax Duplicate	\$	29,750.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector-2023 Taxes		<u>250.00</u>
	\$	<u>30,000.00</u>
Less: Senior Citizens Deductions Disallowed By Collector		<u>224.66</u>
	A-8	\$ <u><u>29,775.34</u></u>

"A-10"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF REFUSE DISPOSAL FEES RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	54,717.38
Increased by:			
2023 Levy			843,369.21
		\$	<u>898,086.59</u>
Decreased by:			
Collected	A-4	\$	789,911.99
Transferred From Prepaid Refuse Disposal Fees	A-20		49,940.85
Transferred From Tax Overpayments	A-14		<u>2,071.25</u>
			<u>841,924.09</u>
Balance, December 31, 2023	A	\$	<u><u>56,162.50</u></u>

"A-11"

SCHEDULE OF TAX TITLE LIENS

Balance, December 31, 2022	A	\$	46,916.20
Increased by:			
Transfer From Taxes Receivable	A-8		<u>4,169.81</u>
Balance, December 31, 2023	A	\$	<u><u>51,086.01</u></u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE DECEMBER 31, 2022	ACCRUED IN 2023	COLLECTED	BALANCE DECEMBER 31, 2023
Alcoholic Beverage Licenses	A-2	\$	42,138.00	\$	\$
Other Licenses	A-2		23,508.00	23,508.00	
Other Fees and Permits	A-2		77,492.72	77,492.72	
Municipal Court:					
Fines and Costs	A-2	16,408.72	260,661.71	247,323.23	29,747.20
Construction Code Official:					
Fees and Permits	A-2		655,201.00	655,201.00	
Interest and Costs on Taxes	A-2		115,853.44	115,853.44	
Interest on Investments and Deposits	A-2		462,007.48	462,007.48	
Parking Meters	A-2		155,656.04	155,656.04	
Utility Fees (Refuse)	A-2		24,282.00	24,282.00	
Fire Protection- Life Hazard Fees	A-2		12,995.46	12,995.46	
Housing Inspection Fees	A-2		404,032.00	404,032.00	
Rental Income	A-2		37,332.00	37,332.00	
Fire Fees- Non Life Hazard Fees	A-2		11,250.00	11,250.00	
Energy Receipts Tax	A-2		1,126,443.00	1,126,443.00	
Cable TV Franchise Tax	A-2		90,111.20	90,111.20	
Payment in Lieu of Taxes (PILOT)	A-2		945,715.17	945,715.17	
Administrative Fees - Police Outside Services	A-2		220,064.66	220,064.66	
General Capital Fund Balance	A-2		100,000.00	100,000.00	
Proceeds from Sale of Sewer Utility	A-2		1,841,814.27	1,841,814.27	
Utility Operating Surplus of Prior Year	A-2		500,000.00	500,000.00	
Ambulance Billing	A-2		45,731.76	45,731.76	
		<u>\$</u>	<u>7,152,289.91</u>	<u>\$</u>	<u>\$</u>
		16,408.72		7,138,951.43	29,747.20
		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
REF.		A		A-4	A



BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>12/31/2022</u>	<u>ADJUSTED</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Salaries and Wages:				
Administrative and Executive	\$ 4,711.36	\$ 211.36	\$	\$ 211.36
Borough Clerk	3,708.47	208.47		208.47
Financial Administration	574.56	574.56		574.56
Assessment of Taxes	702.71	702.71		702.71
Collection of Taxes	2,097.55	97.55		97.55
Planning Board	376.30	376.30		376.30
Housing Inspections	1,684.30	1,684.30		1,684.30
Police	16,312.15	16,312.15		16,312.15
Parking	5,944.81	44.81		44.81
Emergency Management Services	49.88	49.88		49.88
Fire Prevention Bureau	364.22	364.22		364.22
Streets and Roads	49,031.83	9,831.83		9,831.83
Buildings and Grounds	1,988.69	1,988.69		1,988.69
Recreation Programs	4,517.74	4,517.74		4,517.74
Municipal Court	1,051.29	1,051.29		1,051.29
Construction Official	6,989.39	89.39		89.39
Salary Adjustment				
Other Expenses:				
Administrative and Executive	\$ 12,961.26	\$ 27,859.72	\$ 22,576.49	\$ 5,283.23
Elections	1,017.44	1,017.44		1,017.44
Municipal Clerk	146.36	5,831.68	714.68	5,117.00
Codification	3,705.00	4,303.79	2,924.64	1,379.15
Financial Administration	1,805.18	3,139.18	2,185.50	953.68
Audit Services		5,400.00	5,400.00	
Assessment of Taxes	3,507.52	6,727.52	3,220.00	3,507.52
Collection of Taxes	6,680.14	9,425.51	1,764.11	7,661.40
Legal Services & Costs	10,175.70	77,874.34	67,698.20	10,176.14
IT Services	28,505.73	41,176.76	21,941.35	19,235.41
Engineering Services and Costs	6,935.03	21,797.03	14,862.00	6,935.03
Economic Development Program	2,489.97	2,489.97		2,489.97
Planning Board	3,350.00	51,177.48	47,827.48	3,350.00
Housing Inspections	811.12	811.12	810.00	1.12
Other Insurance	12,923.19	82,008.91	68,948.24	13,060.67
Group Insurance for Employees		4,096.77	340.20	3,756.57
Health Benefit Waiver	5,101.60	5,101.60		5,101.60
Police	3,812.79	302,368.13	296,885.31	5,482.82
Fire Hydrant Service	6,526.00	6,553.82		6,553.82
Parking	2,606.00	4,041.50	1,435.50	2,606.00
Emergency Management Services	4,395.02	4,395.02		4,395.02
Aid to Fire Companies	6,399.49	33,321.53	31,376.75	1,944.78
Fire Prevention Bureau	402.62	402.62		402.62
Streets and Roads	38,017.59	69,812.68	45,038.17	24,774.51
Buildings and Grounds	16,564.64	44,678.57	38,127.49	6,551.08
Shade Tree Commission	9,708.14	12,708.14	12,581.44	126.70
Recycling	3,572.28	30,143.39	29,256.53	886.86

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>12/31/2022</u>	<u>ADJUSTED</u> <u>BUDGET</u>	<u>PAID OR</u> <u>CHARGED</u>	<u>BALANCE</u> <u>LAPSED</u>
Other Expenses (Continued)				
Solid Waste Collection	\$ 246.73	\$ 30,329.24	\$ 23,668.63	\$ 6,660.61
Board of Health	7,443.20	43,925.20	36,482.00	7,443.20
Dog Regulation	11,038.00	11,038.25	15.60	11,022.65
POESHA	500.00	500.00		500.00
Recreation Programs	133.00	4,607.22	3,570.12	1,037.10
Parks and Playgrounds	15,284.50	22,910.01	7,625.51	15,284.50
Municipal Public Defender		8,800.00	8,800.00	
Municipal Court	11,937.80	13,596.53	5,320.50	8,276.03
Construction Code Official	921.55	1,407.16	1,223.43	183.73
Celebration of Public Events	1,750.00	1,750.00		1,750.00
Heating/ Electricity	1,053.85	7,250.05	6,426.37	823.68
Street Lighting	10,680.00	15,217.50	14,392.40	825.10
Telephone	18,937.31	23,138.68	15,182.46	7,956.22
Water	4,564.15	4,565.15	264.41	4,300.74
Gasoline	26,799.69	77,009.68	38,754.42	38,255.26
Postage	105.05	983.26	88.17	895.09
Social Security System (O.A.S.I.)	8,922.59	8,922.59		8,922.59
Defined Contribution Plan	4,897.20	4,966.33	69.13	4,897.20
Health Insurance	672.31	672.31		672.31
Length of Service Award Program (LOSAP)		2,850.00	2,850.00	
<u>TOTAL</u>	<u>\$ 418,111.99</u>	<u>\$ 1,181,208.63</u>	<u>\$ 880,647.23</u>	<u>\$ 300,561.40</u>
<u>REF.</u>	A:A-13			A-1
Balance, December 31, 2022	A:A-13	\$ 418,111.99		
Encumbrances Payable	A-7	<u>763,096.64</u>		
		<u>\$ 1,181,208.63</u>		
Disbursements	A-4		\$ 746,508.11	
Encumbrances Payable	A-7		<u>134,139.12</u>	
			<u>\$ 880,647.23</u>	

"A-14"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

REF.

Increased by:			
Overpayments in 2023	A-4		\$ <u>78,475.48</u>
Decreased by:			
Refunded	A-4	\$ 76,404.23	
Applied to Refuse Fees Receivable	A-10	<u>2,071.25</u>	
			\$ <u>78,475.48</u>

"A-15"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2022	A	\$ 107,613.65
Increased by:		
Collection - 2024 Taxes	A-4	<u>123,424.63</u>
		\$ <u>231,038.28</u>
Decreased by:		
Applied to Taxes Receivable	A-8	<u>107,613.65</u>
Balance, December 31, 2023	A	\$ <u><u>123,424.63</u></u>

"A-16"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	A	\$	8,674.84
Increased by:			
2023 Tax Levy		\$	4,169,475.97
Added Taxes			<u>3,893.88</u>
	A-1:A-8		<u>4,173,369.85</u>
		\$	<u>4,182,044.69</u>
Decreased by:			
Disbursements	A-4		<u>4,178,150.83</u>
Balance, December 31, 2023	A	\$	<u><u>3,893.86</u></u>

"A-17"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2022	A	\$	30,888.20
Increased by:			
2023 Levy	A-1:A-8		<u>13,988,613.00</u>
		\$	<u>14,019,501.20</u>
Decreased by:			
Disbursements	A-4		<u>13,697,065.00</u>
Balance, December 31, 2023	A	\$	<u><u>322,436.20</u></u>

"A-18"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF ENCUMBRANCES/ACCOUNTS PAYABLE

Balance, December 31, 2022	A		\$	850,544.21
Increased by:				
Transferred from 2023 Appropriations	A-3	\$	689,648.22	
Transferred from Appropriation Reserves	A-13		134,139.12	
				<u>823,787.34</u>
			\$	<u>1,674,331.55</u>
Decreased by:				
Transferred to Appropriation Reserves	A-13	\$	763,096.64	
Canceled	A-1		3,612.80	
Disbursements	A-4		8,940.67	
				<u>775,650.11</u>
Balance, December 31, 2023	A:A-18		\$	<u><u>898,681.44</u></u>

ANALYSIS OF BALANCE

Encumbrances Payable- 2023 Appropriations		\$	689,648.22
Accounts Payable- Appropriation Reserves			134,139.12
Accounts Payable- Prior			<u>74,894.10</u>
	A-18	\$	<u><u>898,681.44</u></u>

"A-19"

SCHEDULE OF RESERVE FOR SPECIAL IMPROVEMENT DISTRICT TAXES PAYABLE

Increased by:				
2023 Levy	A-1:A-8		\$	<u>243,542.72</u>
Decreases by:				
Disbursements	A-4		\$	<u>243,542.72</u>

"A-20"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF PREPAID REFUSE DISPOSAL FEES

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 49,940.85
Increased by:		
Receipts	A-4	<u>58,026.12</u>
		\$ 107,966.97
Decreased by:		
Applied to Receivable	A-10	<u>49,940.85</u>
Balance, December 31, 2023	A	\$ <u><u>58,026.12</u></u>

"A-21"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2022	A	\$ 527,988.50
Increased by:		
Receipts	A-4	<u>9,065.00</u>
		\$ 537,053.50
Decreased by:		
Miscellaneous Revenue Applied	A-2	<u>150,000.00</u>
Balance, December 31, 2023	A	\$ <u><u>387,053.50</u></u>

"A-22"

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

<u>RESERVE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2022</u>	<u>RECEIPTS</u>	<u>APPLIED TO</u> <u>REVENUE</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2023</u>
Tax Map Preparation	\$ 1,806.00	\$	\$	\$ 1,806.00
Master Plan	7,886.48			7,886.48
Library	42,144.00	36,535.99		78,679.99
Prepaid Parking Revenue	190,600.00	270,700.00	190,000.00	271,300.00
Prepaid Municipal Tax Relief Aid	58,356.26	116,688.26	58,256.26	116,788.26
State Library Aid	3,493.00	1,808.00		5,301.00
	<u>\$ 304,285.74</u>	<u>\$ 425,732.25</u>	<u>\$ 248,256.26</u>	<u>\$ 481,761.73</u>
<u>REF.</u>	A	A-4	A-2	A

"A-23"

SCHEDULE OF RESERVE FOR DUE COUNTY- 5% PILOT

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 281,066.06
Increased by:		
Receipts	A-4	<u>61,509.10</u>
Balance, December 31, 2023	A	<u>\$ 342,575.16</u>

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>2023 ACCRUED</u>	<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2023</u>
	\$	\$	\$	\$
Body Armor Replacement Fund				
Body Camera (State)	3,817.63	1,842.93	1,842.93	3,817.63
Body Camera (Federal)	24,200.00		24,200.00	
Federal Bulletproof Vest Partnership	4,602.00	3,361.95	7,963.95	
Alcohol Education Rehabilitation Program		1,946.92	1,946.92	
LGAP Housing		21,000.00	21,000.00	
CHPP - Community Housing Planning Partnership	1,150.00	2,000.00	3,150.00	
Clean Communities Program		20,934.10	20,934.10	
Fire Prevention Bureau		3,453.00	3,453.00	
Firefighters/EMS Grant	56,000.00	107,142.85		163,142.85
Leary Firefighter Foundation Grant	17,049.30			17,049.30
Somerset County Open Space - Pool Improvements	455,000.00		455,000.00	
Historic Preservation	53,125.00			53,125.00
USDA Grant - Rural Development	30,400.00	20,800.00	30,400.00	20,800.00
Local Arts Grant	2,003.00	3,000.00	3,812.50	1,190.50
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	30,000.00			165.00
Recycling Tonnage Grant			29,835.00	
SAFER Grant	57,580.00	6,088.08	6,088.08	
Somerset County Youth Services			43,060.00	14,520.00
Recreation Improvement Grant		17,843.00		17,843.00
Sustainable Jersey		141,000.00		141,000.00
Safe Routes to School	2,000.00			2,000.00
Safe Corridors Program		517,000.00		517,000.00
CDBG- East Second Street		2,266.00		2,266.00
CDBG- Library HVAC		100,000.00		100,000.00
NJ DOT- Rehabilitation of West Second Street		225,277.28		225,277.28
NJ DOT- Transportation Alternatives	93,750.00	300,760.00	245,457.23	149,052.77
NJ DOT - Train Station Waiting Room	1,000,000.00			1,000,000.00
Transportation Enhancement Grant- Main Street	1,294,649.00	1,303,975.42	870,102.98	1,728,521.44
Transportation Enhancement Grant- West Maple Street	27,290.00			27,290.00
Opioids Settlement	50,000.00		27,294.27	50,000.00
		27,294.27		
	\$	\$	\$	\$
	3,211,615.93	3,083,025.96	1,795,540.96	4,499,100.93
<u>REF.</u>	A	A-2	A-4	A



BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2022	TRANSFERRED FROM 2023 BUDGET APPROPRIATIONS	EXPENDED	ENCUMBRANCES PAYABLE	PRIOR ENCUMBRANCES PAYABLE	BALANCE DECEMBER 31, 2023
	\$	\$	\$	\$	\$	\$
Body Armor Replacement Fund	56.73	1,842.93	2,950.05	300.71	1,351.10	1,941.47
Federal Bulletproof Vest Program	2,725.89	3,361.95	4,647.41	1,375.07	1,876.11	21,000.00
LGAP Housing		21,000.00				1,902.27
Alcohol Education Rehabilitation Fund	10,268.85	1,946.92	8,737.50	1,826.00	250.00	5,500.00
Distracted Driver Grant	5,500.00					1,700.00
Drive Sober or Get Pulled Over	1,700.00					28,725.05
Drunk Driving Enforcement Fund	49,724.50		(305.55)	22,086.20	781.20	874.27
CHPP - Community Housing Planning Partnership	2,124.27	2,000.00	3,250.00			36,590.01
Clean Communities Program	27,133.69	20,934.10	11,477.78			
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
EDIP- West Main Street	9,195.55					9,195.55
Office of Emergency Management	3,194.82					3,194.82
Firefighters/ EMS	56,000.00	107,142.85	156,802.20	6,000.00		340.65
First Responders Grant	1,165.00					1,165.00
Fire Prevention Bureau	2,449.50	3,453.00	1,875.00	1,127.35		2,325.65
Local Arts Grant	106,250.00	3,000.00				3,574.50
Historic Preservation						106,250.00
Library Construction Bond Act		256,040.16		256,040.16		
NJ DEP- It Pays to Plug In- NJ Electric Vehicle Program	13,629.61			8,712.00	8,712.00	13,629.61
NJ Forest Service Community Forestry Program	33,340.96		29,835.00		29,835.00	33,095.63
Public Works Grant- Match	2,000.00		4,685.33	2,195.46	6,635.46	2,000.00
Recycling Tonnage Grant	17,443.94					23,532.02
Somerset County Youth Services Grant	21,428.47	6,088.08	19,704.30	452.74	389.26	19,503.69
Somerset County Youth Athletic Grant	15,245.90	17,843.00				15,245.90
Somerset County Open Space - Pool Improvements	455,000.00					
Recreation Improvements						
USDA Grant - Rural Development		141,000.00		455,000.00		20,800.00
CDBG- East Second Street		20,800.00	12,707.99	141,000.00	12,708.29	
CDBG- Library HVAC		100,000.00	103,345.50	0.30		
SAFER Grant	37,675.00	225,277.28	23,306.00	121,931.78		14,370.00
Safe Corridors Program	12,125.31	2,266.00				14,391.31
Safe Routes to School		517,000.00				517,000.00
NJ Department of Transportation- Transportation Enhancement	1,000,000.00					1,000,000.00
NJ DOT - Train Station Waiting Room		1,303,975.42	2,188,501.83	410,122.59	1,294,649.00	
NJ DOT- Rehabilitation of West Second Street	93,750.00	300,760.00		300,760.00		93,750.00
Opioids Settlement		27,294.27				27,294.27
	\$	\$	\$	\$	\$	\$
	2,016,297.28	3,083,025.96	2,571,519.34	1,829,067.94	1,357,325.00	2,056,060.96
	A	A-3		A-27	A-27	A
REF.						
Disbursements			\$			
Less: Refund of Prior Year Revenue			2,598,199.29			
			26,679.95			
			\$			
			2,571,519.34			

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

		<u>RECEIPTS</u>	<u>BALANCE DECEMBER 31, 2023</u>
Body Armor Replacement Fund	\$	2,227.68	\$ 2,227.68
Federal Bulletproof Vest Partnership		2,138.00	2,138.00
Opioids Settlement		<u>1,307.02</u>	<u>1,307.02</u>
	\$	<u>5,672.70</u>	<u>\$ 5,672.70</u>
<u>REF.</u>		A-4	A

"A-27"

BOROUGH OF BOUND BROOK

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	A	\$ 1,357,325.00
Increased by:		
Grants Appropriated	A-25	<u>1,829,067.94</u>
		\$ 3,186,392.94
Decreased by:		
Grants Appropriated	A-25	<u>1,357,325.00</u>
Balance, December 31, 2023	A	<u>\$ 1,829,067.94</u>

"A-28"

SCHEDULE OF INTERFUNDS

		<u>TOTAL</u>	<u>GENERAL CAPITAL FUND</u>	<u>CURRENT FUND</u>
Balance, December 31, 2022 (Due From)	A	\$ 2,235.26	\$	\$ 2,235.26
Increased by:				
Disbursements	A-4	<u>635,724.86</u>	<u>251,787.23</u>	<u>383,937.63</u>
		\$ 637,960.12	\$ 251,787.23	\$ 386,172.89
Decreased by:				
Receipts	A-4	<u>2,090,070.00</u>	<u>338,205.00</u>	<u>1,751,865.00</u>
Balance, December 31, 2023 (Due To)	A	<u>\$ 1,452,109.88</u>	<u>\$ 86,417.77</u>	<u>\$ 1,365,692.11</u>

BOROUGH OF BOUND BROOK

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2022	AMOUNT RESULTING FROM 2023	AMOUNT IN 2023 BUDGET	BALANCE DECEMBER 31, 2023
Covid-19 Deficit in Revenues	\$ 286,331.85	\$	71,583.00	214,748.85
N.J.S.A. 40A: 4-55 Hurricane IDA	160,000.00		40,000.00	120,000.00
Downpayment on Improvements	142,500.00	75,000.00	142,500.00	75,000.00
	<u>\$ 588,831.85</u>	<u>\$ 75,000.00</u>	<u>\$ 254,083.00</u>	<u>\$ 409,748.85</u>
REF.	A	A-1:A-3	A-3	A

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF CASH

<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
B	\$ 15,611.46	\$ 20,347.81	\$ 2,339,865.75
Balance, December 31, 2022			
Increased by Receipts:			
Reserve for Animal Control Expenditures	\$	5,152.60	\$
New Jersey State Board of Health		419.40	
Reserve for Various Trust Deposits			7,629,184.94
Reserve for Due State of New Jersey- Marriage Licenses			1,650.00
Reserve for Due State of New Jersey- DCA Training Fees			24,240.00
Reserve for Prepaid Dog Licenses		669.00	
Due Sewer Utility Operating Fund			2,283.00
Due Animal Control Trust Fund			1.50
Due Current Fund		387.60	19,497.40
	\$ 15,611.46	\$ 6,628.60	7,676,856.84
		26,976.41	10,016,722.59
Decreased by Disbursements:			
Due Current Fund	\$	4,487.04	\$ 32,802.07
Due Trust Other Fund		1.50	
Accounts Receivable- IRS			31,944.94
New Jersey State Board of Health		419.40	
Expenditures Under R.S.4:19-15.11		9,662.60	
Reserve for Due State of New Jersey- Marriage Licenses			1,275.00
Reserve for Due State of New Jersey- DCA Training Fees			23,953.00
Reserve for Various Trust Deposits			7,512,889.38
		14,570.54	7,602,864.39
Balance, December 31, 2023	\$ 15,611.46	\$ 12,405.87	\$ 2,413,858.20

BOROUGH OF BOUND BROOK  
ASSESSMENT TRUST FUND  
SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE</u>	<u>IMPROVEMENT</u>	<u>CONFIRMATION DATE</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2022 AND 2023</u>	<u>BALANCE PLEGDED TO GENERAL CAPITAL FUND</u>	<u>BALANCE PLEGDED TO RESERVE</u>
98-21	Curbs, Sidewalks & Driveways-Fairview Ave.	09/12/00	11/13/00 - 11/13/09	\$ 445.74	\$	445.74
99-19	Reconstruction of Winsor Street	02/13/01	04/13/01 - 04/13/10	2,551.02	2,551.02	
01-21	Reconstruction of Cherry Street	04/08/03	06/01/03 - 06/01/12	644.88	644.88	
				<u>\$ 3,641.64</u>	<u>\$ 3,195.90</u>	<u>\$ 445.74</u>

REF.

B

"B-4"

BOROUGH OF BOUND BROOK

ASSESSMENT TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS AND LIENS

<u>ORDINANCE</u>	<u>IMPROVEMENT</u>	BALANCE DECEMBER <u>31, 2022</u>	BALANCE DECEMBER <u>31, 2023</u>
98-21	Curbs, Sidewalks & Driveways- Fairview Ave.	\$ <u>445.74</u>	\$ <u>445.74</u>
	<u>REF.</u>	B	B

"B-5"

SCHEDULE OF ASSESSMENT OVERPAYMENTS

Balance, December 31, 2022  
and December 31, 2023

\$ 2,254.06

REF.

B

"B-6"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>ANIMAL CONTROL</u> <u>FUND</u>	<u>TRUST OTHER</u> <u>FUND</u>
Balance, December 31, 2022			
Due To	B	\$ 4,484.64	\$ 2,634.04
Receipts	B-2	387.60	19,497.40
Reserves Canceled	B-9		16,261.96
		\$ <u>387.60</u>	\$ <u>35,759.36</u>
Disbursements	B-2	<u>4,487.04</u>	<u>32,802.07</u>
Balance, December 31, 2023			
Due To	B	\$ <u><u>385.20</u></u>	\$ <u><u>5,591.33</u></u>



BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF RESERVE FOR VARIOUS TRUST DEPOSITS

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>BALANCE DECEMBER 31, 2023</u>
Public Defender	\$ 20,053.00	\$ 4,650.00	\$ 13,450.00	\$ 11,253.00
Police Offense Adjudication Act	7,557.32	1,856.00		9,413.32
Pfizer Review	7,794.50		7,794.50	
UCC Queensgate	2,448.67		2,448.67	
RV Sewer Rehab Review	801.45		801.45	
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 Donation	20,425.48			20,425.48
Flood Relief	4,100.12			4,100.12
UCC Inspections- Chase	1,356.25		1,356.25	
Advanced Surety Bond	3,850.00			3,850.00
American Legion Trust	70.63			70.63
Newsletter	627.63		627.63	
Van Horne Plaza	15,668.76			15,668.76
Train Station	20,000.00			20,000.00
Dedicated Fire Department Fines and Penalties	2,725.00	4,000.00	6,338.00	387.00
Fire Marshal (Bureau) Penalties	9,775.17	4,000.00		8,986.25
Police Outside Overtime	3,134.64		3,134.64	
Housing Property Maintenance Penalties	3,930.77			3,930.77
OEM Donation	5,794.24			5,794.24
Police Donations	21,515.35			21,515.35
Shade Tree Commission	1,200.50	1,000.00		2,200.50
Riverfest Donations	2,551.72			2,551.72
Tower Lease Agreement	4,208.81	4,734.53	6,970.49	1,972.85
MERCCREM- Bound Brook Hotel	98.72		98.72	
Credit Card Fees	60.00	13,397.18	13,457.18	
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			107,805.70
Accumulated Absences	16,688.21	15,000.00		31,688.21
Patriot Billboard	4,500.00		4,500.00	
Local Art	58,894.25	48,950.00	2,050.00	105,794.25
Recreation	187,472.14	43,425.70	50,492.03	180,405.81
Tax Collector Trust- Tax Sale Premiums	325,500.00	145,400.00	30,000.00	440,900.00
Redemption of Tax Title Liens		46,492.36	43,012.58	3,479.78
State Unemployment Trust Fund	112,578.30	5,566.60	8,840.70	109,304.20
Police Forfeited Funds	40,373.20	1,639.48		42,012.68
Housing Rehabilitation	708,137.38	26,733.91	69,633.66	665,237.63
Developers Escrow	263,324.80	255,986.79	233,139.38	286,172.21
Performance Escrow	89,573.52			89,573.52
Engineering Escrow	97,685.27			97,685.27
Payroll Deductions Payable	112,413.17	7,006,352.39	7,026,216.44	92,549.12
	<u>\$ 2,333,338.21</u>	<u>\$ 7,629,184.94</u>	<u>\$ 7,529,151.24</u>	<u>\$ 2,433,371.91</u>

REF.

B

B-2

B

Disbursements  
Canceled

B-2  
B-6

\$ 7,512,889.38  
16,261.86  
\$ 7,529,151.24

"B-8"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY- MARRIAGE LICENSES

	<u>REF.</u>	
Increased by:		
Receipts	B-2	\$ 1,650.00
Decreased by:		
Disbursements	B-2	<u>1,275.00</u>
Balance, December 31, 2023	B	\$ <u><u>375.00</u></u>

"B-9"

SCHEDULE OF DUE STATE OF NEW JERSEY- CONSTRUCTION DCA TRAINING FEES

Balance, December 31, 2022	B	\$ 6,178.00
Increased by:		
Receipts	B-2	<u>24,240.00</u>
		\$ <u>30,418.00</u>
Decreased by:		
Disbursements	B-2	<u>23,953.00</u>
Balance, December 31, 2023	B	\$ <u><u>6,465.00</u></u>

BOROUGH OF BOUND BROOK

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE STATE DEPARTMENT OF HEALTH - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Increased by:		
State Registration Fees Collected	B-2	\$ <u>419.40</u>
Decreased by:		
Paid to State Department of Health	B-2	\$ <u>419.40</u>

"B-11"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2022	B		\$ 13,018.67
Increased by:			
Cat License Fees Collected		\$ 150.00	
Dog License Fees Collected		4,810.60	
Late Fees- Dog		192.00	
	B-2	\$ 5,152.60	
Reserve for Encumbrances	B-17	2,843.00	
			7,995.60
			\$ 21,014.27
Decreased by:			
Encumbrances Payable	B-17	\$ 3,212.00	
Reserve for Expenditures	B-2	9,662.60	
			12,874.60
Balance, December 31, 2023	B		\$ 8,139.67

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$ 5,799.00
2021	5,351.40
	\$ 11,150.40

"B-12"

BOROUGH OF BOUND BROOK

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR PREPAID DOG LICENSES

REF.

Increased by:

Receipts- Dog Licenses

B-2

\$ 669.00

Balance, December 31, 2023

B

\$ 669.00

"B-13"

BOROUGH OF BOUND BROOK

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>	
Balance, December 31, 2022 (Due To)	B	\$ <u>1.50</u>
Decreased by:		
Disbursements	B-2	\$ <u>1.50</u>

"B-14"

TRUST FUND

SCHEDULE OF DUE ANIMAL CONTROL TRUST FUND

Balance, December 31, 2022 (Due From)	B	\$ <u>1.50</u>
Decreased by:		
Receipts	B-2	\$ <u>1.50</u>

"B-15"

BOROUGH OF BOUND BROOK

TRUST FUND

SCHEDULE OF ACCOUNTS RECEIVABLE- PAYROLL AGENCY

	<u>REF.</u>	
Increased by:		
Disbursements - IRS	B-2	\$ <u>31,944.94</u>
Balance, December 31, 2023	B	\$ <u><u>31,944.94</u></u>

"B-16"

SCHEDULE OF DUE SEWER OPERATING FUND

Balance, December 31, 2022 (Due From)	B	\$ <u>2,283.00</u>
Decreased by:		
Receipts	B-2	\$ <u>2,283.00</u>

"B-17"

BOROUGH OF BOUND BROOK

ANIMAL CONTROL TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	B	\$ 2,843.00
Increased by:		
Reserve for Animal Control Expenditures	B-11	3,212.00
		\$ <u>6,055.00</u>
Decreased by:		
Reserve for Animal Control Expenditures	B-11	<u>2,843.00</u>
Balance, December 31, 2023	B	\$ <u><u>3,212.00</u></u>



BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2022	C		\$ 3,833,921.67
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-5	\$ 416,000.00	
Fund Balance	C-1	13,360.66	
Bond Anticipation Notes	C-11	6,243,300.00	
Deferred Charges to Future Taxation Unfunded	C-6	174,173.00	
Grants Receivable	C-7	526,048.00	
Due Current Fund	C-13	108,033.32	
Due Grant Fund	C-17	251,787.23	
Various Capital Reserves	C-16	202,453.63	
			<u>7,935,155.84</u>
			\$ <u>11,769,077.51</u>
Decreased by Disbursements:			
Encumbrances Payable	C-12	\$ 3,060,530.73	
Due Current Fund	C-13	75,733.32	
Due Grant Fund	C-17	338,205.00	
Fund Balance	C-1	100,000.00	
Bond Anticipation Notes	C-11	174,173.00	
			<u>3,748,642.05</u>
Balance, December 31, 2023	C		\$ <u><u>8,020,435.46</u></u>

"C-3"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2023
Capital Improvement Fund	\$ 99,265.15
Fund Balance	458,341.64
Grants Receivable	(364,526.52)
Developers Contribution Receivable	(200,000.00)
Various Capital Reserves	814,325.88
Encumbrances Payable	5,229,917.26
Due Current Fund	
Unexpended Proceeds of Bond Anticipation Notes (Listed on C-6)	1,639,219.95
Funded Improvement Authorizations	1,123,252.34
Unfunded Improvements Expended (Listed on C-6)	<u>(779,360.24)</u>
	<u>\$ 8,020,435.46</u>

REF.

C

"C-4"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES  
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	21,344,477.99
Increased by:			
Improvement Authority Loans	C-15		131,300.00
		\$	<u>21,475,777.99</u>
Decreased by:			
Improvement Authority Loans Paid by Budget	C-13	\$	112,194.42
Infrastructure Loans Paid by Budget	C-14		10,641.27
Bonds Paid by Budget	C-10		<u>1,650,000.00</u>
			<u>1,772,835.69</u>
Balance, December 31, 2023	C	\$	<u><u>19,702,942.30</u></u>

"C-5"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	C	\$	8,629.74
Increased by:			
2023 Budget Appropriation	C-2	\$	416,000.00
Improvement Authorizations Canceled	C-9		<u>8,835.41</u>
			<u>424,835.41</u>
		\$	<u>433,465.15</u>
Decreased by:			
Appropriated to Finance Improvements	C-9		<u>334,200.00</u>
Balance, December 31, 2023	C	\$	<u><u>99,265.15</u></u>



"C-7"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>ORDINANCE</u>	<u>CAPITAL PROJECT/PROGRAM</u>	BALANCE DECEMBER 31, <u>2022</u>	<u>DECREASED BY</u>	BALANCE DECEMBER 31, <u>2023</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
18-27	NJ Department of Transportation	82,750.00	82,750.00	
21-10	Community Development Block Grant	96,731.00	96,731.00	
21-10	Community Development Block Grant	77,442.00	77,442.00	
22-07	NJ Department of Transportation	442,500.00	331,875.00	110,625.00
22-07	Community Development Block Grant	<u>100,000.00</u>	<u>20,000.00</u>	<u>80,000.00</u>
		\$ <u>886,906.75</u>	\$ <u>608,798.00</u>	\$ <u>278,108.75</u>
	<u>REF.</u>	C		C
	Canceled	C-16	\$ 82,750.00	
	Receipts	C-2	<u>526,048.00</u>	
			\$ <u>608,798.00</u>	

"C-8"

SCHEDULE OF DEVELOPER CONTRIBUTIONS RECEIVABLE

<u>ORDINANCE</u>	<u>CAPITAL PROJECT/PROGRAM</u>	BALANCE DECEMBER 31, <u>2022</u>	BALANCE DECEMBER 31, <u>2023</u>
15-08	Various Improvements to Train Station	\$ <u>200,000.00</u>	\$ <u>200,000.00</u>
		\$ <u>200,000.00</u>	\$ <u>200,000.00</u>
	<u>REF.</u>	C	C



BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2023		INTEREST RATE	BALANCE DECEMBER 31, 2022	DECREASED	BALANCE DECEMBER 31, 2023						
			DATE	AMOUNT										
General Improvement Bonds	04/21/2016	\$ 9,747,000.00	02/01/2024	\$ 525,000.00	4.000%	\$ 7,350,000.00	\$ 500,000.00	\$ 6,850,000.00						
			02/01/2025	550,000.00	2.000%									
			02/01/2026	575,000.00	2.000%									
			02/01/2027	650,000.00	2.125%									
			02/01/2028	650,000.00	2.250%									
			02/01/2029	650,000.00	2.375%									
			02/01/2030	650,000.00	2.500%									
02/01/2031-2034	650,000.00	3.000%												
General Improvement Refunding Bonds	09/15/2016	4,830,000.00	02/15/2024	610,000.00	4.000%	2,425,000.00	610,000.00	1,815,000.00						
			02/15/2025	605,000.00	4.000%									
			02/15/2026	600,000.00	4.000%									
General Improvement Bonds	08/06/2020	4,660,000.00	08/01/2024	285,000.00	3.000%	4,140,000.00	260,000.00	3,880,000.00						
			08/01/2025	290,000.00	3.000%									
			08/01/2026	305,000.00	4.000%									
			08/01/2027	500,000.00	4.000%									
			08/01/2028	500,000.00	2.000%									
			08/01/2029	500,000.00	2.000%									
			08/01/2030	500,000.00	2.000%									
			08/01/2031	500,000.00	2.000%									
			08/01/2032	500,000.00	2.000%									
			08/01/2033	500,000.00	2.000%									
General Improvement Bonds	9/29/2022	7,230,000.00	08/01/2024	325,000.00	5.000%	7,230,000.00	280,000.00	6,950,000.00						
			08/01/2025	365,000.00	5.000%									
			08/01/2026	385,000.00	5.000%									
			08/01/2027	740,000.00	5.000%									
			08/01/2028	775,000.00	5.000%									
			08/01/2029	810,000.00	5.000%									
			08/01/2030	850,000.00	5.000%									
			08/01/2031	875,000.00	5.000%									
			08/01/2032	900,000.00	5.000%									
			08/01/2033	925,000.00	5.000%									
									\$ 21,145,000.00	\$ 1,650,000.00	\$ 19,495,000.00			

REF.

C

C-4

C

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2022</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2023</u>
21-10	Various Capital Acquisitions	08/19/21	08/17/22	08/17/23	3.15%	\$ 174,173.00	\$	\$ 174,173.00	\$ 1,567,500.00
22-25	Reconstruction & Improvements to Pool	12/20/23	12/20/23	09/13/24	3.975%		1,567,500.00		845,000.00
22-30	Acquisitions of Properties	12/20/23	12/20/23	09/13/24	3.975%		845,000.00		1,110,000.00
23-07	Acquisition of Property	12/20/23	12/20/23	09/13/24	3.975%		1,110,000.00		1,295,800.00
23-08	Various Capital Improvements	12/20/23	12/20/23	09/13/24	3.975%		1,295,800.00		1,425,000.00
23-041	Various Capital Improvements	12/20/23	12/20/23	09/13/24	3.975%		1,425,000.00		
						<u>\$ 174,173.00</u>	<u>\$ 6,243,300.00</u>	<u>\$ 174,173.00</u>	<u>\$ 6,243,300.00</u>
					<u>REF.</u>	<u>C</u>	<u>C-2</u>	<u>C-2</u>	<u>C:C-6</u>



"C-12"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	C	\$	1,664,074.07
Increased by:			
Charges to Improvement Authorizations	C-9		6,719,291.42
		\$	<u>8,383,365.49</u>
Decreased by:			
Disbursements	C-2	\$	3,060,530.73
Canceled	C-9		<u>92,917.50</u>
			<u>3,153,448.23</u>
Balance, December 31, 2023	C	\$	<u><u>5,229,917.26</u></u>

"C-13"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2022 (Due From)	C	\$	32,300.00
Increased by:			
Disbursements	C-2		75,733.32
		\$	<u>108,033.32</u>
Decreased by:			
Receipts	C-2	\$	<u>108,033.32</u>

"C-14"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2022	C	\$ 21,396.37
Decreased by:		
Payment on Loan	C-4	<u>10,641.27</u>
Balance, December 31, 2023	C	\$ <u><u>10,755.10</u></u>

"C-15"

SCHEDULE OF IMPROVEMENT AUTHORITY LOANS PAYABLE

Balance, December 31, 2022	C	\$ 178,081.64
Increased by:		
Improvement Authority Loans	C-4	<u>131,300.00</u>
		\$ <u>309,381.64</u>
Decreased by:		
Payment on Loans	C-4	<u>112,194.42</u>
Balance, December 31, 2023	C	\$ <u><u>197,187.22</u></u>

"C-16"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS CAPITAL RESERVES

<u>RESERVE</u>	<u>BALANCE</u> <u>DECEMBER 31</u> <u>2022</u>	<u>INCREASED BY</u>	<u>DECREASED BY</u>	<u>BALANCE</u> <u>DECEMBER 31</u> <u>2023</u>
New Jersey American Water	\$ 54,638.50	\$ 117,800.00	\$	\$ 172,438.50
Downpayment on Improvements		75,000.00	75,000.00	
Preliminary Expenses- Library	2,250.00			2,250.00
Debt Service		275,110.86		275,110.86
Grants Receivable	<u>886,906.75</u>		<u>522,380.23</u>	<u>364,526.52</u>
	<u>\$ 943,795.25</u>	<u>\$ 467,910.86</u>	<u>\$ 597,380.23</u>	<u>\$ 814,325.88</u>
<u>REF.</u>	C		C-9	C
Receipt- Downpayments on Improvements	C-2	\$ 75,000.00		
Transfer	C-16	265,457.23		
Receipts	C-2	<u>127,453.63</u>		
		<u>\$ 467,910.86</u>		
Improvement Authorizations	C-9		\$ 75,000.00	
Fund Balance	C-1		174,173.00	
Grants Receivable	C-7		82,750.00	
Transfer	C-16		<u>265,457.23</u>	
			<u>\$ 597,380.23</u>	

"C-17"

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF DUE GRANT FUND

	<u>REF.</u>	
Increased by:		
Disbursements	C-2	\$ 338,205.00
Decreased by:		
Receipts	C-2	<u>251,787.23</u>
Balance, December 31, 2023 (Due From)	C	\$ <u><u>86,417.77</u></u>

BOROUGH OF BOUND BROOK

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES  
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER 31, 2023</u>
12-19	Various Road Improvements	\$ 27,175.42
13-09	Repair to Church Street Culvert	1,745.24
14-11	Various Public Improvements	35,142.20
15-08	Various Improvements to Train Station	450,000.00
16-02	Road Reconstruction- Thompson Street	37,670.86
16-03	Sewer Repair and Rehabilitation	15,300.00
17-16	Renovations of Ball Field at Machine Rock Park	6,400.14
21-33	Acquisition of Real Property	295,000.00
22-07	Various Capital Improvements	542,500.00
		<hr/>
		\$ 1,410,933.86
		<hr/>

TOWNSHIP OF BOUND BROOK

SEWER UTILITY FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2022	D	\$ <u>6,343,450.18</u>	\$ <u>50,000.00</u>
Increased by Receipts:			
Sewer Charges Receivable	D-7	\$ 112,122.65	\$
Miscellaneous Revenue Not Anticipated	D-1:D-3	280,535.37	
Due Current Fund	D-10	2,007,483.02	
Sewer Overpayments	D-9	5,268.18	
		\$ <u>2,405,409.22</u>	\$
		\$ <u>8,748,859.40</u>	\$ <u>50,000.00</u>
Decreased by Disbursements:			
2022 Appropriation Reserves	D-15	\$ 3,031.67	
Refund of Prior Year Revenue	D-1	515.87	
Reserve for Sale of Sewer Utility- Current Fund MRA	D-8	1,841,814.27	
Sewer Overpayments	D-9	5,268.18	
Fund Balance	D-1	500,000.00	
Due Current Fund	D-10	2,000,000.00	
Due General Trust Fund	D-11	2,283.00	
		\$ <u>4,352,912.99</u>	\$
Balance, December 31, 2023	D:D-6	\$ <u><u>4,395,946.41</u></u>	\$ <u><u>50,000.00</u></u>

"D-6"

BOROUGH OF BOUND BROOK

SEWER UTILITY CAPITAL FUND

ANALYSIS OF CASH

BALANCE  
DECEMBER  
31, 2023

SEWER:  
Due Current Fund

\$ 50,000.00

\$ 50,000.00

REF.

D:D-5

"D-7"

BOROUGH OF BOUND BROOK

SEWER UTILITY OPERATING FUND

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ <u>112,122.65</u>
Decreased By:		
Collections	D-3:D-5	\$ <u>112,122.65</u>



"D-8"

BOROUGH OF BOUND BROOK  
SEWER UTILITY OPERATING FUND  
RESERVE FOR SALE OF SEWER UTILITY

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ 3,845,120.10
Decreased by:		
Miscellaneous Revenue Anticipated- Current Fund	D-5	<u>1,841,814.27</u>
Balance, December 31, 2023	D	\$ <u><u>2,003,305.83</u></u>

"D-9"

SCHEDULE OF SEWER OVERPAYMENTS

Increased by:		
Receipts	D-5	\$ <u>5,268.18</u>
Decreased by:		
Disbursements	D-5	\$ <u>5,268.18</u>

"D-10"

BOROUGH OF BOUND BROOK  
SEWER UTILITY OPERATING FUND  
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2022 (Due From)	D	\$ 7,483.02
Increased by:		
Disbursements	D-5	<u>2,000,000.00</u>
		\$ <u>2,007,483.02</u>
Decreased by:		
Receipts		\$ <u>2,007,483.02</u>

"D-11"

SCHEDULE OF DUE TRUST OTHER FUND

Balance, December 31, 2022 (Due To)	D	\$ <u>2,283.00</u>
Decreased by:		
Disbursements	D-5	\$ <u>2,283.00</u>

"D-12"

BOROUGH OF BOUND BROOK

SEWER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES/ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2022	D		\$ <u>8,448.83</u>
Decreased by:			
2022 Appropriation Reserves	D-15	\$ 2,340.00	
Canceled	D-1	<u>6,108.83</u>	
			\$ <u>8,448.83</u>

"D-13"

BOROUGH OF BOUND BROOK

SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2022	D	\$ <u>50,000.00</u>
Decreased by:		
Canceled to Current Fund	D-14	\$ <u>50,000.00</u>

"D-14"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DUE CURRENT FUND

Increased By:		
Capital Improvement Fund Canceled	D-13	\$ <u>50,000.00</u>
Balance, December 31, 2023	D	\$ <u><u>50,000.00</u></u>

BOROUGH OF BOUND BROOK

SEWER UTILITY FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2022</u>	<u>BALANCE AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
Operating:				
Salaries and Wages	\$ 38,032.16	\$ 38,032.16	\$	38,032.16
Other Expenses	153,263.82	155,603.82	2,000.00	153,603.82
Somerset Raritan Valley Sewerage Authority	493,494.55	493,494.55	1,031.67	492,462.88
Statutory Expenditures:				
Contribution to Social Security System	<u>7,609.46</u>	<u>7,609.46</u>		<u>7,609.46</u>
	<u>\$ 692,399.99</u>	<u>\$ 694,739.99</u>	<u>\$ 3,031.67</u>	<u>\$ 691,708.32</u>
<u>REF.</u>	<u>D</u>		<u>D-5</u>	<u>D-1</u>
Balance, December 31, 2022	\$	692,399.99		
Transfer of Encumbrances Payable		<u>2,340.00</u>		
	\$	<u>694,739.99</u>		

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BOROUGH OF BOUND BROOK

PART II

SINGLE AUDIT SECTION

REPORTS 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

REPORTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL AND STATE FINANCIAL  
ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND STATE OF  
NEW JERSEY OMB CIRCULAR 15-08

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND  
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL  
AWARDS AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS



**SUPLEE, CLOONEY & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail [info@scnco.com](mailto:info@scnco.com)

**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 08805

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Bound Brook, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated April 29, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Bound Brook prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory financial statements, we considered the Borough's 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's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough's internal control.

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



## SUPLEE, CLOONEY & COMPANY LLC

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 may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Borough'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 29, 2024



**SUPLEE, CLOONEY & COMPANY LLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE  
UNIFORM GUIDANCE AND STATE OF 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 08805

***Report on Compliance for Each Major Federal and State Program***

We have audited the Borough of Bound Brook's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB *State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Bound Brook's major federal and state programs for the year ended December 31, 2023. The Borough's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Bound Brook's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Bound Brook's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

## SUPLEE, CLOONEY & COMPANY LLC

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Bound Brook's compliance.

### ***Opinion on Each Major Federal and State Program***

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 federal and state programs for the year ended December 31, 2023.

### ***Report on Internal Control Over Compliance***

Management of the Borough of Bound Brook is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Bound Brook's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Bound Brook's 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 federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 federal or 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 federal or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 the Uniform Guidance and State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
REGISTERED MUNICIPAL ACCOUNTANT NO. 439

April 29, 2024

## BOROUGH OF BOUND BROOK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	FUNDS RECEIVED	2023 FUNDS EXPENDED	SUBRECIPIENT	CUMULATIVE EXPENDITURES DECEMBER 31, 2023
<u>U.S. Department of Transportation</u>								
Train Station	20.205			\$ 1,000,000.00	\$ 870,102.98	\$ 1,303,975.42		\$ 2,598,624.42
Bound Brook Train Station Waiting Room & Platform Extension	20.205	2021-DT-BLA-306	4/7/22 12/31/27	2,598,624.42				
<u>Total U.S. Department of Transportation</u>				\$	\$ 870,102.98	\$ 1,303,975.42		\$ 2,598,624.42
<u>U.S. Department of Agriculture</u>								
USDA- Rural Development	10.516			30,400.00	\$ 30,400.00	\$		\$ 30,400.00
USDA- Rural Development	10.516			20,800.00				
Community Facility Direct Loans and Grants (Body Worn Cameras)	10.766		1/1/21 12/31/21	24,200.00	24,200.00			24,200.00
<u>Total U.S. Department of Agriculture</u>				\$	\$ 54,600.00	\$		\$ 54,600.00
<u>U.S. Department of Law and Public Safety</u>								
Distracted Driving Incentive	20.616		1/1/15 12/31/15	5,500.00				
<u>U.S. Department of Justice</u>								
Bulletproof Vest Partnership	16.607		1/1/22 12/31/22	4,602.00	\$ 4,602.00	\$ 2,725.89		\$ 4,602.00
Bulletproof Vest Partnership	16.607		1/1/23 12/31/23	3,361.95	3,361.95	1,420.48		1,420.48
Bulletproof Vest Partnership - Unappropriated	16.607		1/1/23 12/31/23	2,138.00	2,138.00			
<u>U.S. Department of Homeland Security</u>								
Bound Brook Borough DR 4614 Management Costs	97.036	PA-02-NJ-4614-PW-00876	9/5/21 9/5/29	7,462.96	\$ 2,185.69	\$		\$ 7,462.96
Donated Emergency Protective Measures	97.036	PA-02-NJ-4614-PW-00549	9/5/21 3/5/22	4,317.30				
Emergency Management Assistance	97.042	1200-100-066-1200-264-YEMR-6120	1/31/13 12/31/13	5,000.00				1,805.38
Firefighters EMS	97.044	DHS-20-GPD-044-00-98	5/1/21 4/30/23	86,552.38		56,000.00		86,552.38
Firefighters EMS	97.044		5/1/22 4/30/24	107,142.85		106,802.20		106,802.20
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	DHS-21-GPD-083-00-99	6/1/22 5/31/23	80,000.00	43,060.00	23,305.00		65,630.00
<u>Total U.S. Department of Homeland Security</u>				\$	\$ 45,245.69	\$ 186,107.20		\$ 268,252.92
<u>U.S. Department of Housing and Urban Development</u>								
Community Development Block Grant - 2019	14.218			96,731.00	\$ 96,731.00	\$		\$ 96,731.00
Community Development Block Grant - 2020	14.218			77,442.00	77,442.00			77,442.00
Community Development Block Grant - 2022	14.218			100,000.00	20,000.00	20,000.00		20,000.00
CDBG - East Second Street	14.218			100,000.00		100,000.00		100,000.00
CDBG - Library HVAC	14.218			223,277.28		223,277.28		223,277.28
<u>GRAND TOTAL</u>				\$	\$ 1,174,223.62	\$ 1,839,506.27		\$ 3,446,950.10

BOROUGH OF BOUND BROOK

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2023		CUMULATIVE EXPENDITURE DECEMBER 31, 2022
		FROM	TO		FUNDS RECEIVED	FUNDS EXPENDED	
<u>Department of Environmental Protection</u>							
Clean Communities Program - 2021	4900-765-042-4900-004VCMC-6020	Continuous		\$ 16,939.34	\$	8,469.67	\$ 16,939.34
Clean Communities Program - 2022	4900-765-042-4900-004VCMC-6020	Continuous		18,664.02		3,008.11	3,008.11
Clean Communities Program - 2023	4900-765-042-4900-004VCMC-6020	Continuous		20,934.10	20,934.10		
It Pays to Plug In - NJ Electric Vehicle program				30,000.00			30,000.00
N.J. Forest Service - Community Forestry Program - 2022				30,000.00	29,835.00		16,370.39
Recycling Tonnage Grant - 2019	4900-752-042-4900-001-VREV-6020	Continuous		9,816.28			8,799.06
Recycling Tonnage Grant - 2020	4900-752-042-4900-001-VREV-6020	Continuous		4,811.90			
Recycling Tonnage Grant - 2021	4900-752-042-4900-001-VREV-6020	Continuous		6,156.28			
Recycling Tonnage Grant - 2022	4900-752-042-4900-001-VREV-6020	Continuous		5,458.54			
Recycling Tonnage Grant - 2023	4900-752-042-4900-001-VREV-6020	Continuous		6,088.08	6,088.08		
Total Department of Environmental Protection				\$	\$ 56,857.18	\$ 11,477.78	\$ 75,116.90
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund - 2013	1110-101-030000-129040	Continuous		5,901.92	\$	4,542.08	\$ 5,901.92
Drunk Driving Enforcement Fund - 2014	1110-101-030000-129040	Continuous		4,100.00		4,100.00	
Drunk Driving Enforcement Fund - 2015	1110-101-030000-129040	Continuous		14,441.87		12,357.37	12,357.37
Drunk Driving Enforcement Fund - 2017	1110-101-030000-129040	Continuous		13,602.56			
Drunk Driving Enforcement Fund - 2019	1110-101-030000-129040	Continuous		13,037.99			
				\$	\$	20,999.45	\$ 22,359.29
Alcohol Education Rehabilitation Fund - 2019	9735-760-Y900-001-6020	Continuous		22,415.50	\$	9,351.96	\$ 22,415.50
Alcohol Education Rehabilitation Fund - 2021	9735-760-Y900-001-6020	Continuous		916.89		916.89	
Alcohol Education Rehabilitation Fund - 2023	9735-760-Y900-001-6020	Continuous		1,946.92		44.65	44.65
				\$	\$ 1,946.92	\$ 10,313.50	\$ 23,377.04
Body Armor Replacement Fund - 2022	1020-718-066-1020-001-6120	Continuous		1,407.83	\$	56.73	\$ 1,407.83
Body Armor Replacement Fund - 2023	1020-718-066-1020-001-6120	Continuous		1,842.93	1,842.93		1,842.93
Body Armor Replacement Fund - Unappropriated	1020-718-066-1020-001-6120	Continuous		2,227.68	2,227.68		
Drive Sober or Get Pulled Over - 2016				3,450.00			3,300.00
Drive Sober or Get Pulled Over - 2017				1,550.00			
SFY 21 Body Worn Camera Grant Program	1020-100-066-1020-495	Continuous		50,950.00	\$	1,899.66	\$ 50,950.00
				\$	\$ 4,070.61	\$ 57,500.76	
Total Department of Law and Public Safety				\$	\$ 6,017.53	\$ 33,212.61	\$ 103,237.09
<u>Department of Community Affairs</u>							
Recreation Improvements				141,000.00	\$	141,000.00	\$ 141,000.00
Lead Grant Assistance Program (LGAP) Housing				21,000.00	21,000.00		
Domestic Abuse Violence				5,252.16			829.52
				\$	\$ 21,000.00	\$ 141,000.00	\$ 141,829.52
Total Department of Community Affairs							
<u>Department of Transportation</u>							
Safe Routes to Schools				517,000.00	\$	\$	\$
Safe Corridors				14,391.31			
State Aid Highway Projects - West Second Street- 2020	480-078-6320-AN8-TCAP-6010	Continuous		300,760.00		300,760.00	300,760.00
State Aid Highway Projects - West Second Street- 2021	6320-480-078-AOP-2021	Continuous		470,123.00	245,457.23		376,373.00
State Aid Highway Projects - West Second Street- 2022	6320-480-078-AO1-2022	Continuous		442,500.00	331,875.00		
State Aid Highway Projects - West Franklin Street - Winsor to Livingston		Continuous		337,210.00			
State Aid Highway Projects - West Franklin Street - Winsor to John Street		Continuous		491,309.00			
Transportation Enhancement Program:				200,000.00			200,000.00
West Maple Street		Continuous		166,000.00			166,000.00
Main Street		Continuous					
Total Department of Transportation				\$	\$ 577,332.23	\$ 300,760.00	\$ 1,043,133.00

BOROUGH OF BOUND BROOK

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2023

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2023 FUNDS RECEIVED	FUNDS EXPENDED	CUMULATIVE EXPENDITURES DECEMBER 31, 2023
Department of Human Services						
National Opioids Settlement		Continuous	\$ 27,294.27	\$ 27,294.27	\$	
National Opioids Settlement - Unappropriated		Continuous	1,307.02	1,307.02		
Total Department of Human Services				\$ 28,601.29	\$	
New Jersey State Library						
Library Construction Bond Act		Continuous	256,040.16	\$	256,040.16	256,040.16
GRAND TOTAL				\$ 689,808.23	\$ 742,490.55	1,619,356.67

The accompanying notes to schedules of financial assistance are an integral part of this schedule.

BOROUGH OF BOUND BROOK

NOTES TO THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2023

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Borough of Bound Brook, County of Somerset, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other governmental agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - regulatory basis. The Borough has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial reports.

#### NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's regulatory basis financial statements. All of these amounts are reported in either the Current Fund, Grant Fund or the General Capital fund.

Receipts:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$2,185.69			\$2,185.69
Grant Fund	977,864.93	\$357,933.23	\$465,415.50	1,801,213.66
General Capital Fund	<u>194,173.00</u>	<u>331,875.00</u>		<u>526,048.00</u>
	<u>\$1,174,223.62</u>	<u>\$689,808.23</u>	<u>\$465,415.50</u>	<u>\$2,329,447.35</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Grant Fund	\$1,819,506.27	\$769,170.50	\$481,265.46	\$3,069,942.23
General Capital Fund	<u>20,000.00</u>			<u>20,000.00</u>
	<u>\$1,839,506.27</u>	<u>\$769,170.50</u>	<u>\$481,265.46</u>	<u>\$3,089,942.23</u>

#### NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.



BOROUGH OF BOUND BROOK  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Section I - Summary of Auditor's Results**

**Financial Statements**

- |  |            |
|--|------------|
| (1) Type of Auditor Report Issued:   | Unmodified |
| (2) Internal Control Over Financial Reporting:                                       |            |
| (a) Material weaknesses identified?  | No         |
| (b) Significant deficiencies that are not considered to be material weaknesses?      | No         |
| (3) Noncompliance material to the financial statements to be noted during the audit? | No         |

**Federal Programs(s)**

- |   |                           |                           |  |        |  |
|---|---------------------------|---------------------------|--|--------|--|
| (1) Internal Control Over Major Federal Programs:   |                           |                           |  |        |  |
| (a) Material weaknesses identified during the audit?  | No                        |                           |  |        |  |
| (b) Significant deficiencies identified that are not considered to be material weaknesses?  | No                        |                           |  |        |  |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)?   | Unmodified                |                           |  |        |  |
| (3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule?   | No                        |                           |  |        |  |
| (4) Identification of Major Federal Program(s):   |                           |                           |  |        |  |
| <table border="0" style="margin-left: auto; margin-right: auto;"><tr><td style="text-align: center;"><u>Program</u></td><td style="text-align: center;"><u>Assistance Listing</u></td></tr><tr><td style="text-align: center;">Train Station Waiting Room<br/>And Platform Extension</td><td style="text-align: center;">21.025</td></tr></table> | <u>Program</u>            | <u>Assistance Listing</u> | Train Station Waiting Room<br>And Platform Extension | 21.025 |  |
| <u>Program</u>  | <u>Assistance Listing</u> |                           |  |        |  |
| Train Station Waiting Room<br>And Platform Extension  | 21.025                    |                           |  |        |  |
| (5) Program Threshold Determination:  |                           |                           |  |        |  |
| Type A Federal Program Threshold > \$750,000.00   |                           |                           |  |        |  |
| Type B Federal Program Threshold <= \$750,000.00  |                           |                           |  |        |  |
| (6) Auditee qualified as a low-risk auditee under the Uniform Guidance?   | No                        |                           |  |        |  |

BOROUGH OF BOUND BROOK  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Section I - Summary of Auditor's Results (Continued)**

**State Program(s)**

(1) Internal Control Over Major State Programs:

(a) Material weaknesses identified? No

(b) Significant deficiencies that are not considered to be material weaknesses? No

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified

(3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB 15-08 and listed in Section III of this schedule? No

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Grant/Project Number</u>
Library Construction Bond Act	N/A
Department of Transportation West Second Street	6320-480-078-AN8-TCAP-6010

(5) Program Threshold Determination:

Type A State Program Threshold > \$750,000.00

Type B State Program Threshold <= \$750,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? No

BOROUGH OF BOUND BROOK  
SOMERSET COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported.

**Compliance Findings**

None Reported

**Section III - Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs - None Reported

State Programs - None Reported

**Status of Prior Year Audit Findings** - Not Applicable

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PART III

BOROUGH OF BOUND BROOK

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - CURRENT FUND

	YEAR 2023		YEAR 2022	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,307,033.00	3.13%	\$ 983,673.08	2.55%
Miscellaneous - From Other Than				
Local Property Tax Levies	12,481,149.64	29.86%	11,018,748.18	28.55%
Collection of Delinquent Taxes				
and Tax Title Liens	576,542.64	1.38%	329,736.83	0.85%
Collections of Current Tax Levy	27,431,194.21	65.63%	26,263,105.42	68.05%
<u>Total Revenue</u>	<u>\$ 41,795,919.49</u>	<u>100.00%</u>	<u>\$ 38,595,263.51</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 20,664,742.00	51.01%	\$ 16,865,503.42	46.81%
County Taxes	4,173,369.85	10.30%	3,917,966.01	10.87%
Local School Taxes	13,988,613.00	34.53%	13,695,255.00	38.01%
Special Improvement District Taxes	243,542.72	0.60%	159,386.00	0.44%
Other Expenditures	1,441,229.81	3.56%	1,389,703.54	3.87%
<u>Total Expenditures</u>	<u>\$ 40,511,497.38</u>	<u>100.00%</u>	<u>\$ 36,027,813.97</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,284,422.11		\$ 2,567,449.54	
Adjustments to Income Before Fund Balance;				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	\$ 75,000.00		142,500.00	
Excess in Revenue	\$ 1,359,422.11		\$ 2,709,949.54	
Fund Balance - January 1	5,918,624.66		4,192,348.20	
	\$ 7,278,046.77		\$ 6,902,297.74	
Less: Utilization as Anticipated Revenue	1,307,033.00		983,673.08	
Fund Balance, December 31	<u>\$ 5,971,013.77</u>		<u>\$ 5,918,624.66</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGE IN FUND BALANCE - SEWER UTILITY OPERATING FUND

	YEAR 2023		YEAR 2022	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Sewer Use Charges	\$ 112,122.65	10.28%	\$ 1,874,114.91	58.01%
Miscellaneous	978,352.52	89.72%	1,356,514.96	41.99%
<u>Total Revenue</u>	<u>\$ 1,090,475.17</u>	<u>100.00%</u>	<u>\$ 3,230,629.87</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$		\$ 1,670,000.00	98.47%
Deferred Charges and Statutory Expenditures			20,000.00	1.18%
Revenue Anticipated- Current Fund	500,000.00	99.90%		
Miscellaneous	515.87	0.10%	5,869.99	0.35%
<u>Total Expenditures</u>	<u>\$ 500,515.87</u>	<u>100.00%</u>	<u>\$ 1,695,869.99</u>	<u>100.00%</u>
Excess in Revenue	\$ 589,959.30		\$ 1,534,759.88	
Fund Balance, January 1	1,802,681.28		267,921.40	
Fund Balance, December 31	<u>\$ 2,392,640.58</u>		<u>\$ 1,802,681.28</u>	

### COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$2.358</u>	<u>\$2.488</u>	<u>\$2.814</u>
Municipal	\$0.800	\$0.845	\$0.957
County	0.358	0.365	0.391
Local School	1.200	1.278	1.466

### ASSESSED VALUATIONS:

2023	<u>\$1,166,160,100.00</u>		
2022		<u>\$1,071,574,900.00</u>	
2021			<u>\$932,539,306.00</u>

### COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2023	\$27,771,267.45	\$27,431,194.21	98.77%
2022	\$26,903,367.87	\$26,263,105.42	97.62%
2021	\$26,407,663.90	\$26,035,312.50	98.58%



### DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$51,086.01	\$272,537.58	\$323,623.59	1.17%
2022	\$46,916.20	\$576,542.64	\$623,458.84	2.32%
2021	\$43,060.71	\$358,682.16	\$401,742.87	1.52%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired, reported or recorded as of December 31, 2023 by foreclosure or deed.

### COMPARISON OF REFUSE BILLINGS AND COLLECTIONS (COMPONENT OF CURRENT FUND)

<u>Year</u>	<u>BILLINGS</u>	<u>COLLECTIONS</u>
2023	\$843,237.60	\$841,792.48
2022	781,093.72	726,376.34
2021	638,770.00	590,590.96

### COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2023	\$5,971,013.77	\$1,351,980.00
	2022	5,918,624.66	1,307,033.00
	2021	4,192,348.20	983,673.08
	2020	3,107,383.65	800,000.00
	2019	2,778,159.05	865,943.20

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
David Morris	Mayor		
Abel Gomez	Council Member - President		
Linda Brnicevic	Council Member		
Dominic Longo	Council Member		
Kendall Lopez	Council Member		
Vinnie Petti	Council Member		
Anthony Pranzatelli	Council Member		
Hector Herrera	Administrator/ Qualified Puchasing Agent	*	
Jasmine McCoy	Borough Clerk, Assistant Administrator	*	
Natasha Turchan	Chief Financial Officer	*	
Jodi Schneider	Tax Collector	*	
Michael Imbriaco	Tax Assessor	*	
Vito Bet	Chief of Police to April 1, 2023	*	
Richard Colombaroni	Chief of Police from April 1, 2023	*	
Michael Fedun, Esq	Magistrate	*	
Valarie Vasquez	Court Administrator	*	
Decotis, Fitzpatrick, Cole & Giblin, LLP	Borough Attorney		
Dale Leubner	Superintendent of Public Works	*	
Joe Costa	Director/ Code Enforcement Officer to June 30, 2023	*	
Stephen Rodzinak	Director/ Code Enforcement Officer from June 19, 2023	*	
Jim Ayotte	Construction Code Official	*	

\*All officials and employees handling and collecting Borough funds are covered by a blanket position bond for faithful performance for \$1,000,000.00 through Middlesex County Municipal Joint Insurance Fund.

All of the bonds were examined and were properly executed.

COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

### CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the 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 amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c. 198 (C.40A:11-3), except by contract or agreement.

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 was increased to \$44,000.00 with a qualified purchasing agent. The Borough formally increased their bid threshold to \$44,000.00 on April 12, 2022.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Council's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

- Road Improvement Program
- Crossing Guard Services
- Pool Renovations Project
- Borough Library Interior and Exterior Repairs

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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 or 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, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, 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

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

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

WHEREAS, R.S. 54:4-67 as amended by Chapter 435, P.L. 1979 (approved February 14, 1980) allows the governing body to modify the rate of interest on delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Bound Brook, County of Somerset, that the interest rate for delinquent taxes shall be 0% if payment is made within ten (10) days after due date, 8% per annum on first \$1,500.00 of delinquency and 18% per annum on any amount in excess on \$1,500.00, said interest to be calculated from the date the tax was payable until the date of actual payment.

WHEREAS, Chapter 75 of P.L. 1991, effective March 29, 1991, also known as N.J.S.A. 54:5-67 provides that the governing body may provide a penalty to a taxpayer with a delinquency in excess of \$10,000.00, who fails to pay that delinquency prior to the end of the calendar year, said penalty not to exceed 6% of the amount of the delinquency; and

WHEREAS, said penalty shall be applied to all taxes owned by an individual taxpayer regardless of the number of parcels involved; and

WHEREAS, the Borough Council has reviewed this statute.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Bound Brook, in the County of Somerset, New Jersey that the Tax Collector is hereby authorized and directed to charge a penalty of 6% of the amount of the delinquency in excess of \$10,000.00 due at the end of the calendar year.

BE IT FURTHER RESOLVED that this resolution shall be renewed by the Borough Council on an annual basis at the reorganization meeting.

## DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 1, 2023 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

	<u>NUMBER OF LIENS</u>
2023	1
2022	1
2021	1

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

## VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>TYPE</u>	
Payment of 2024 Taxes	50
Payment of 2023 Taxes	50
Delinquent Taxes	25

## OTHER COMMENTS

### Interfund Balances

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

NONE





