

**PRELIMINARY OFFICIAL STATEMENT DATED APRIL 14, 2026**

**NEW ISSUE**  
**BOOK-ENTRY ONLY**

**RATING: S&P “SP-1+”**  
**(see “RATING” herein)**

*In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”) applicable to the Notes and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In the further opinion of Bond Counsel, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code, however, interest on the Notes is included in “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Notes, interest on the Notes and gain from the sale thereof are excludable from gross income under the New Jersey Gross Income Tax Act. See “TAX MATTERS” herein.*

**\$17,435,000**  
**BOROUGH OF BEACH HAVEN**  
**IN THE COUNTY OF OCEAN, NEW JERSEY**  
**BOND ANTICIPATION NOTES, SERIES 2026**  
**Consisting of:**  
**\$12,990,000 General Improvement Bond Anticipation Notes**  
**\$2,750,000 Water Utility Bond Anticipation Notes**  
**\$1,695,000 Sewer Utility Bond Anticipation Notes**  
**(Non-Callable)**  
**Coupon: \_\_\_ % Yield: \_\_\_ % CUSIP\*: \_\_\_\_\_**

**Dated:** Date of Delivery

**Due:** April 29, 2027

The \$17,435,000 Bond Anticipation Notes, Series 2026 consisting of \$12,990,000 General Improvement Bond Anticipation Notes (the “General Improvement Notes”), \$2,750,000 Water Utility Bond Anticipation Notes (the “Water Utility Notes”) and \$1,695,000 Sewer Utility Bond Anticipation Notes (the “Sewer Utility Notes”, and together with the General Improvement Notes and the Water Utility Notes, the “Notes”) are general obligations of the Borough of Beach Haven, in the County of Ocean, State of New Jersey (the “Borough”). The Notes will constitute general obligations of the Borough for the payment of the principal of and interest on which the full faith, credit and taxing power of the Borough is available, and all the taxable real property within the Borough is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for such purposes.

The Notes will be issued in fully registered book-entry only form and, when issued, will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC, an automated depository for securities and clearing house for securities transactions, will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form in the principal amount of \$1,000 or any integral multiple thereof with a minimum of \$5,000.

Principal of and interest on the Notes is payable on the due date, as shown above. As long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payment of the principal and interest on the Notes will be made by the Borough directly to DTC or its nominee, Cede & Co. The Notes are not subject to redemption prior to maturity.

The Notes are authorized by, and are issued pursuant to, the provisions of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., as amended and supplemented (the “Local Bond Law”), and various bond ordinances duly adopted by the Borough Council as set forth herein.

The Notes, along with other available funds of the Borough, are being issued to: (i) refund, on a current basis, the Borough’s \$15,200,000 Bond Anticipation Notes which were issued on April 30, 2025 and which mature on April 30, 2026 (the “Prior Notes”); (ii) temporarily finance various new improvements in the amount of \$4,115,000; and (iii) pay the costs of issuing the Notes.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Notes are offered when, as and if received by the purchaser and subject to prior sale, withdrawal or modification of the offer without notice, and to approval of legality by Windels Marx Lane & Mittendorf, LLP, New Brunswick, New Jersey, Bond Counsel, and certain other conditions described herein. Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Notes. It is expected that the Notes, in definitive form, will be available for delivery on or about April 29, 2026.

**BIDS FOR THE NOTES, IN ACCORDANCE WITH THE FULL NOTICE OF SALE  
FOR THE NOTES, WILL BE RECEIVED ON APRIL 21, 2026.**

\*Registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP number listed above is being provided solely for the convenience of Noteholders only at the time of issuance of the Notes and the Borough does not make any representation with respect to such number or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP number is subject to being changed after the issuance of the Notes as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to the Notes.

**BOROUGH OF BEACH HAVEN  
IN THE COUNTY OF OCEAN, NEW JERSEY  
300 ENGLSIDE AVENUE  
BEACH HAVEN, NEW JERSEY 08008  
(609) 492-0111**

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Hamilton, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough to give any information or to make any representations with respect to the Notes other than those contained in this document, and, if given or made, such information or representations must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation of warranty by the Purchaser or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this document to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein.

This document does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this document. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough.

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**OFFICIAL STATEMENT  
OF  
BOROUGH OF BEACH HAVEN  
IN THE COUNTY OF OCEAN, NEW JERSEY**

**RELATING TO**

**\$17,435,000  
BOND ANTICIPATION NOTES, SERIES 2026  
Consisting of:  
\$12,990,000 General Improvement Bond Anticipation Notes  
\$2,750,000 Water Utility Bond Anticipation Notes  
\$1,695,000 Sewer Utility Bond Anticipation Notes  
(Non-Callable)**

**INTRODUCTION**

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Beach Haven (the “Borough”), in the County of Ocean (the “County”), State of New Jersey (the “State”) in connection with the sale and issuance of the \$17,435,000 Bond Anticipation Notes, Series 2026 consisting of \$12,990,000 General Improvement Bond Anticipation Notes (the “General Improvement Notes”), \$2,750,000 Water Utility Bond Anticipation Notes (the “Water Utility Notes”) and \$1,695,000 Sewer Utility Bond Anticipation Notes (the “Sewer Utility Notes”, and together with the General Improvement Notes and the Water Utility Notes, the “Notes”) of the Borough.

**THE NOTES**

**General Description**

The Notes will be dated the date of delivery and will mature on the due date, as shown on the front cover hereof. The interest on the Notes will be payable on the due date as shown on the front cover page. The Notes will be issued in book-entry form only.

The Notes are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and interest thereon. The Borough is obligated to levy *ad valorem* taxes upon all of the taxable property within the Borough for the payment of principal of and interest on the Notes without limitation as to rate or amount.

**Denominations and Place of Payment**

The Notes are issuable only as fully registered Notes without coupons, and when issued will be in the form of one certificate in the aggregate principal amount of the Notes and will be registered in the name of Cede & Co., as registered owner and nominee for the Depository Trust Company (“DTC”), Brooklyn, New York. DTC will act as Securities Depository for the Notes. Purchase of the Notes will be made in book entry form, in the denomination of \$1,000 or any integral multiple thereof with a minimum of \$5,000. Purchasers will not receive certificates representing their interest in Notes purchased. So long as Cede & Co. is the registered owner, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Notes. See “Book-Entry-Only System” herein.

## Optional Redemption

The Notes are not subject to redemption prior to their stated maturity.

## AUTHORIZATION AND USE OF PROCEEDS

The Notes are authorized and being issued pursuant to the Local Bond Law of the State of New Jersey (N.J.S.A. 40A:2-1 et seq.) (the “Local Bond Law”), and the acts amendatory thereof and supplemental thereto, and various bond ordinances of the Borough.

The Notes, along with other available funds of the Borough, are being issued to: (i) refund, on a current basis, the Borough’s \$15,200,000 Bond Anticipation Notes which were issued on April 30, 2025 and which mature on April 30, 2026 (the “Prior Notes”); (ii) temporarily finance various new improvements in and by the Borough in the amount of \$4,115,000; and (iii) pay the costs of issuing the Notes.

The Notes and the improvements or purposes for which the Notes are to be issued have been authorized by bond ordinances duly adopted by the Borough, which ordinances are described in the following table by ordinance number, description and amount of Prior Notes being refunded with the Notes:

### General Improvement Notes

<b>Ordinance No.</b>	<b>Purpose</b>	<b>Amount of Prior Notes Being Refunded with the Notes</b>	<b>Paydown</b>	<b>Amount of New Money</b>
2013-15/ 2020-21/2021-36	Various Capital Improvements and Acquisitions	\$786,000	\$300,000	\$0
2016-13/2017-31	Additional renovations to the municipal building	428,000	30,000	0
2017-28	Various Capital Improvements and Acquisitions	194,000	100,000	0
2018-30	Various Capital Improvements	333,000	150,000	0
2019-34	Various Capital Improvements	391,250	150,000	0
2020-20	Various Capital Improvements and Acquisitions	405,750	100,000	0
2021-35/2023-19	Various Capital Improvements and Acquisitions	674,000	130,000	0
2022-17	Acquisition of one (1) trash collection truck	279,000	30,000	0
2022-22	Various Capital Improvements and Acquisitions	716,000	70,000	0
2022-25/ 2024-41/2025-20	Improvements and Renovations to Energy Operations Center	5,203,000	200,000	1,542,000
2023-32	Various Capital Improvements	600,000	30,000	686,000
2024-38	Various Capital Improvements	600,000	0	652,000
2025-05	Various Capital Improvements	790,000	0	0
<b>Sub-Total:</b>		<u>\$11,400,000</u>	<u>\$1,290,000</u>	<u>\$2,880,000</u>
<b>Total General Improvement Notes:</b>				<u><b>\$12,990,000</b></u>

**Water Utility Notes**

<b><u>Ordinance No.</u></b>	<b><u>Purpose</u></b>	<b><u>Amount of Prior Notes Being Refunded with the Notes</u></b>	<b><u>Paydown</u></b>	<b><u>Amount of New Money</u></b>
2014-14	Various Water System Improvements	\$370,000	\$50,000	\$0
2015-23	Various Water System Improvements	260,000	50,000	0
2016-21	Various Water System Improvements	200,000	50,000	0
2021-37	Various Water System Improvements	416,000	50,000	0
2022-07	Various Water System Improvements	950,000	100,000	0
2022-23	Various Water System Improvements	220,000	50,000	0
2023-34	Various Water System Improvements	484,000	50,000	0
2025-24	Various Water System Improvements	<u>0</u>	<u>0</u>	<u>250,000</u>
<b>Sub-Total:</b>		<u>\$2,900,000</u>	<u>400,000</u>	<u>\$250,000</u>
<b>Total Water Utility Notes:</b>				<u><b>\$2,750,000</b></u>

**Sewer Utility Notes**

<b><u>Ordinance No.</u></b>	<b><u>Purpose</u></b>	<b><u>Amount of Prior Notes Being Refunded with the Notes</u></b>	<b><u>Paydown</u></b>	<b><u>Amount of New Money</u></b>
2023-33	Various Sewer System Improvements	\$900,000	\$190,000	\$0
2024-39	Various Sewer System Improvements	<u>0</u>	<u>0</u>	<u>985,000</u>
		<u>\$900,000</u>	<u>\$190,000</u>	<u>\$985,000</u>
<b>Total Sewer Utility Notes:</b>				<u><b>\$1,695,000</b></u>
<b>Total Notes:</b>				<u><b>\$17,435,000</b></u>

**SECURITY FOR THE NOTES**

The Notes are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal, redemption premium, if any, and the interest on the Notes. The Borough is required by law to levy *ad valorem* taxes on all taxable real property in the Borough for the payment of the principal, redemption premium, if any, of and the interest on the Notes, without limitation as to rate or amount.

**The Borough**

The Borough, primarily a residential community, is located on Long Beach Island. See Appendix “A” for general information regarding the Borough.

## **CERTAIN RISK FACTORS**

### **Cyber Security**

The Borough relies on a complex technology environment to conduct its various operations. As a result, the Borough faces certain cyber security threats at various times including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and digital networks and systems. To mitigate the risks of business operations impact and/or damage from cybersecurity incidents or cyberattacks, the Borough has invested in multiple forms of cybersecurity and operational safeguards. In addition, the Borough maintains insurance coverage for cyberattacks and related events.

### **Climate**

As a coastal community, the Borough is susceptible to the effects of extreme weather events and natural disasters, including coastal storms and flooding, which could result in negative economic impacts. These effects may be amplified by a prolonged global temperature increase over the next several decades (referred to as "climate change"), which scientific studies indicate may be occurring. Scientific studies on climate change predict that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, and extreme weather events like Superstorm Sandy (which impacted the Borough in 2012) will become more frequent. Coastal areas like the Borough are at risk of substantial flood damage over time, potentially affecting private development and public infrastructure. The economic impacts resulting from such extreme weather events could include a loss of ad valorem tax revenue, interruption of municipal services, and escalated recovery costs. No assurance can be given as to whether future extreme weather events will occur that could materially adversely affect the financial condition of the Borough.

## **BOOK-ENTRY-ONLY SYSTEM**

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners (as each such term is hereinafter defined), confirmation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Borough. Accordingly, the Borough does not make any representations as to the completeness or accuracy of such information.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued in the aggregate principal amount of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct

Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough or its designated Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Notes, if any, will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the

Borough or its designated Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Borough, or the Borough's designated Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or its designated Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Borough or its designated Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

**NEITHER THE BOROUGH NOR ITS DESIGNATED PAYING AGENT WILL HAVE THE RESPONSIBILITY OR OBLIGATION TO THE DIRECT PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DIRECT PARTICIPANTS, OR THE INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.**

**SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.**

#### **Discontinuance of Book-Entry Only System**

In the event that the book-entry only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Borough or its designated paying agent; (ii) the transfer of Notes may be registered on the books maintained by the paying agent for such purposes only upon the surrender thereof to the Borough, or its designated paying agent, together with the duly executed assignment in form satisfactory to the Borough, or its designated paying agent; and (iii) for every exchange or registration of transfer of Notes, the Borough or its designated paying agent, may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes.

## **MUNICIPAL FINANCE – FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES**

### **Local Bond Law (N.J.S.A. 40A:2-1 et seq.)**

The Local Bond Law governs the issuance of bonds to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments, with no annual principal payment greater than 100% of the smallest amount of any prior year's principal amount. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds issued by the Borough are general full faith and credit obligations.

### **Debt Limits**

The authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3½% of its average equalized valuation basis over the past three years. The equalized valuation basis of a municipality is set by statute as the average for the last three preceding years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as determined annually by the State Director of Taxation. Certain categories of debt, which include the portion of school debt within a school district's debt limitation and the self-liquidating portion of a utility's debt, are permitted by statute to be deducted for purposes of computing the statutory debt limit. As shown in Appendix "A", the Borough has not exceeded its statutory debt limit as of December 31, 2025.

### **Exceptions to Debt Limits - Extensions of Credit**

The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Borough, without approval of the Local Finance Board, to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

### **Short Term Financing**

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for one year periods, with the last date of issuance not to exceed ten years and four months from the original issuance date. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

## **The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)**

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division ("Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations.

Tax Anticipation Notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

The Local Budget Law (N.J.S.A. 40A:4-26) provides that no miscellaneous revenues from any source may be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director determines that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and certifies that determination to the local unit.

No budget or budget amendment may be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality's calendar year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of a local unit. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparation and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three (3) months of a current fiscal year, appropriation reserves may be transferred to the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two (2) months of a current fiscal year. Such transfers must be approved by two-thirds of the full membership of the governing body of a local governmental unit. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

A provision of law known as the New Jersey "Cap Law" (N.J.S.A. 40A:4-45.1 et seq.) imposes limitations on increases in municipal appropriations subject to various exceptions. The payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the "Index Rate" if the index rate is greater than 2.5%. The "Index Rate" is the rate of annual percentage increase, rounded to the nearest one-half percent, in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other things including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Counties are also prohibited from increasing their tax levies by more than the lesser of 2.5% or the Index Rate subject to certain exceptions. Municipalities by ordinance approved by a majority of the full membership of the governing body may increase appropriations up to 3.5% over the prior year's appropriation and counties by resolution approved by a majority of the full membership of the governing body may increase the tax levy up to 3.5% over the prior years' tax levy in years when the Index Rate is 2.4% or less.

Additionally, legislation constituting P.L. 2010, c. 44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division has advised that counties and municipalities must comply with both budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the Borough to levy ad valorem taxes upon all taxable property within the boundaries of the Borough to pay debt service on bonds and notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or

appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the term were detailed.

### **Tax Appeals**

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. Prior to February 1 in each year, the Borough must mail to each property owner a notice of the current assessment and taxes on the property. The taxpayer has a right to petition the County Tax Board on or before April 1 for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

### **The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)**

This law regulates the non-budgetary financial activities of local governments. The chief financial officer of every local unit must file annually, with the Director, a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local units financial procedures and must be filed with the report, together with all recommendations made, and must be published in a local newspaper within 30 days of its submission. The entire annual audit report for each local unit is on file with the Clerk and is available for review during business hours.

### **School Debt Subject to Voter Approval**

State law permits local school districts, upon approval of the voters in a Type II school district, to authorize school district debt, including debt in excess of its independent debt limitation by using the available borrowing capacity of the constituent municipality. If such debt is in excess of the school district's debt limit and the remaining borrowing capacity of the constituent municipality, the State Commissioner of Education and the Local Finance Board must approve the proposed debt authorization before it is submitted to the voters for approval.

## **TAX MATTERS**

### **Federal Income Taxes**

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The Borough has covenanted to comply with the provisions of the Code applicable to the Notes, and has covenanted not to take any action or permit any action that would cause the interest on the Notes to be included in gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference for purposes of the alternative

minimum tax imposed by the Code on individuals. Windels Marx Lane & Mittendorf, LLP, New Brunswick, New Jersey (“Bond Counsel”) to the Borough, will not independently verify the accuracy of those certifications and representations.

Assuming the Borough observes its covenants with respect to compliance with the Code, Bond Counsel is of the opinion that, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of Notes, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. Bond Counsel is further of the opinion that interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed by the Code, however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. See “Certain Federal Tax Considerations” below.

### **State Taxes**

In the opinion of Bond Counsel, under the laws of the State of New Jersey as enacted and construed on the date of original delivery of the Notes, interest on the Notes and any gains from the sale thereof are not includible in gross income under the New Jersey Gross Income Tax Act.

### **Original Issue Premium**

The initial public offering price of the Notes may be greater than the stated redemption price thereof at maturity (the “Premium Notes”). The difference between the initial public offering price for the Premium Notes and the stated redemption price at maturity is “original issue premium.” For federal income tax purposes original issue premium is amortizable periodically over the term of the Premium Notes through reductions in the holder’s tax basis for the Premium Notes for determining gain or loss from sale or redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Premium Notes rather than creating a deductible expense or loss. Purchasers of the Notes should consult their tax advisors for an explanation of the accrual rules for original issue premium and any other federal, state or local tax consequences of the purchase of the Premium Notes.

### **Certain Federal Tax Considerations**

Ownership of the Notes may result in collateral federal tax consequences to certain taxpayers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, foreign corporations that may be subject to the foreign branch profits tax, and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Notes. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Notes. The nature and extent of the tax benefit to a taxpayer of ownership of the Notes will generally depend upon the particular nature of such taxpayer or such taxpayer’s own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Notes should consult their own tax advisors with respect to these and other collateral federal tax consequences resulting from ownership of the Notes.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof upon the advice or approval of other counsel.

## **Backup Withholding**

Commencing with interest paid in 2006, interest paid on tax-exempt obligations such as the Notes is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Notes may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

## **Changes in Law and Post-Issuance Events**

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Notes for federal or state income tax purposes, and thus on the value or marketability of the Notes. This impact could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of interest on the Notes from gross income of the owners thereof for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Notes may occur. Prospective purchasers of the Notes should consult their own tax advisors regarding such matters.

## **Section 265 Qualification**

The Code denies the interest deduction for indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of one hundred percent (100%) of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues, which must be so designated by the issuer as qualified under Section 265 of the Code, eighty percent (80%) of such interest may be deducted as a business expense by such institutions.

The Borough is not designating the Notes as qualified for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations under Section 265 of the Code.

## **General**

Bond Counsel is not rendering any opinion on any federal tax matters other than those described under the caption "TAX MATTERS." Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

**ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.**

**THE FOREGOING IS NOT INTENDED AS AN EXHAUSTIVE RECITAL OF THE POTENTIAL TAX CONSEQUENCES OF HOLDING THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF OWNERSHIP OF THE NOTES.**

## **LEGALITY FOR INVESTMENT**

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds of the Borough including the Notes, and such Notes are authorized security for any and all public deposits.

## **CONTINUING DISCLOSURE**

Pursuant to the requirements of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, the Borough will deliver concurrently with the delivery of the Notes, a Continuing Disclosure Certificate in substantially the form annexed hereto as Appendix C (the "Continuing Disclosure Certificate"). The Borough has covenanted for the benefit of the Noteholders in accordance with the provisions of the Continuing Disclosure Certificate, to provide or cause to be provided, notices of the occurrence of certain enumerated events to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access Dataport ("EMMA").

The Borough has previously entered into secondary market disclosure undertakings in accordance with the Rule. The Borough has engaged Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on MSRB's Electronic Municipal Market Access ("EMMA") website as required under its prior secondary market disclosure undertakings.

## **LITIGATION**

Upon delivery of the Notes, the Borough shall furnish a certificate of Bruce W. Padula, Esq., Padula Law Group, LLC, Shrewsbury, New Jersey (the "Borough Solicitor"), dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending or, to the Borough Solicitor's knowledge, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Borough or adversely affect the power of the Borough to levy, collect and enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

## **MUNICIPAL BANKRUPTCY**

The undertakings of the Borough should be considered with reference to Chapter IX of the Bankruptcy Act, 11 U.S.C. Section 401, et seq., as amended by Public Law 95-598, approved November 6, 1978, and as further amended on November 3, 1988, by an Act to Amend the Bankruptcy Law to Provide for Special Revenue Notes, and for Other Purposes, and on October 22, 1994, by the Bankruptcy Reform Act of 1994, and by other bankruptcy laws affecting creditors' rights and municipalities in general. Chapter IX permits a state or any political subdivision, public agency or instrumentality that is insolvent or unable to meet its debts to file a petition in a bankruptcy court for the ultimate purpose of effecting a plan to adjust its debts. Chapter IX directs such a petitioner to file with the Bankruptcy Court a list of the petitioner's

creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner, with the exception that such petition does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues; grants priority to administrative and operational expenses and to debts owed for services or material, up to \$4,000 per individual or corporation, actually provided within ninety (90) days of the filing of the petition; directs a petitioner to file a plan for the adjustment of its debts; provides that any securities issued under a reorganization plan will be exempt from the securities laws and, therefore, exempt from registration requirements; permits the petitioner, during bankruptcy proceedings, to continue to pay pre-petition debt without prior court approval; and provides that the plan must be accepted by a class of creditors, in writing, by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors. A plan shall not be approved by the Bankruptcy Court unless it is in the best interests of creditors and is feasible.

Reference should also be made to N.J.S.A. 52:27-40 through 52:27-45.11, which provides that any county, municipality, or other political subdivision of this State has the power to file a petition with any Bankruptcy Court, provided the approval of the municipal finance commission has been obtained, and such petition has been authorized by ordinance of the governing body of the political subdivision. The powers of the municipal finance commission have been vested in the Local Finance Board. The Bankruptcy Act specifically provides that Chapter IX does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Act. However, the Bankruptcy Act does provide that a municipality must obtain any regulatory or electoral approval necessary under constitutional, statutory, or charter provisions, for actions taken under the reorganization plan.

#### **CERTAIN REFERENCES**

The foregoing statements and descriptions of provisions of the New Jersey Constitution, the Local Bond Law and other laws of the State of New Jersey, the Federal Bankruptcy Code, the Ordinances of the Borough and the Notes and all references to other material not purported to be quoted in full are only brief, generalized descriptions thereof, do not purport to be complete, and are in all respects subject to and qualified in their entirety by express reference to the complete provisions thereof. Copies of the Ordinances will be furnished by the Borough on request.

All estimates and assumptions herein are believed to be reasonable, but no warranty, guaranty or other representation is made that such estimates or assumptions will be realized or are correct. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

#### **CERTIFICATION OF OFFICIAL STATEMENT**

The Borough hereby states that the descriptions and statements herein relating to the Borough are true and correct in all material respects and, upon request, it will confirm to the purchasers of the Notes, by certificates signed by an official of the Borough, that to their knowledge such descriptions and statements, as of the date hereof, and as of closing, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading.

All other information has been obtained from sources which the Borough considers to be reliable and it makes no warranty, guaranty or other representation which respect to the accuracy and completeness of such information.

Bond Counsel has not participated in the preparation of the financial or statistical information contained in this Official Statement, nor has it verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

The Municipal Advisor has participated in the preparation and review of the information contained in this Official Statement, including the collection of financial, statistical and demographic information; however, it has not verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto. Certain information set forth herein has been obtained from the Borough and other sources, which are deemed reliable, but no warranty, guaranty or other representation as to the accuracy or completeness is made as to such information contained herein. There is no assurance that any of the assumptions or estimates contained herein will be realized.

## **RATING**

S&P Global Ratings, a division of Standard and Poor's Financial Services LLC (the "Rating Agency"), has assigned a short-term rating of "SP-1+" to the Notes based upon the creditworthiness of the Borough.

The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Borough furnished to the Rating Agency certain information and materials concerning the Notes and the Borough. There can be no assurance that the rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Notes.

## **PURCHASER**

The Notes have been purchased from the Borough at a public sale by \_\_\_\_\_ (the "Purchaser") at a price of \$ \_\_\_\_\_. The Purchaser is obligated to purchase all of the Notes if any are purchased.

The Purchaser intends to offer the Notes to the public initially at the offering yield set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Purchaser reserves the right to join with dealers and other purchasers in offering the Notes to the public. The Purchaser may offer and sell Notes to certain dealers (including dealers depositing Notes into investment trusts) at a yield higher than the public offering yield set forth on the cover page, and such public offering yield may be changed, from time to time, by the Purchaser without prior notice.

## **MUNICIPAL ADVISOR**

Phoenix Advisors, a division of First Security Municipal Advisors, Inc., Hamilton, New Jersey, has served as Municipal Advisor to the Borough in connection with the issuance of the Notes (the "Municipal Advisor") and has assisted in matters related to the planning, structuring and terms of the Notes. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an Independent Registered Municipal Advisor pursuant to the Dodd-Frank Act and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

## **APPROVAL OF LEGAL PROCEEDINGS**

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Notes are subject to the approval of Windels Marx Lane Mittendorf, LLP, New Brunswick, New Jersey, Bond Counsel to the Borough, whose approving legal opinions will be delivered with the Notes substantially in the form set forth as Appendix “D”. Certain legal matters will be passed on for the Borough by the Borough Solicitor.

## **FINANCIAL STATEMENTS**

Appendix “B” contains certain audited financial statements of the Borough for the fiscal year ending December 31, 2024 (the “Audited Financial Statements”), as well as, unaudited financial data of the Borough for the fiscal year ending December 31, 2025. The unaudited financial data was extracted from the Borough’s unaudited annual financial statements for the fiscal year ending December 31, 2025.

The Audited Financial Statements for the year ending December 31, 2024 have been prepared by Holman Frenia Allison, P.C., Freehold, New Jersey, an independent auditor, as stated in its report appearing in Appendix B to this Official Statement. The Auditor has not participated in the preparation of this Official Statement, nor has such firm verified the accuracy, completeness or fairness of the information contained herein (except for the Audited Financial Statements appearing in Appendix “B” hereto) and, accordingly, will express no opinion with respect thereto. See “APPENDIX B - Financial Statements of the Borough of Beach Haven, in the County of Ocean, New Jersey”.

## **ADDITIONAL INFORMATION**

Inquiries regarding this Official Statement, including any information additional to that contained herein, may be directed to the Borough’s Chief Financial Officer, 300 Engleside Avenue, Beach Haven, New Jersey 08008, telephone (609) 492-0111, or to its Municipal Advisor, Phoenix Advisors, a division of First Security Municipal Advisors, Inc., 2000 Waterview Drive, Suite 101, Hamilton, New Jersey, 08691, telephone (609) 291-0130.

## MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof.

### **BOROUGH OF BEACH HAVEN, IN THE COUNTY OF OCEAN, NEW JERSEY**

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Sharon Boehler,  
Chief Financial Officer

Dated: April \_\_, 2026

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**APPENDIX A**  
**GENERAL INFORMATION REGARDING THE BOROUGH**

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## **INFORMATION REGARDING THE BOROUGH<sup>1</sup>**

The following material presents certain economic and demographic information of the Borough of Beach Haven (the “Borough”), in the County of Ocean (the “County”), State of New Jersey (“New Jersey”).

### **General Information**

The Borough is located on Long Beach Island (LBI) and bordering the Atlantic Ocean. The Borough was incorporated as a Borough by an act of the New Jersey Legislature on November 11, 1890, from portions of Eagleswood Township, based on the results of a referendum held five days earlier.

The Borough, known as the "Queen City," is a late 19th-century beachfront resort originally established in 1873 to house wealthy summer residents from Philadelphia. Although some of the major structures, including several hotels and a boardwalk, were lost to storms in the 1940s including the Great Atlantic Hurricane of 1944, a large portion of the town retains its Victorian and Edwardian character.

### **Form of Government**

Since 2010, the Borough has operated within the Faulkner Act, formally known as the Optional Municipal Charter Law, under the Council-Manager form of government. The governing body is comprised of five members, who are elected on an at-large basis in staggered non-partisan elections, with either two or three seats up for vote in even-numbered years as part of the November general election in a four-year cycle. At a reorganization meeting held each January, one member is chosen as mayor and another as council president, each serving one-year terms in that position. The Borough had previously been governed under the Walsh Act, by a three-member Board of Commissioners, one of whom was selected to serve as Mayor, under a system in place from 1946 to 2010.

### **Sewerage Authority**

The Beach Haven Sewerage Authority (the “Authority”) was created and established pursuant to an ordinance of the Borough, duly adopted on October 24, 1955, for the collection, treatment, purification or disposal of sewage or other wastes for the Borough. On July 27, 2023, the Borough duly adopted ordinances to dissolve the Authority and create a new sewer utility within the Borough, effective August 1, 2023. Through the dissolution, the Borough has assumed all property and obligations of the Authority, including the provision of services previously provided by the Authority to residents of the Borough.

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<sup>1</sup> Source: The Borough, unless otherwise indicated.

## **Education**

The Beach Haven School District serves public school students in pre-kindergarten through sixth grade at Beach Haven Elementary School.

For seventh through twelfth grades, public school students attend the Southern Regional School District, which serves the five municipalities in the Long Beach Island Consolidated School District (Barnegat Light, Harvey Cedars, Long Beach Township, Ship Bottom and Surf City), along with students from the Borough and Stafford Township, as well as the sending district of Ocean Township.

## **Pension and Retirement Systems**

Substantially all eligible employees participate in the Public Employees' Retirement System, the Police and Firemen's Retirement System or the Defined Contribution Retirement Program, which have been established by State statute and are administered by the New Jersey Division of Pensions and Benefits (the "Division"). Benefits, contributions, means of funding and the manner of administration are established pursuant to State statute. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations and the employees contribute a portion of the cost. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes the financial statements and required supplementary information. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or is available online at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

The Public Employees' Retirement System ("PERS") is a cost-sharing multiple-employer defined benefit pension plan which 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. Membership is mandatory for substantially all full-time employees of the State 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.

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

The Defined Contribution Retirement Program ("DCRP") is a multiple-employer defined contribution pension fund which 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.

## **Employment and Unemployment Comparisons**

For the following years, the New Jersey Department of Labor reported the following annual average employment information for the Borough, the County, and the State:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<b><u>Borough</u></b>				
2024	529	498	31	5.9%
2023	528	497	31	5.9%
2022	517	491	26	5.0%
2021	506	469	37	7.3%
2020	494	446	48	9.7%
<b><u>County</u></b>				
2024	293,284	280,025	13,259	4.5%
2023	292,457	279,888	12,569	4.3%
2022	287,161	275,556	11,605	4.0%
2021	279,507	260,912	18,595	6.7%
2020	274,842	248,481	26,361	9.6%
<b><u>State</u></b>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Office of Research and Planning, Division of Labor Market and Demographic Research, Bureau of Labor Force Statistics, Local Area Unemployment Statistics

## **Income (as of 2024)**

	<b><u>Borough</u></b>	<b><u>County</u></b>	<b><u>State</u></b>	<b><u>National</u></b>
Median Household Income	\$144,167	\$89,863	\$103,556	\$80,734
Median Family Income	175,063	112,175	127,025	99,999
Per Capita Income	95,369	44,947	54,253	44,673

Source: US Bureau of the Census, 2024 American Community Survey 5-Year Estimates

**Population**

The following tables summarize population increases and the decreases for the Borough, the County, and the State.

<u>Year</u>	<u>Borough</u>		<u>County</u>		<u>State</u>	
	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>	<u>Population</u>	<u>% Change</u>
2024 est.	1,069	4.1%	666,434	4.6%	9,500,851	2.3%
2020	1,027	-12.2%	637,229	10.5%	9,288,994	5.7%
2010	1,170	-8.5%	576,567	12.8%	8,791,894	4.5%
2000	1,278	-13.4%	510,916	17.9%	8,414,350	8.9%
1990	1,475	-13.9%	433,203	25.2%	7,730,188	5.0%

Source: United States Department of Commerce, Bureau of the Census

**Largest Taxpayers**

The ten largest taxpayers in the Borough and their assessed valuations are listed below:

<u>Taxpayers</u>	<u>2025 Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
Little Egg Harbor Yacht Club	\$10,392,900	0.47%
Seashell Club & Hughes	7,169,300	0.32%
Engleside Motel	6,552,400	0.30%
Schooners Wharf LLC	6,370,400	0.29%
Rehnert, Geoffrey S. & Laura A.	5,293,100	0.24%
Bondy, Colleen	5,115,400	0.23%
Park Property, LLC	5,081,700	0.23%
Sullivan, Diane P.	4,820,800	0.22%
Breen Properties LLC	4,704,800	0.21%
Holy Innocents Church	4,590,100	0.21%
<b>Total</b>	<b><u>\$60,090,900</u></b>	<b><u>2.72%</u></b>

Source: Annual Comprehensive Financial Report of the School District and Municipal Tax Assessor

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Current Year Collection</u>	<u>Current Year % of Collection</u>
2025 U	\$31,387,625	\$31,137,878	99.20%
2024	28,700,095	28,539,160	99.44%
2023	26,394,655	26,140,638	99.04%
2022	24,230,948	23,994,440	99.02%
2021	23,510,180	23,086,684	98.20%

U: Unaudited  
Source: Annual Audit Reports of the Borough and 2025 Annual Financial Statement

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Tax</u>	<u>Total Delinquent</u>	<u>Delinquent % of Tax Levy</u>
2025 U	\$21,852	\$218,514	\$240,366	0.77%
2024	20,041	307,500	327,541	1.14%
2023	18,375	226,382	244,757	0.93%
2022	16,837	248,402	265,238	1.09%
2021	15,408	325,902	341,310	1.45%

U: Unaudited  
Source: Annual Audit Reports of the Borough and 2025 Annual Financial Statement

**Property Acquired by Tax Lien Liquidation**

<u>Year</u>	<u>Property Acquired For Taxes</u>
2025 U	\$0
2024	0
2023	0
2022	0
2021	0

U: Unaudited  
Source: Annual Audit Reports of the Borough and 2025 Annual Financial Statement

## **Tax Rates per \$100 of Net Valuations Taxable and Allocations**

The table below lists the tax rates for Borough residents for the past five (5) years.

<b><u>Year</u></b>	<b><u>General Municipal</u></b>	<b><u>Library Municipal</u></b>	<b><u>Local School</u></b>	<b><u>Regional School</u></b>	<b><u>Total County</u></b>	<b><u>Total</u></b>
2025	\$0.413	\$0.061	\$0.099	\$0.298	\$0.545	\$1.426
2024	0.413	0.056	0.099	0.240	0.504	1.312
2023	0.393	0.048	0.098	0.209	0.463	1.211
2022	0.383	0.041	0.097	0.201	0.403	1.125
2021	0.383	0.037	0.096	0.198	0.383	1.097

Source: Abstract of Ratables and State of New Jersey – Property Taxes

## **Valuation of Property**

<b><u>Year</u></b>	<b><u>Aggregate Assessed Valuation of Real Property</u></b>	<b><u>Aggregate True Value of Real Property</u></b>	<b><u>Ratio of Assessed to True Value</u></b>	<b><u>Assessed Value of Personal Property</u></b>	<b><u>Equalized Valuation</u></b>
2025	\$2,208,189,100	\$4,441,249,195	49.72%	\$0	\$4,441,249,195
2024	2,188,346,100	3,733,741,853	58.61%	0	3,733,741,853
2023	2,163,622,600	3,691,558,778	58.61%	0	3,691,558,778
2022	2,141,434,300	3,143,620,523	68.12%	0	3,143,620,523
2021	2,133,179,200	2,589,752,580	82.37%	0	2,589,752,580

Source: Abstract of Ratables and State of New Jersey – Table of Equalized Valuations

## **Classification of Ratables**

The table below lists the comparative assessed valuation for each classification of real property within the Borough for the past five (5) years.

<b><u>Year</u></b>	<b><u>Vacant Land</u></b>	<b><u>Residential</u></b>	<b><u>Farm</u></b>	<b><u>Commercial</u></b>	<b><u>Industrial</u></b>	<b><u>Apartments</u></b>	<b><u>Total</u></b>
2025	\$38,627,000	\$2,030,507,400	\$0	\$124,916,800	\$0	\$14,137,900	\$2,208,189,100
2024	41,086,100	2,009,940,900	0	123,181,200	0	14,137,900	2,188,346,100
2023	60,971,900	1,966,173,900	0	122,338,900	0	14,137,900	2,163,622,600
2022	61,305,600	1,943,651,900	0	122,338,900	0	14,137,900	2,141,434,300
2021	60,491,800	1,933,830,300	0	124,719,200	0	14,137,900	2,133,179,200

Source: Abstract of Ratables and State of New Jersey – Property Value Classification

**Financial Operations**

The following table summarizes the Borough’s Current Fund budget for the past five (5) fiscal years ending December 31. The following summary should be used in conjunction with the tables in the sourced documents from which it is derived.

**Summary of Current Fund Budget**

<b><u>REVENUE</u></b>	<b>Adopted <u>2021</u></b>	<b>Adopted <u>2022</u></b>	<b>Adopted <u>2023</u></b>	<b>Adopted <u>2024</u></b>	<b>Adopted <u>2025</u></b>
Fund Balance Utilized	\$3,095,365	\$3,065,743	\$4,708,121	\$3,778,425	\$4,446,020
Miscellaneous Revenues	1,018,215	1,284,648	1,117,645	1,189,049	1,087,464
Receipts from Delinquent Taxes	200,000	200,000	200,000	200,000	200,000
Amount to be Raised by Taxation	<u>8,960,608</u>	<u>9,064,943</u>	<u>9,550,910</u>	<u>10,268,388</u>	<u>10,474,665</u>
Total Revenue:	<u>\$13,274,188</u>	<u>\$13,615,334</u>	<u>\$15,576,675</u>	<u>\$15,435,862</u>	<u>\$16,208,149</u>
<b><u>APPROPRIATIONS</u></b>					
General Purpose (Inside CAP)	\$9,537,014	\$10,082,335	\$10,482,254	\$11,084,190	\$11,581,830
Operations (Outside CAP)	1,073,726	1,288,751	1,680,173	1,781,423	1,989,071
Capital Improvement Fund	179,351	170,151	190,151	220,151	220,151
Municipal Debt Service	1,809,000	1,399,000	2,549,000	1,695,000	1,742,000
Reserve for Uncollected Taxes	<u>675,097</u>	<u>675,097</u>	<u>675,097</u>	<u>675,097</u>	<u>675,097</u>
Total Appropriations:	<u>\$13,274,188</u>	<u>\$13,615,334</u>	<u>\$15,576,675</u>	<u>\$15,455,862</u>	<u>\$16,208,150</u>

Source: Annual Adopted Budgets of the Borough

**Fund Balance**

**Current Fund**

The following table lists the Borough’s fund balance and the amount utilized in the succeeding year’s budget for the Current Fund for the past five (5) fiscal years ending December 31.

**Fund Balance - Current Fund**

<b><u>Year</u></b>	<b><u>Fund Balance</u></b>	<b><u>Utilized in Budget of Succeeding Year</u></b>
2025 U	\$10,658,834	N/A
2024	10,121,605	4,446,020
2023	8,469,985	3,778,425
2022	9,362,702	4,708,121
2021	8,508,972	3,065,743

U: Unaudited

Source: Annual Audit Reports and Annual Budget Reports of the Borough

Water Utility Operating Fund

The following table lists the Borough's fund balance and the amount utilized in the succeeding year's budget for the Water Utility Operating Fund for the past five (5) fiscal years ending December 31.

<b><u>Fund Balance - Water Utility</u></b>		
<b><u>Year</u></b>	<b><u>Balance</u></b>	<b><u>Utilized in Budget</u></b>
	<b><u>12/31</u></b>	<b><u>of Succeeding Year</u></b>
2025 U	\$4,993,650	N/A
2024	4,859,586	545,317
2023	4,699,540	476,500
2022	4,341,417	381,500
2021	3,540,245	381,500

U: Unaudited

Source: Annual Audit Reports and Annual Budget Reports of the Borough

*[Remainder of page intentionally left blank]*

**Borough Indebtedness as of December 31, 2025**

**General Purpose Debt**

Serial/Term Bonds	\$0
Bond Anticipation Notes	11,400,000
Bonds and Notes Authorized but Not Issued	5,146,000
Other Bonds, Notes and Loans	<u>2,142,533</u>
Total:	\$18,688,533

**Local/Regional School District Debt**

Serial/Term Bonds	\$0
Temporary Notes Issued	0
Bonds and Notes Authorized but Not Issued	0
Other Bonds, Notes and Loans	<u>0</u>
Total:	\$0

**Self-Liquidating Debt**

Serial/Term Bonds	\$0
Bond Anticipation Notes	3,800,000
Bonds and Notes Authorized but Not Issued	14,664,914
Other Bonds, Notes and Loans	<u>1,281,513</u>
Total:	\$19,746,427

**TOTAL GROSS DEBT**

**\$38,434,959**

**Less: Statutory Deductions**

General Purpose Debt	\$361,951
Local/Regional School District Debt	0
Self-Liquidating Debt	<u>19,746,427</u>
Total:	\$20,108,378

**TOTAL NET DEBT**

**\$18,326,582**

Source: Annual Debt Statement of the Borough

**Overlapping Debt (as of December 31, 2025)<sup>2</sup>**

<b><u>Name of Related Entity</u></b>	<b><u>Related Entity Debt Outstanding</u></b>	<b><u>Borough Percentage</u></b>	<b><u>Borough Share<sup>2</sup></u></b>
Local School District	\$0	100.0%	\$0
Regional School District	0	0.0%	0
Ocean County	591,152,854	2.2%	12,714,343
			<hr/>
Net Indirect Debt			\$12,714,343
Net Direct Debt			18,326,582
Total Net Direct and Indirect Debt			<hr/> <b>\$31,040,924</b> <hr/>

Source: Annual Debt Statement of the Borough

**Debt Limit**

**DEBT LIMIT AND BORROWING CAPACITY**

Average Equalized Valuation Basis (2023, 2024, 2025)	\$3,955,516,609
Permitted Debt Limitation (3.50%)	138,443,081
Less: Net Debt	18,326,582
Remaining Borrowing Power	<hr/> <b>\$120,116,500</b> <hr/>
Percentage of Net Debt to Average Equalized Valuation	0.463%
Gross Debt Per Capita based on 2020 population of 1,027	\$37,424
Net Debt Per Capita based on 2020 population of 1,027	\$17,845

Source: Annual Debt Statement of the Borough

<sup>2</sup> Borough percentage of County debt is based on the Borough's share of total equalized valuation in the County.

**APPENDIX B**  
**FINANCIAL INFORMATION REGARDING THE BOROUGH**

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**UNAUDITED FINANCIAL DATA OF THE BOROUGH  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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**THE REQUIRED CERTIFICATION BY AN RMA IS AS FOLLOWS:**

Preparation by Registered Municipal Account (Statement of Statutory Auditor Only)

I have prepared the post-closing trial balances, related statement and analyses included in the accompanying Annual Financial Statement from the books of account and records made available to me by the **BOROUGH** of **BEACH HAVEN** as of as of December 31, 2025 and have applied certain agreed-upon procedures thereon as promulgated by the Division of Local Government Services, solely to assist the Chief Financial Officer in connection with the filing of the Annual Financial Statement for the year then ended as required by N.J.S.A. 40A:5-12, as amended.

Because the agreed-upon procedures do not constitute an examination of accounts made in accordance with generally accepted auditing standards, I do not express an opinion on any of the post-closing trial balances, related statements and analyses. In connection with the agreed-upon procedures, ~~(except for circumstances as set forth below, no matters)~~ or (no matters) ~~{eliminate one}~~ came to my attention that caused me to believe that the Annual Financial Statement for the year ended December 31, 2025 is not in substantial compliance with the requirements of the State of New Jersey, Department of Community Affairs, Division of Local Government Services. Had I performed additional procedures or had I made an examination of the financial statements in accordance with generally accepted auditing standards, other matters might have come to my attention that would have been reported to the governing body and Division. This Annual Financial Statement relates only to the accounts and items prescribed by the Division and does not extend to the financial statements of the municipality/county taken as a whole.

Listing of agreed-upon procedures not performed and/or matters coming to my attention of which the Director should be informed:

Robert Allison  
(Registered Municipal Accountant)

HFA  
(Firm Name)

1985 Cedar Bridge Ave  
(Address)

Lakewood, NJ 08701  
(Address)

732-797-1333  
(Phone Number)

609-492-6262  
(Fax Number)

Certified by me

this 6 day March, 2026





**POST CLOSING  
TRIAL BALANCE - TRUST FUNDS  
(Assessment Section Must Be Separately Stated)  
AS AT DECEMBER 31, 2025**

Title of Account	Debit	Credit
<b>ANIMAL CONTROL TRUST FUND</b>		
CASH	345.80	
DUE TO -		
DUE TO STATE OF NJ		
RESERVE FOR ANIMAL CONTROL TRUST FUND		345.80
<b>FUND TOTALS</b>	<b>345.80</b>	<b>345.80</b>
<b>ASSESSMENT TRUST FUND</b>		
CASH	-	
DUE TO -		
RESERVE FOR:		
<b>FUND TOTALS</b>	<b>-</b>	<b>-</b>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>		
CASH	-	
<b>FUND TOTALS</b>	<b>-</b>	<b>-</b>
<b>LOSAP TRUST FUND</b>		
CASH	1,742,795.57	
MISC. RESERVES		1,742,795.57
<b>FUND TOTALS</b>	<b>1,742,795.57</b>	<b>1,742,795.57</b>

(Do not crowd - add additional sheets)

## STATEMENT OF GENERAL BUDGET REVENUES 2025

Source	Budget -01	Realized -02	Excess or Deficit* -03
Surplus Anticipated	4,446,020.31	4,446,020.31	-
Surplus Anticipated with Prior Written Consent of Director of Local Government Services			-
Miscellaneous Revenue Anticipated:	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx
Adopted Budget	1,087,464.40	1,819,320.72	731,856.32
Added by N.J.S.A. 40A:4-87 (List on 17a)	-	-	-
			-
			-
<b>Total Miscellaneous Revenue Anticipated</b>	<b>1,087,464.40</b>	<b>1,819,320.72</b>	<b>731,856.32</b>
Receipts from Delinquent Taxes	200,000.00	307,564.43	107,564.43
Amount to be Raised by Taxation:	xxxxxxxxxx	xxxxxxxxxx	xxxxxxxxxx
(a) Local Tax for Municipal Purposes	9,119,820.98	xxxxxxxxxx	xxxxxxxxxx
(b) Addition to Local District School Tax		xxxxxxxxxx	xxxxxxxxxx
(c) Minimum Library Tax	1,354,843.93	xxxxxxxxxx	xxxxxxxxxx
Total Amount to be Raised by Taxation	10,474,664.91	10,979,971.92	505,307.01
	<b>16,208,149.62</b>	<b>17,552,877.38</b>	<b>1,344,727.76</b>

## ALLOCATION OF CURRENT TAX COLLECTIONS

	Debit	Credit
Current Taxes Realized in Cash (Total of Item 10 or 14 on Sheet 22)	xxxxxxxxxx	31,137,877.54
Amount to be Raised by Taxation	xxxxxxxxxx	xxxxxxxxxx
Local District School Tax	2,175,066.00	xxxxxxxxxx
Regional School Tax	-	xxxxxxxxxx
Regional High School Tax	6,584,811.00	xxxxxxxxxx
County Taxes	12,028,514.19	xxxxxxxxxx
Due County for Added and Omitted Taxes	44,611.43	xxxxxxxxxx
Special District Taxes	-	xxxxxxxxxx
Municipal Open Space Tax		xxxxxxxxxx
Municipal Arts and Culture Tax		xxxxxxxxxx
Reserve for Uncollected Taxes	xxxxxxxxxx	675,097.00
Deficit in Required Collection of Current Taxes (or)	xxxxxxxxxx	-
Balance for Support of Municipal Budget (or)	10,979,971.92	xxxxxxxxxx
*Excess Non-Budget Revenue (see footnote)		xxxxxxxxxx
*Deficit Non-Budget Revenue (see footnote)	xxxxxxxxxx	
*These items are applicable only when there is no "Amount to be Raised by Taxation" in the "Budget" column of the statement at the top of this sheet. In such instances, any excess or deficit in the above allocation would apply to "Non-Budget Revenue" only.	<b>31,812,974.54</b>	<b>31,812,974.54</b>

## STATEMENT OF GENERAL BUDGET APPROPRIATIONS 2025

2025 Budget As Adopted		16,208,149.62
2025 Budget - Added by N.J.S.A. 40A:4-87		-
Appropriated for 2025 (Budget Statement Item 9)		16,208,149.62
Appropriated for 2025 by Emergency Appropriation (Budget Statement Item 9)		-
Total General Appropriations (Budget Statement Item 9)		16,208,149.62
Add: Overexpenditures (see footnote)		-
Total Appropriations and Overexpenditures		16,208,149.62
Deduct Expenditures:		
Paid or Charged [Budget Statement Item (L)]	12,870,647.84	
Paid or Charged - Reserve for Uncollected Taxes	675,097.00	
Reserved	2,655,852.26	
Total Expenditures		16,201,597.10
Unexpended Balances Canceled (see footnote)		6,552.52

**FOOTNOTES - RE: OVEREXPENDITURES**

Every appropriation overexpended in the budget document must be marked with an \* and must agree in the aggregate with this item.

**RE: UNEXPENDED BALANCES CANCELED**

Are not to be shown as "Paid or Charged" in the budget document. In all instances "Total Appropriations" and "Overexpenditures" must equal the sum of "Total Expenditures" and "Unexpended Balances Canceled".

## SCHEDULE OF EMERGENCY APPROPRIATIONS FOR LOCAL DISTRICT SCHOOL PURPOSES

(EXCEPT FOR TYPE I SCHOOL DEBT SERVICE)

2025 Authorizations			
N.J.S.A. 40A:4-46 (After adoption of Budget)			
N.J.S.A. 40A:4-20 (Prior to adoption of Budget)			
Total Authorizations			-
Deduct Expenditures:			
Paid or Charged			
Reserved			
Total Expenditures			-

# RESULTS OF 2025 OPERATIONS

## CURRENT FUND

	Debit	Credit
Excess of Anticipated Revenues:	XXXXXXXXXX	XXXXXXXXXX
Miscellaneous Revenues anticipated	XXXXXXXXXX	731,856.32
Delinquent Tax Collections	XXXXXXXXXX	107,564.43
	XXXXXXXXXX	
Required Collection of Current Taxes	XXXXXXXXXX	505,307.01
Unexpended Balances of 2025 Budget Appropriations	XXXXXXXXXX	6,552.52
Miscellaneous Revenue Not Anticipated	XXXXXXXXXX	1,400,717.77
Miscellaneous Revenue Not Anticipated:		
Proceeds of Sale of Foreclosed Property (Sheet 27)	XXXXXXXXXX	-
Payments in Lieu of Taxes on Real Property	XXXXXXXXXX	
Sale of Municipal Assets	XXXXXXXXXX	
Unexpended Balances of 2024 Appropriation Reserves	XXXXXXXXXX	2,180,810.36
Prior Years Interfunds Returned in 2025	XXXXXXXXXX	
Prior Year Grant Adjustments		31,400.00
Prior Year Accounts Payable Cancelled		18,979.99
Statutory Excess in Animal Control		60.80
Deferred School Tax Revenue: (See School Taxes, Sheets 13 & 14)	XXXXXXXXXX	XXXXXXXXXX
Balance - January 1, 2025	942,754.00	XXXXXXXXXX
Balance - December 31, 2025	XXXXXXXXXX	942,754.00
Deficit in Anticipated Revenues:	XXXXXXXXXX	XXXXXXXXXX
Miscellaneous Revenues Anticipated	-	XXXXXXXXXX
Delinquent Tax Collections	-	XXXXXXXXXX
		XXXXXXXXXX
Required Collection on Current Taxes	-	XXXXXXXXXX
Interfund Advances Originating in 2025		XXXXXXXXXX
Deficit Balance - To Trial Balance (Sheet 3)	XXXXXXXXXX	-
Surplus Balance - To Surplus (Sheet 21)	4,983,249.20	XXXXXXXXXX
	5,926,003.20	5,926,003.20

## SCHEDULE OF MISCELLANEOUS REVENUES NOT ANTICIPATED

Source	Amount Realized
PREVIOUS PAGE TOTALS	-
MRNA	31,790.15
6% Penalty	3,040.79
NSF Fees	600.00
Certified Copies	4,215.00
Tower Lease	130,607.04
Radius	170.00
LUB Fees	4,700.00
Franchise Fees	28,362.55
SPECS/Bids	1,000.00
Polling Place	200.00
Apple Fee Use of Park	18,806.00
Public Auction	3,675.00
Marriage License	66.00
Ice Cream Bids	15,361.25
Recycling Garbage	4,400.00
Fire Inspections	21,245.00
Community Garden	1,170.00
Chargepoint Revenue - Electric Charge Stations	16,705.93
LIT Program	7,230.00
Dune Walkovers	2,100.00
Amusement License	6,190.00
MV Accidents	190.00
Discovery	116.27
Fire Arms Permits & ID Cards	575.00
Municipal Court	185,118.14
Interest on Investments	903,978.68
Interest Cash Management Fund	9,092.97
Info Copies	12.00
<b>Total Amount of Miscellaneous Revenues Not Anticipated (Sheet 19)</b>	<b>1,400,717.77</b>

**SURPLUS - CURRENT FUND  
YEAR 2025**

	Debit	Credit
1. Balance - January 1, 2025	xxxxxxxxxx	10,121,605.38
2. [REDACTED]	xxxxxxxxxx	
3. Excess Resulting from 2025 Operations	xxxxxxxxxx	4,983,249.20
4. Amount Appropriated in the 2025 Budget - Cash	4,446,020.31	xxxxxxxxxx
5. Amount Appropriated in 2025 Budget - with Prior Written Consent of Director of Local Government Services	-	xxxxxxxxxx
6. [REDACTED]		xxxxxxxxxx
7. Balance - December 31, 2025	10,658,834.27	xxxxxxxxxx
	15,104,854.58	15,104,854.58

**ANALYSIS OF BALANCE AS AT DECEMBER 31, 2025  
(FROM CURRENT FUND - TRIAL BALANCE)**

Cash		18,541,746.35
Investments		
[REDACTED]		
Sub Total		18,541,746.35
Deduct Cash Liabilities Marked with "C" on Trial Balance		7,882,912.08
Cash Surplus		10,658,834.27
Deficit in Cash Surplus		
Other Assets Pledged to Surplus:*		
(1) Due from State of N.J. Senior Citizens and Veterans Deduction	-	
Deferred Charges #		
Cash Deficit #		
[REDACTED]		
[REDACTED]		
[REDACTED]		
[REDACTED]		
Total Other Assets		-
* IN THE CASE OF A "DEFICIT IN CASH SURPLUS", "OTHER ASSETS"		10,658,834.27

WOULD ALSO BE PLEDGED TO CASH LIABILITIES.

# MAY NOT BE ANTICIPATED AS NON-CASH SURPLUS IN 2026 BUDGET.

(1) MAY BE ALLOWED UNDER CERTAIN CONDITIONS.

NOTE: Deferred charges for authorizations under N.J.S.A. 40A:4-55 (Tax Map, etc.), N.J.S.A. 40A:4-55 (Flood Damage, etc.), N.J. 40A:4-55.1 (Roads and Bridges, etc.) and N.J.S.A. 40A:4-55.13 (Public Exigencies, etc.) to the extent of emergency notes issued and outstanding for such purposes, together with such emergency notes, may be omitted from this analysis.

**(FOR MUNICIPALITIES ONLY)**  
**CURRENT TAXES - 2025 LEVY**

1. Amount of Levy as per Duplicate (Analysis) #		\$ 31,267,957.50
or		
(Abstract of Ratables)		\$ _____
2. Amount of Levy - Special District Taxes		\$ _____
3. Amount Levied for Omitted Taxes under N.J.S.A. 54:4-63.12 et seq.		\$ _____
4. Amount Levied for Added Taxes under N.J.S.A. 54:4-63.1 et seq.		\$ 119,667.16
5a. Subtotal 2025 Levy	\$ 31,387,624.66	
5b. Reductions Due to Tax Appeals**	\$ _____	
5c. Total 2025 Tax Levy		\$ 31,387,624.66
6. Transferred to Tax Title Liens		\$ 1,811.02
7. Transferred to Foreclosed Property		\$ _____
8. Remitted, Abated or Canceled		\$ 29,422.52
9. Discount Allowed		\$ _____
10. Collected in Cash: In 2024	\$ 791,062.62	
In 2025*	\$ 30,336,814.92	
Homestead Benefit Credit	\$ _____	
State's Share of 2025 Senior Citizens and Veterans Deductions Allowed	\$ 10,000.00	
Total To Line 14	\$ 31,137,877.54	
11. Total Credits		\$ 31,169,111.08
12. Amount Outstanding December 31, 2025		\$ 218,513.58
13. Percentage of Cash Collections to Total 2025 Levy, (Item 10 divided by Item 5c) is	<b>99.20%</b>	

**Note :** If municipality conducted Accelerated Tax Sale or Tax Levy Sale check here  and complete sheet 22a

14. Calculation of Current Taxes Realized in Cash:

Total of Line 10		\$ 31,137,877.54
Less: Reserve for Tax Appeals Pending State Division of Tax Appeals		\$ _____
To Current Taxes Realized in Cash (Sheet 17)		\$ 31,137,877.54

Note A: In showing the above percentage the following should be noted:  
Where Item 5 shows \$1,500,000.00, and Item 10 shows \$1,049,977.50,  
the percentage represented by the cash collections would be  
\$1,049,977.50 divided by \$1,500,000, or .699985. The correct percentage to  
be shown as Item 13 is 69.99% and not 70.00%, nor 69.999%.

# Note: On Item 1 if Duplicate (Analysis) Figure is used; be sure to include  
Senior Citizens and Veterans Deductions.

\* Include overpayments applied as part of 2025 collections.

\*\* Tax appeals pursuant to R.S. 54:3-21 et seq and/or R.S. 54:48-1 et seq approved by resolution of the governing  
body prior to introduction of municipal budget

# SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

		Debit	Credit
1. Balance - January 1, 2025		327,540.50	XXXXXXXXXX
A. Taxes	307,499.52	XXXXXXXXXX	XXXXXXXXXX
B. Tax Title Liens	20,040.98	XXXXXXXXXX	XXXXXXXXXX
2. Canceled:		XXXXXXXXXX	XXXXXXXXXX
A. Taxes		XXXXXXXXXX	
B. Tax Title Liens		XXXXXXXXXX	
3. Transferred to Foreclosed Tax Title Liens:		XXXXXXXXXX	XXXXXXXXXX
A. Taxes		XXXXXXXXXX	
B. Tax Title Liens		XXXXXXXXXX	
4. Added Taxes		64.91	XXXXXXXXXX
5. Added Tax Title Liens		1,811.02	XXXXXXXXXX
6. Adjustment between Taxes (Other than Current Year) and Tax Title Liens;		XXXXXXXXXX	
A. Taxes - Transfers to Tax Title Liens		XXXXXXXXXX	(1) -
B. Tax Title Liens - Transfers from Taxes		(1) -	XXXXXXXXXX
7. Balance Before Cash Payments		XXXXXXXXXX	329,416.43
8. Totals		329,416.43	329,416.43
9. Balance Brought Down		329,416.43	XXXXXXXXXX
10. Collected:		XXXXXXXXXX	307,564.43
A. Taxes	307,564.43	XXXXXXXXXX	XXXXXXXXXX
B. Tax Title Liens		XXXXXXXXXX	XXXXXXXXXX
11. Interest and Costs - 2025 Tax Sale			XXXXXXXXXX
12. 2025 Taxes Transferred to Liens			XXXXXXXXXX
13. 2025 Taxes		218,513.58	XXXXXXXXXX
14. Balance - December 31, 2025		XXXXXXXXXX	240,365.58
A. Taxes	218,513.58	XXXXXXXXXX	XXXXXXXXXX
B. Tax Title Liens	21,852.00	XXXXXXXXXX	XXXXXXXXXX
15. Totals		547,930.01	547,930.01

16. Percentage of Cash Collections to Adjusted Amount Outstanding  
(Item No. 10 divided by Item No. 9) is **93.36%**

17. Item No.14 multiplied by percentage shown above is **224,405.31** and represents the maximum amount that may be anticipated in 2026.

(See Note A on Sheet 22 - Current Taxes)

(1) These amounts will always be the same.

**AUDITED FINANCIAL STATEMENTS OF THE BOROUGH  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY**

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

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**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN**

**PART I**

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Beach Haven  
Beach Haven, New Jersey

### Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Beach Haven, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements.

### Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Beach Haven, as of December 31, 2024 and 2023, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2024, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Beach Haven, as of December 31, 2024 and 2023, or the results of its operations and changes in fund balance for the years then ended.

### Basis for Opinions

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

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

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

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

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

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

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

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

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

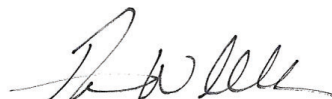
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of the Borough of Beach Haven's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Beach Haven's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Beach Haven's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

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

Lakewood, New Jersey  
June 30, 2025

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members  
of the Borough Council  
Borough of Beach Haven  
County of Ocean  
Beach Haven, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Beach Haven, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 30, 2025. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriated in 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 the Borough's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

## **Compliance and Other Matters**

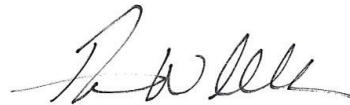
As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

## **Purpose of this Report**

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

Respectfully Submitted,

**HOLMAN FRENIA ALLISON, P.C.**



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

Lakewood, New Jersey  
June 30, 2025

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF BEACH HAVEN  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Current Fund:		
Cash and Cash Equivalents	\$ 16,609,234.60	\$ 14,945,824.32
Change Fund	500.00	500.00
Total	16,609,734.60	14,946,324.32
Receivables & Other Assets With Full Reserves:		
Delinquent Property Taxes Receivable	317,165.02	226,381.87
Tax Title Liens	20,040.98	18,374.74
Due From Utility Capital Fund	-	500,000.00
Total Receivables & Other Assets With Full Reserves	337,206.00	744,756.61
Total Regular Funds	16,946,940.60	15,691,080.93
Federal & State Grants:		
Federal and State Grants Receivable	287,104.71	76,768.63
Due From Current Fund	100,018.88	259,553.23
Total State & Federal Grants	387,123.59	336,321.86
Total Assets	\$ 17,334,064.19	\$ 16,027,402.79

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

**BOROUGH OF BEACH HAVEN  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>LIABILITIES RESERVES &amp; FUND BALANCE</b>		
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 2,255,028.57	\$ 2,468,825.99
Accounts Payable	34,185.20	55,995.36
Encumbrances Payable	145,159.54	176,134.35
Prepaid Taxes	791,062.62	696,949.92
County Taxes Payable	56,418.05	71,370.93
Local District School Tax Payable	694,056.01	672,850.51
Regional High School Tax Payable	2,069,560.71	1,708,758.71
Due To:		
State of New Jersey - Seniors' and Veterans Deductions	2,088.33	2,088.33
State and Local Agencies	27,654.01	39,173.91
Federal and State Grant Fund	100,018.88	259,553.23
Reserve For:		
Donations	11,525.00	11,525.00
Reserve for Municipal Relief Aid	-	23,476.02
Superstorm Sandy (Special Emergency)	35,276.02	35,276.02
Proceeds from Sale of Municipal Assets	266,096.28	266,096.28
Subtotal Regular Fund	6,488,129.22	6,488,074.56
Reserve for Receivables & Other Assets	337,206.00	744,756.61
Fund Balance	10,121,605.38	8,458,249.76
Total Regular Fund	16,946,940.60	15,691,080.93
State & Federal Grants:		
Reserve for Appropriated Grants	316,198.19	274,008.15
Reserve for Unappropriated Grants	34,439.40	53,285.13
Encumbrances Payable	36,486.00	9,028.58
Total State & Federal Grants	387,123.59	336,321.86
Total Liabilities, Reserves & Fund Balance	\$ 17,334,064.19	\$ 16,027,402.79

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

**BOROUGH OF BEACH HAVEN**  
**CURRENT FUND**  
**STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 3,754,567.88	\$ 4,708,120.89
Miscellaneous Revenue Anticipated	1,884,699.91	1,613,851.65
Receipts From Delinquent Taxes	226,361.87	250,325.19
Non-Budget Revenue	1,556,576.09	1,323,610.88
Receipt From Current Taxes	28,539,160.22	26,140,638.10
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	2,293,802.77	1,863,476.42
Prior Year Accounts Payable Cancelled	6,972.29	8,724.60
Interfunds Returned	500,000.00	-
Statutory Excess in Animal Control Fund	93.40	222.00
	<u>38,762,234.43</u>	<u>35,908,969.73</u>
Total Revenue		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	5,033,740.00	5,020,994.00
Other Expenses	4,660,925.00	4,291,415.00
Deferred Charges and Statutory Expenditures	1,302,255.00	1,169,845.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	104,000.00	131,410.00
Other Expenses	1,873,693.49	1,548,762.98
Capital Improvements	200,151.29	190,151.29
Municipal Debt Service	1,681,420.60	2,529,018.32
County Taxes	11,018,960.50	9,998,684.87
County Share of Added Taxes	56,418.05	54,853.82
Local District School Taxes	2,162,966.00	2,120,555.00
Regional High School Taxes	5,249,781.00	4,528,177.00
Interfund Advanced	-	500,000.00
Refund of Prior Year Revenue	-	21,434.14
	<u>33,344,310.93</u>	<u>32,105,301.42</u>
Total Expenditures		
Excess in Revenue	<u>5,417,923.50</u>	<u>3,803,668.31</u>
Fund Balance, January 1	<u>8,458,249.76</u>	<u>9,362,702.34</u>
	13,876,173.26	13,166,370.65
Decreased By:		
Utilized as Anticipated Revenue	3,754,567.88	4,708,120.89
Fund Balance, December 31	<u>\$ 10,121,605.38</u>	<u>\$ 8,458,249.76</u>

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

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

	Budget	Budget Amendments	Realized	Excess/ (Deficit)
Surplus Anticipated	\$ 3,754,567.88	\$ -	\$ 3,754,567.88	\$ -
Miscellaneous Revenues:				
Alcoholic Beverages	18,000.00	-	22,680.00	4,680.00
Mercantile Licenses	15,000.00	-	18,200.00	3,200.00
Fees and Permits	30,000.00	-	40,307.00	10,307.00
Interest and Costs on Taxes	50,000.00	-	53,831.49	3,831.49
Beach Badge Fees	335,000.00	-	579,324.32	244,324.32
Boat Ramp Permits	15,000.00	-	18,200.00	3,200.00
Rent of Boat Wharf	5,000.00	-	11,077.00	6,077.00
Hotel / Motel Tax	150,000.00	-	325,432.97	175,432.97
Energy Receipts Tax	227,755.00	-	227,755.06	0.06
Uniform Construction Code Fees	60,000.00	-	159,013.42	99,013.42
Code Enforcement and Construction Fees - Interlocal	96,540.00	-	109,267.50	12,727.50
NJ Municipal Relief Fund	23,476.02	-	23,476.02	-
Recycling Tonnage Grant	10,732.64	-	10,732.64	-
Clean Communities Program	14,121.05	-	14,121.05	-
Alcohol Education and Rehabilitation Fund	259.59	-	259.59	-
Local Recreation Improvement Grants	133,000.00	74,000.00	207,000.00	-
Lead Grant Assistance Program	900.00	-	900.00	-
Body Armor Grant	1,331.85	-	1,331.85	-
Cops in Shops	1,440.00	-	1,440.00	-
Donations Park Improvement	850.00	-	850.00	-
Donations - Beach Patrol	2,000.00	-	2,000.00	-
Donations- Wheel Chair	7,500.00	-	7,500.00	-
ARP - Firefighter PPE	-	35,000.00	35,000.00	-
Stormwater Assistance	15,000.00	-	15,000.00	-
Total Miscellaneous Revenues	1,212,906.15	109,000.00	1,884,699.91	562,793.76
Receipts From Delinquent Taxes	200,000.00	-	226,361.87	26,361.87
Amount To Be Raised By Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	9,037,869.39	-	9,495,613.31	457,743.92
Minimum Library Tax	1,230,518.36	-	1,230,518.36	-
Total Amount To Be Raised By Taxes for Support of Municipal Budget	10,268,387.75	-	10,726,131.67	457,743.92
Budget Totals	15,435,861.78	109,000.00	16,591,761.33	1,046,899.55
Non-Budget Revenue	-	-	1,556,576.09	1,556,576.09
Total General Revenues	\$ 15,435,861.78	\$ 109,000.00	\$ 18,148,337.42	\$ 2,603,475.64

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

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 28,539,160.22
School and County Taxes	<u>18,488,125.55</u>
Balance for Support of Municipal Budget	
Appropriations	10,051,034.67
Add: "Appropriation Reserve for Uncollected Taxes"	<u>675,097.00</u>
Amount for Support of Municipal Budget	
Appropriations	<u>\$ 10,726,131.67</u>
Receipts From Delinquent Taxes:	
Delinquent Tax Collections	<u>\$ 226,361.87</u>
	<u>\$ 226,361.87</u>
Fees and Permits:	
Street Opening	\$ 3,152.00
Zoning Fees	16,600.00
Piling	2,200.00
Fence	1,410.00
Garage Sales	220.00
Curb and Sidewalk	1,540.00
Signs	1,650.00
Sidewalk Sales	1,500.00
Tent	1,300.00
Beach Buggy	1,025.00
Resales	4,260.00
Impervious Lot Coverage	3,210.00
Trailer/Dumpsters	790.00
Dune Walkovers	75.00
Outdoor Dining	500.00
Flood Plain	875.00
	<u>\$ 40,307.00</u>

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

## Miscellaneous Revenue Not Anticipated:

Interest on Investments	\$ 877,596.88
Municipal Court	294,164.49
Information Copies	85.00
Discovery	936.78
MVC Accident Reports	205.00
Amusement License	6,250.00
LIT Program	7,410.00
Community Garden Rental Space	1,710.00
Fire Inspections - Rental Property	19,180.00
Recycling Garbage	4,160.00
Ice Cream Bids	15,309.00
Public Auctions	3,555.00
Marriage License	126.00
Found Money	1,166.22
Apple Fee Use of Park	24,192.99
Tennis Court Permits	14,900.00
Pickleball Permits	31,930.00
Miscellaneous	46,614.79
Placecards/Tristate	44,987.99
NSF Fee	640.00
Certified Copies	3,960.00
Tower Lease	125,423.04
200' Radius	220.00
Lub Fees	2,300.00
Franchise Fees	26,802.91
Specs/Bids	2,550.00
Polling Place	200.00
	<hr/>
Total	<u><u>\$ 1,556,576.09</u></u>

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	
			Reserved		
<b>GENERAL APPROPRIATIONS</b>					
Operations - Within "CAPS"					
<b>GENERAL GOVERNMENT FUNCTIONS</b>					
Administrative and Executive:					
Mayor and Council:					
Salaries and Wages	\$ 36,562.00	\$ 36,562.00	\$ 36,557.56	\$ -	\$ 4.44
Other Expenses	9,000.00	9,000.00	3,573.95	125.00	5,301.05
Borough Manager:					
Salaries and Wages	61,000.00	61,000.00	54,811.38	-	6,188.62
Other Expenses	4,000.00	4,000.00	689.25	-	3,310.75
Municipal Clerk:					
Salaries and Wages	246,000.00	245,900.00	237,445.85	-	8,454.15
Other Expenses	40,000.00	37,500.00	21,334.11	3,445.69	12,720.20
Human Resources (Personnel)					
Other Expenses	35,000.00	35,000.00	20,265.25	4,892.00	9,842.75
Advertising:					
Other Expenses	8,500.00	8,500.00	7,259.40	304.89	935.71
Elections:					
Other Expenses	7,500.00	7,500.00	550.19	100.00	6,849.81
Financial Administration:					
Salaries and Wages	215,000.00	215,000.00	210,534.69	-	4,465.31
Other Expenses	31,800.00	29,300.00	23,392.31	974.80	4,932.89
Audit Services:					
Other Expenses	30,000.00	30,000.00	-	-	30,000.00
Computerized Data Processing:					
Other Expenses	45,000.00	45,000.00	19,810.98	13,792.98	11,396.04
Collection of Taxes (Revenue Administration):					
Salaries and Wages	72,000.00	72,000.00	67,184.25	-	4,815.75
Other Expenses	17,850.00	12,850.00	6,263.37	173.01	6,413.62
Liquidation of Tax Liens and Foreclosed Property:					
Other Expenses	1,000.00	1,000.00	-	-	1,000.00
Engineering Services:					
Other Expenses	143,000.00	143,000.00	103,101.79	4,835.00	35,063.21

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

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED			PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered		Reserved	
				Encumbered	Reserved		
Assessment of Taxes:							
Salaries and Wages	32,000.00	32,000.00	24,033.07	-	7,966.93	-	-
Other Expenses	9,325.00	4,325.00	478.33	2,693.60	1,153.07	-	-
Revision of Tax Map	5,000.00	5,000.00	2,069.50	1,053.19	1,877.31	-	-
Tax Sale Costs	1,500.00	1,500.00	397.24	-	1,102.76	-	-
Legal Services and Costs:							
Other Expenses	165,000.00	165,000.00	117,641.96	7,943.48	39,414.56	-	-
Special Litigation	180,000.00	180,000.00	141,708.62	110.00	38,181.38	-	-
Historical Preservation Commission:							
Salaries and Wages	5,200.00	5,200.00	5,150.00	-	50.00	-	-
Other Expenses	13,600.00	13,600.00	4,076.21	2,472.30	7,051.49	-	-
LAND USE ADMINISTRATION							
Planning Board:							
Salaries and Wages	7,900.00	8,000.00	7,980.00	-	20.00	-	-
Other Expenses	24,000.00	35,000.00	23,960.31	8,481.12	2,558.57	-	-
Zoning Officer:							
Salaries and Wages	28,000.00	28,000.00	26,499.98	-	1,500.02	-	-
Other Expenses	29,500.00	29,500.00	17,906.54	-	11,593.46	-	-
INSURANCE (N.J.S.A. 40A:4-45.3 (00))							
Workers Compensation	270,000.00	270,000.00	269,789.00	-	211.00	-	-
Employee Group Health	1,832,000.00	1,832,000.00	1,642,350.39	-	189,649.61	-	-
Other Insurances	14,000.00	14,000.00	1,036.00	-	12,964.00	-	-
PUBLIC SAFETY FUNCTIONS							
Police Department:							
Salaries and Wages	2,202,250.00	2,202,250.00	2,058,357.20	-	143,892.80	-	-
Other Expenses	127,500.00	127,500.00	108,454.96	18,844.37	200.67	-	-
Emergency Management Services:							
Salaries and Wages	43,500.00	43,500.00	43,109.30	-	390.70	-	-
Other Expenses	13,750.00	8,750.00	5,775.51	1,734.22	1,240.27	-	-

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered		
				Encumbered	Reserved	
Aid to Volunteer Fire Company:						
Other Expenses	51,000.00	51,000.00	51,000.00	-	-	-
Aid to Volunteer Ambulance Company:						
Other Expenses	51,000.00	51,000.00	51,000.00	-	-	-
Fire Services:						
Hydrant Rental	8,250.00	8,250.00	8,250.00	-	-	-
Fire Services Program	825.00	825.00	825.00	-	-	-
Miscellaneous	26,000.00	26,000.00	25,954.00	-	46.00	-
Municipal Court:						
Salaries and Wages	114,066.00	111,566.00	95,396.87	-	16,169.13	-
Other Expenses	8,225.00	10,725.00	8,713.56	1,346.10	665.34	-
Municipal Prosecutor's Office:						
Other Expenses	13,500.00	13,500.00	13,500.00	-	-	-
Public Defender:						
Other Expenses	2,200.00	2,200.00	200.00	200.00	1,800.00	-
<b>PUBLIC WORKS FUNCTIONS</b>						
Streets and Road Maintenance:						
Salaries and Wages	363,000.00	363,000.00	330,008.56	-	32,991.44	-
Other Expenses	45,000.00	45,000.00	41,442.20	2,956.87	600.93	-
Sanitation:						
Salaries and Wages	432,000.00	432,000.00	398,424.47	-	33,575.53	-
Other Expenses	81,250.00	59,750.00	37,560.02	13,270.83	8,919.15	-
Recycling:						
Salaries and Wages	131,000.00	131,000.00	127,881.57	-	3,118.43	-
Other Expenses	5,500.00	5,500.00	4,807.13	250.00	442.87	-
Public Buildings and Grounds:						
Salaries and Wages	150,000.00	150,000.00	129,033.90	-	20,966.10	-
Other Expenses	120,000.00	137,500.00	122,805.29	7,205.64	7,489.07	-
Maintenance of Equipment:						
Salaries and Wages	198,000.00	198,000.00	185,870.24	-	12,129.76	-
Other Expenses	57,000.00	64,000.00	56,118.35	4,657.51	3,224.14	-

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

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered		
				Encumbered	Reserved	
<b>HEALTH AND HUMANE SERVICES</b>						
Board of Health:						
Other Expenses	85,500.00	85,500.00	84,580.16	-	919.84	-
Blood Borne Pathogens - Hepatitis B:						
Other Expenses	3,000.00	3,000.00	-	-	3,000.00	-
Animal Control Services:						
Other Expenses	11,000.00	11,000.00	9,446.00	458.00	1,096.00	-
Aid to Private Health Care Facilities (N.I.SA 44:5-10.2):						
Other Expenses	3,000.00	3,000.00	3,000.00	-	-	-
<b>PARK AND RECREATION FUNCTIONS</b>						
Lifeguards						
Salaries and Wages	447,062.00	447,062.00	342,629.08	-	104,432.92	-
Other Expenses	40,500.00	46,500.00	39,915.16	3,275.15	3,309.69	-
BB Checkers						
Salaries and Wages	116,000.00	116,000.00	115,921.07	-	78.93	-
Other Expenses	9,500.00	9,500.00	7,054.25	1,077.00	1,368.75	-
Parks and Playgrounds:						
Salaries and Wages	39,700.00	39,700.00	17,196.30	-	22,503.70	-
Other Expenses	65,100.00	65,100.00	61,448.42	1,226.80	2,424.78	-
Other Expenses - P.A.L.	1,500.00	1,500.00	315.00	-	1,185.00	-
Senior Citizen Community Center (N.J.S.AJ 40:48-9.4):						
Other Expenses	2,500.00	2,500.00	2,500.00	-	-	-
Beach Erosion:						
Salaries and Wages	8,000.00	8,000.00	-	-	8,000.00	-
Other Expenses	20,000.00	20,000.00	2,747.87	-	17,252.13	-
Beach Replenishment:						
Salaries and Wages	15,000.00	15,000.00	-	-	15,000.00	-
Other Expenses	60,000.00	60,000.00	40,099.08	773.30	19,127.62	-
Public Docks:						
Salaries and Wages	13,000.00	13,000.00	11,567.19	-	1,432.81	-
Other Expenses	2,000.00	2,000.00	620.39	-	1,379.61	-
<b>EDUCATION FUNCTIONS</b>						
Aid to Museum (N.J.SA 40:23-6.22):						
Long Beach Island Historical Association	750.00	750.00	750.00	-	-	-
Community Arts Program	750.00	750.00	750.00	-	-	-
Maritime Museum	750.00	750.00	750.00	-	-	-
Surflight Theatre	750.00	750.00	750.00	-	-	-

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered		
				Encumbered	Reserved	
<b>OTHER COMMON OPERATION FUNCTIONS</b>						
Celebration of Public Events:						
Other Expenses	1,000.00	1,000.00	668.21	-	331.79	-
Public Relation:						
Social Media Other Expenses	6,000.00	6,000.00	4,950.00	450.00	600.00	-
Marketing Other Expenses	12,000.00	12,000.00	2,500.00	7,788.00	1,712.00	-
Accumulated Leave	20,000.00	20,000.00	20,000.00	-	-	-
<b>UNIFORM CONSTRUCTION CODE- OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)</b>						
State Uniform Construction Code						
Construction Official:						
Salaries and Wages	146,000.00	146,000.00	143,500.33	-	2,499.67	-
Other Expenses	23,250.00	23,250.00	9,442.03	271.35	13,536.62	-
License Inspector:						
Salaries and Wages	30,000.00	30,000.00	20,705.00	-	9,295.00	-
Other Expenses	3,000.00	3,000.00	435.52	-	2,564.48	-
<b>UNCLASSIFIED:</b>						
Utility Expenses:						
Electricity	70,000.00	70,000.00	62,794.02	5,323.77	1,882.21	-
Street Lighting	120,000.00	131,500.00	119,529.78	11,733.79	236.43	-
Telephone	50,000.00	50,000.00	38,844.60	-	11,155.40	-
Natural Gas	38,000.00	38,000.00	34,189.80	-	3,810.20	-
Sanitary Landfill Costs	240,000.00	228,500.00	150,000.00	-	78,500.00	-
Gasoline and Oil	115,000.00	115,000.00	71,838.00	10,824.78	32,337.22	-
General Administrative Functions:						
Postage	10,000.00	10,000.00	10,000.00	-	-	-
<b>Total Operations Within "CAPS"</b>						
	9,694,665.00	9,694,665.00	8,433,776.87	145,064.54	1,115,823.59	-
<b>Detail:</b>						
Salaries and Wages	5,036,240.00	5,033,740.00	4,689,797.86	-	459,863.21	-
Other Expenses	4,658,425.00	4,660,925.00	3,743,979.01	145,064.54	655,960.38	-

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

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures: Contribution To:						
Public Employees Retirement System	345,602.00	345,602.00	345,602.00	-	-	-
Social Security System (O.A.S.I.)	390,000.00	390,000.00	361,147.69	-	28,852.31	-
Police and Firemen's Retirement System of NJ	538,653.00	538,653.00	538,653.00	-	-	-
Defined Contribution Retirement Program	8,000.00	8,000.00	6,370.51	-	1,629.49	-
Unemployment Insurance	20,000.00	20,000.00	20,000.00	-	-	-
<b>Total Deferred and Statutory Expenditures - Municipal - Within "CAPS"</b>	<b>1,302,255.00</b>	<b>1,302,255.00</b>	<b>1,271,773.20</b>	<b>-</b>	<b>30,481.80</b>	<b>-</b>
Total General Appropriations for Municipal Purposes Within "CAPS"	10,996,920.00	10,996,920.00	9,705,550.07	145,064.54	1,146,305.39	-
LOSAP	40,000.00	40,000.00	-	-	40,000.00	-
Maintenance of Free Public Library (Ch. 541, P.L. 1985): Other Expenses	1,230,518.36	1,230,518.36	220,632.32	95.00	1,009,791.04	-
2023 Board Approved Cap Exclusions Liability Insurance	180,000.00	180,000.00	180,000.00	-	-	-
Total Other Operations Excluded From "CAPS"	1,450,518.36	1,450,518.36	400,632.32	95.00	1,049,791.04	-
SHARED SERVICE AGREEMENTS Boroughs of Barnegat Light, Ship Bottom, Harvey Cedars, and Surf City						
Code Enforcement and Construction:						
Salaries and Wages	89,000.00	89,000.00	87,380.45	-	1,619.55	-
Other Expenses	7,540.00	7,540.00	469.04	-	7,070.96	-
Township of Long Beach Dispatcher Services	99,500.00	99,500.00	99,409.66	-	90.34	-
Municipal Transportation System	20,000.00	20,000.00	20,000.00	-	-	-
Total Shared Service Agreements	216,040.00	216,040.00	207,259.15	-	8,780.85	-

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

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
ADDITIONAL APPROPRIATIONS OFFSET BY REVENUES (N.J.S.A. 40A:44-5.3h)						
Mercantile Licenses						
Police						
Salaries and Wages	15,000.00	15,000.00	15,000.00	-	-	-
Total Additional Appropriations Offset By Revenues	15,000.00	15,000.00	15,000.00	-	-	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Act	14,121.05	14,121.05	14,121.05	-	-	-
Cops-in-Shops Grant	1,440.00	1,440.00	1,440.00	-	-	-
Lead Grant Assistance Program	900.00	900.00	900.00	-	-	-
ARP Firefighter PPE	-	35,000.00	35,000.00	-	-	-
Body Armor Grant	1,331.85	1,331.85	1,331.85	-	-	-
Recycling Tonnage Grant	10,732.64	10,732.64	10,732.64	-	-	-
Alcohol Education and Rehabilitation Fund	259.59	259.59	259.59	-	-	-
Donations - Park Improvements	850.00	850.00	850.00	-	-	-
Donations - Beach Wheelchairs	7,500.00	7,500.00	7,500.00	-	-	-
Donations - Beach Patrol	2,000.00	2,000.00	2,000.00	-	-	-
Local Recreation Improvement Grant	133,000.00	207,000.00	207,000.00	-	-	-
Stormwater Assistance Grant	15,000.00	15,000.00	15,000.00	-	-	-
Total Public and Private Programs Offset By Revenues	187,135.13	296,135.13	296,135.13	-	-	-
Total Operations - Excluded From "CAPS"	1,868,693.49	1,977,693.49	919,026.60	95.00	1,058,571.89	-
Detail:						
Salaries and Wages	105,440.00	104,000.00	102,380.45	-	1,619.55	-
Other Expenses	1,763,253.49	1,873,693.49	816,646.15	95.00	1,056,952.34	-

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

**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATED		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00	-	-	-
Prelim Design Former Police Station	50,000.00	50,000.00	-	-	50,000.00	-
Centre St. Lifeguard Headquarters	151.29	151.29	-	-	151.29	-
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>200,151.29</b>	<b>200,151.29</b>	<b>150,000.00</b>	<b>-</b>	<b>50,151.29</b>	<b>-</b>
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	60,000.00	60,000.00	58,101.13	-	-	1,898.87
Payment of Bond Anticipation Notes and Capital Notes	1,240,000.00	1,240,000.00	1,240,000.00	-	-	-
Interest on Bonds	75,000.00	75,000.00	72,998.87	-	-	2,001.13
Interest on Notes	320,000.00	320,000.00	310,320.60	-	-	9,679.40
<b>Total Municipal Debt Service - Excluded From "CAPS"</b>	<b>1,695,000.00</b>	<b>1,695,000.00</b>	<b>1,681,420.60</b>	<b>-</b>	<b>-</b>	<b>13,579.40</b>
Total General Appropriations for Municipal Purposes Excluded From "CAPS"	3,763,844.78	3,872,844.78	2,750,447.20	95.00	1,108,723.18	13,579.40
Subtotal General Appropriations	14,760,764.78	14,869,764.78	12,455,997.27	145,159.54	2,255,028.57	13,579.40
Reserve for Uncollected Taxes	675,097.00	675,097.00	675,097.00	-	-	-
<b>Total General Appropriations</b>	<b>\$ 15,435,861.78</b>	<b>\$ 15,544,861.78</b>	<b>\$ 13,131,094.27</b>	<b>\$ 145,159.54</b>	<b>\$ 2,255,028.57</b>	<b>13,579.40</b>
Budget as Adopted	\$ 15,435,861.78					
Added by N.J.S.A. 40A:4-87		109,000.00				
		<u>\$ 15,544,861.78</u>				
Analysis of Paid or Charged:						
Cash Disbursements		\$ 12,159,862.14				
Reserve for Uncollected Taxes		675,097.00				
Reserve for Federal and State Grants - Appropriated		296,135.13				
		<u>\$ 13,131,094.27</u>				

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

**BOROUGH OF BEACH HAVEN  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	<u>2024</u>	<u>2023</u>
Animal Control Fund:		
Cash	\$ 288.80	\$ 199.80
Total Animal Control Fund	<u>288.80</u>	<u>199.80</u>
Other Trust Funds:		
Cash	4,973,335.36	4,469,726.42
Total Other Trust Funds	<u>4,973,335.36</u>	<u>4,469,726.42</u>
Payroll Fund:		
Cash	60,170.62	97,273.78
Length of Service Award Program Fund ("LOSAP"):		
Investments	1,461,499.86	1,259,135.85
Total Assets	<u>\$ 6,495,294.64</u>	<u>\$ 5,826,335.85</u>
LIABILITIES, RESERVES, AND FUND BALANCE		
Animal Control Fund:		
Reserve for Animal Control Fund Expenditures	\$ 288.80	\$ 199.80
Total Animal Control Fund	<u>288.80</u>	<u>199.80</u>
Other Trust Funds:		
Various Trust Fund Reserves	4,973,335.36	4,469,726.42
Total Other Trust Funds	<u>4,973,335.36</u>	<u>4,469,726.42</u>
Payroll Fund:		
Due to Various Agencies	60,170.62	97,273.78
Total Payroll Fund	<u>60,170.62</u>	<u>97,273.78</u>
Length of Service Award Program Fund ("LOSAP"):		
Miscellaneous Reserves	1,461,499.86	1,259,135.85
Total	<u>\$ 6,495,294.64</u>	<u>\$ 5,826,335.85</u>

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

**BOROUGH OF BEACH HAVEN  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 3,531,818.53	\$ 3,364,566.94
Grants Receivable	959,060.23	897,203.48
Deferred Charges to Future Taxation:		
Funded	2,202,537.48	2,260,638.61
Unfunded	<u>13,722,000.00</u>	<u>11,235,000.00</u>
 Total Assets	 <u>\$ 20,415,416.24</u>	 <u>\$ 17,757,409.03</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>		
Bond Anticipation Notes	\$ 7,467,000.00	\$ 7,322,000.00
USDA Loan Payable	2,202,537.48	2,260,638.61
Reserve for Encumbrances	604,483.44	987,966.22
Improvement Authorizations:		
Funded	928,615.32	420,369.08
Unfunded	8,156,181.12	5,704,508.74
Capital Improvement Fund	230,226.51	269,276.51
Reserve to Pay Debt Service	361,751.00	361,751.00
Fund Balance	<u>464,621.37</u>	<u>430,898.87</u>
 Total Liabilities, Reserves & Fund Balance	 <u>\$ 20,415,416.24</u>	 <u>\$ 17,757,409.03</u>

There were \$6,255,000.00 of bonds and notes authorized but not issued as of December 31, 2024 and \$3,913,000.00 on December 31, 2023.

**BOROUGH OF BEACH HAVEN  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Balance, December 31, 2023	\$ 430,898.87
Increased By:	
Premium on BAN Issue	<u>33,722.50</u>
Balance, December 31, 2024	<u><u>\$ 464,621.37</u></u>

**BOROUGH OF BEACH HAVEN  
WATER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>ASSETS</b>		
Operating Fund:		
Cash and Cash Equivalents	\$ 5,076,698.67	\$ 4,912,669.28
FEMA Proceeds Receivable	47,939.63	47,939.63
Total	5,124,638.30	4,960,608.91
Receivables With Full Reserves:		
Consumer Accounts Receivable	114,098.23	93,205.60
Total Receivables With Full Reserves	114,098.23	93,205.60
Deferred Charges:		
Over-Expenditure	68,817.43	-
Total Deferred Charges	68,817.43	-
Total Operating Fund	5,307,553.96	5,053,814.51
Capital Fund:		
Cash and Cash Equivalents	435,583.88	68,523.50
Fixed Capital	4,624,706.29	4,624,706.29
Fixed Capital Authorized and Uncompleted	27,026,603.00	22,141,603.00
Total Capital Fund	32,086,893.17	26,834,832.79
Total Operating & Capital Fund	\$ 37,394,447.13	\$ 31,888,647.30

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

**BOROUGH OF BEACH HAVEN  
WATER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	2024	2023
LIABILITIES RESERVES & FUND BALANCE		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 162,721.87	\$ 167,833.57
Encumbrances Payable	39,142.89	57,421.36
Rent Overpayments	23,476.59	14,828.99
Accrued Interest on Loans and Notes	108,527.92	20,985.42
	333,869.27	261,069.34
Subtotal		
Reserve for Receivables	114,098.23	93,205.60
Fund Balance	4,859,586.46	4,699,539.57
	5,307,553.96	5,053,814.51
Total Operating Fund		
Capital Fund:		
NJEIT Loans Payable	1,642,449.15	2,000,385.67
Bond Anticipation Notes	3,194,000.00	1,730,000.00
Due to Current Fund	-	500,000.00
Improvement Authorizations:		
Funded	1,133,208.53	1,146,286.83
Unfunded	9,853,087.34	5,438,220.53
Reserve for Encumbrances	25,295.46	549,023.59
Capital Improvement Fund	1,854,750.00	1,444,750.00
Reserve for Amortization	4,624,706.29	4,624,706.29
Deferred Reserve for Amortization	9,740,239.85	9,382,303.33
Fund Balance	19,156.55	19,156.55
	32,086,893.17	26,834,832.79
Total Capital Fund		
Total Liabilities, Reserves & Fund Balance	\$ 37,394,447.13	\$ 31,888,647.30

There were \$12,449,914.00 of bonds and notes authorized but not issued as of December 31, 2024 and \$9,028,914.00 on December 31, 2023.

**BOROUGH OF BEACH HAVEN  
WATER UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 476,500.00	\$ 381,500.00
Water Rents	1,896,094.84	1,896,064.69
Fire Hydrant Service	8,250.00	8,250.00
Non-Budget Revenue	29,281.76	16,150.58
Other Credits To Income:		
Cancellation of Accrued Interest	2,954.17	2,804.16
Unexpended Balance of Appropriation Reserves	164,267.64	279,392.81
	<u>2,577,348.41</u>	<u>2,584,162.24</u>
Total Revenue		
Expenditures:		
Operating	962,500.00	962,500.00
Capital Improvements	410,000.00	410,000.00
Debt Service	572,118.95	407,039.21
Statutory Expenditures	65,000.00	65,000.00
	<u>2,009,618.95</u>	<u>1,844,539.21</u>
Excess in Revenue	567,729.46	739,623.03
Add: Expenditures Included Above Which Are By Statute Deferred Charges To Budgets of Succeeding Years	68,817.43	-
	<u>4,699,539.57</u>	<u>4,341,416.54</u>
Fund Balance, January 1		
	5,336,086.46	5,081,039.57
Decreased By:		
Utilized as Anticipated Revenue	476,500.00	381,500.00
	<u>4,859,586.46</u>	<u>4,699,539.57</u>
Fund Balance, December 31		

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

**BOROUGH OF BEACH HAVEN  
WATER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Balance December 31, 2024 and 2023

\$ 19,156.55

**BOROUGH OF BEACH HAVEN  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 476,500.00	\$ 476,500.00	\$ -
Rents	1,467,750.00	1,896,094.84	428,344.84
Fire Hydrant Service	8,250.00	8,250.00	-
Miscellaneous Revenue Not Anticipated	-	29,281.76	29,281.76
	<u>\$ 1,952,500.00</u>	<u>\$ 2,410,126.60</u>	<u>\$ 457,626.60</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investments	\$ 834.21
Miscellaneous	<u>28,447.55</u>
	<u>\$ 29,281.76</u>

**BOROUGH OF BEACH HAVEN  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		PAID OR CHARGED			Unexpended Balance Cancelled	Over- Expenditure
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved		
Operating:							
Salaries & Wages	\$ 420,000.00	\$ 420,000.00	\$ 364,933.91	\$ -	\$ 55,066.09	\$ -	\$ -
Other Expenses	542,500.00	542,500.00	405,550.26	39,142.89	97,806.85	-	-
<b>Total Operating</b>	<b>962,500.00</b>	<b>962,500.00</b>	<b>770,484.17</b>	<b>39,142.89</b>	<b>152,872.94</b>	<b>-</b>	<b>-</b>
Capital Improvements:							
Capital Improvement Fund	410,000.00	410,000.00	410,000.00	-	-	-	-
<b>Total Capital Improvements</b>	<b>410,000.00</b>	<b>410,000.00</b>	<b>410,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt Service:							
Payment on Loan Principal	360,000.00	360,000.00	357,936.52	-	-	2,063.48	-
Interest on Loans	60,000.00	60,000.00	50,365.00	-	-	9,635.00	-
Interest on Notes	95,000.00	95,000.00	163,817.43	-	-	-	68,817.43
<b>Total Debt Service</b>	<b>515,000.00</b>	<b>515,000.00</b>	<b>572,118.95</b>	<b>-</b>	<b>-</b>	<b>11,698.48</b>	<b>68,817.43</b>
Statutory Expenditures:							
Contributions To:							
Public Employees' Retirement System	30,000.00	30,000.00	30,000.00	-	-	-	-
Social Security System (O.A.S.I.)	35,000.00	35,000.00	25,151.07	-	9,848.93	-	-
<b>Total Statutory Expenditures</b>	<b>65,000.00</b>	<b>65,000.00</b>	<b>55,151.07</b>	<b>-</b>	<b>9,848.93</b>	<b>-</b>	<b>-</b>
<b>Total Water Utility Appropriations</b>	<b>\$ 1,952,500.00</b>	<b>\$ 1,952,500.00</b>	<b>\$ 1,807,754.19</b>	<b>\$ 39,142.89</b>	<b>\$ 162,721.87</b>	<b>\$ 11,698.48</b>	<b>\$ 68,817.43</b>
Cash Disbursements			\$ 1,717,257.52				
Accrued Interest on Bonds and Notes			90,496.67				
			<u>\$ 1,807,754.19</u>				

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

**BOROUGH OF BEACH HAVEN  
SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	2024	2023
ASSETS		
Operating Fund:		
Cash and Cash Equivalents	\$ 1,726,746.56	\$ 1,366,097.80
Total	1,726,746.56	1,366,097.80
Receivables With Full Reserves:		
Consumer Accounts Receivable	101,104.45	93,265.30
Total Receivables With Full Reserves	101,104.45	93,265.30
Total Operating Fund	1,827,851.01	1,459,363.10
Capital Fund:		
Cash and Cash Equivalents	1,796,470.50	722,908.00
Fixed Capital	4,415,778.58	4,415,778.58
Fixed Capital Authorized and Uncompleted	2,074,000.00	1,089,000.00
Total Capital Fund	8,286,249.08	6,227,686.58
Total Operating & Capital Fund	\$ 10,114,100.09	\$ 7,687,049.68

**BOROUGH OF BEACH HAVEN  
SEWER UTILITY FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	2024	2023
LIABILITIES RESERVES & FUND BALANCE		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 265,055.20	\$ 112,833.95
Encumbrances Payable	4,171.68	3,213.60
Rent Overpayments	5,011.94	19,937.12
Accrued Interest on Loans and Notes	30,855.00	-
Accounts Payable	-	22,000.00
Subtotal	305,093.82	157,984.67
Reserve for Receivables	101,104.45	93,265.30
Fund Balance	1,421,652.74	1,208,113.13
Total Operating Fund	1,827,851.01	1,459,363.10
Capital Fund:		
Bond Anticipation Notes	1,089,000.00	-
Improvement Authorizations:		
Unfunded	1,883,562.50	998,721.80
Reserve for Encumbrances	-	90,278.20
Capital Improvement Fund	350,000.00	175,000.00
Reserve for Amortization	4,415,778.58	4,415,778.58
Fund Balance	547,908.00	547,908.00
Total Capital Fund	8,286,249.08	6,227,686.58
Total Liabilities, Reserves & Fund Balance	\$ 10,114,100.09	\$ 7,687,049.68

There were \$985,000.00 of bonds and notes authorized but not issued as of December 31, 2024 and \$1,089,000.00 on December 31, 2023.

**BOROUGH OF BEACH HAVEN  
SEWER UTILITY OPERATING FUND  
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 305,000.00	\$ -
Water Rents	1,702,236.30	856,071.14
Non-Budget Revenue	15,356.97	10,509.37
Other Credits To Income:		
Unexpended Balance of Appropriation Reserves	96,801.34	-
Total Revenue	<u>2,119,394.61</u>	<u>866,580.51</u>
Expenditures:		
Operating	1,380,000.00	677,000.00
Capital Improvements	175,000.00	175,000.00
Debt Service	30,855.00	-
Statutory Expenditures	15,000.00	4,000.00
	<u>1,600,855.00</u>	<u>856,000.00</u>
Excess in Revenue	518,539.61	10,580.51
Transferred from Sewer Authority	-	1,197,532.62
Fund Balance, January 1	<u>1,208,113.13</u>	<u>-</u>
	1,726,652.74	1,208,113.13
Decreased By:		
Utilized as Anticipated Revenue	<u>305,000.00</u>	<u>-</u>
Fund Balance, December 31	<u>\$ 1,421,652.74</u>	<u>\$ 1,208,113.13</u>

**BOROUGH OF BEACH HAVEN  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2024**

Balance December 31, 2024 and 2023

\$ 547,908.00

**BOROUGH OF BEACH HAVEN  
SEWER UTILITY OPERATING FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2024**

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	\$ 305,000.00	\$ 305,000.00	\$ -
Rents	1,300,000.00	1,702,236.30	402,236.30
Miscellaneous Revenue Not Anticipated	-	15,356.97	15,356.97
	<u>\$ 1,605,000.00</u>	<u>\$ 2,022,593.27</u>	<u>\$ 417,593.27</u>

Analysis of Miscellaneous Revenue Not Anticipated

Miscellaneous	<u>\$ 15,356.97</u>
	<u><u>\$ 15,356.97</u></u>

**BOROUGH OF BEACH HAVEN**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2024**

	APPROPRIATIONS		PAID OR CHARGED			Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
Operating:						
Salaries & Wages	\$ 160,000.00	\$ 160,000.00	\$ 126,246.96	\$ -	\$ 33,753.04	\$ -
Other Expenses	1,220,000.00	1,220,000.00	990,526.26	4,171.68	225,302.06	-
<b>Total Operating</b>	<b>1,380,000.00</b>	<b>1,380,000.00</b>	<b>1,116,773.22</b>	<b>4,171.68</b>	<b>259,055.10</b>	<b>-</b>
Capital Improvements:						
Capital Improvement Fund	175,000.00	175,000.00	175,000.00	-	-	-
<b>Total Capital Improvements</b>	<b>175,000.00</b>	<b>175,000.00</b>	<b>175,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt Service:						
Interest on Notes	35,000.00	35,000.00	30,855.00	-	-	4,145.00
<b>Total Debt Service</b>	<b>35,000.00</b>	<b>35,000.00</b>	<b>30,855.00</b>	<b>-</b>	<b>-</b>	<b>4,145.00</b>
Statutory Expenditures:						
Contributions To:						
Social Security System (O.A.S.I.)	15,000.00	15,000.00	8,999.90	-	6,000.10	-
<b>Total Statutory Expenditures</b>	<b>15,000.00</b>	<b>15,000.00</b>	<b>8,999.90</b>	<b>-</b>	<b>6,000.10</b>	<b>-</b>
<b>Total Water Utility Appropriations</b>	<b>\$ 1,605,000.00</b>	<b>\$ 1,605,000.00</b>	<b>\$ 1,331,628.12</b>	<b>\$ 4,171.68</b>	<b>\$ 265,055.20</b>	<b>\$ 4,145.00</b>
Cash Disbursements			\$ 1,300,773.12			
Accrued Interest on Bonds and Notes			<u>30,855.00</u>			
			<u>\$ 1,331,628.12</u>			

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

**BOROUGH OF BEACH HAVEN  
PUBLIC ASSISTANCE FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash	<u>\$ 29,483.21</u>	<u>\$ 29,483.21</u>
Total Assets	<u><u>\$ 29,483.21</u></u>	<u><u>\$ 29,483.21</u></u>
LIABILITIES, RESERVES & FUND BALANCE		
Reserve for Public Assistance Expenditures	<u>\$ 29,483.21</u>	<u>\$ 29,483.21</u>
Total Liabilities, Reserves & Fund Balance	<u><u>\$ 29,483.21</u></u>	<u><u>\$ 29,483.21</u></u>

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

**BOROUGH OF BEACH HAVEN**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**FIXED ASSETS AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2024 AND 2023**

ASSETS	<u>2024</u>	<u>2023</u>
Land and Buildings	\$ 6,652,084.32	\$ 6,652,084.32
Machinery and Equipment	<u>5,179,103.00</u>	<u>5,179,103.00</u>
Total Assets	<u>\$ 11,831,187.32</u>	<u>\$ 11,831,187.32</u>
FUND BALANCE		
Investment in Fixed Assets	<u>\$ 11,831,187.32</u>	<u>\$ 11,831,187.32</u>
Total Fund Balance	<u>\$ 11,831,187.32</u>	<u>\$ 11,831,187.32</u>

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

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**BOROUGH OF BEACH HAVEN  
COUNTY OF OCEAN**

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

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**BOROUGH OF BEACH HAVEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The Borough of Beach Haven, County of Ocean, New Jersey (hereafter referred to as the "Borough") is governed under the Borough form of New Jersey government, Mayor and Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements of the Borough are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads.

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

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

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

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

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

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

**Utility Operating and Capital Funds** – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

**BOROUGH OF BEACH HAVEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**Public Assistance Fund** – This fund accounts for resources restricted in use for the general welfare of citizens living within the Borough.

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

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

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

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

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

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

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

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

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

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

**Utility Fixed Assets** – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**BOROUGH OF BEACH HAVEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

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

**Fund Balance** – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

**Utility Revenues** – Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Boroughs utility operating fund.

**Property Tax Revenues** – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Ocean, Long Beach Island Consolidated School District and Southern Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

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

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Beach Haven School District and Southern Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district from January 1<sup>st</sup> to December 31<sup>st</sup> and for the regional high school district the Borough’s share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2023 and decreased by the amount deferred at December 31, 2024.

**BOROUGH OF BEACH HAVEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

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

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

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

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

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2024:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. Management has determined that the implementation of this Statement did not have a significant impact on the Borough's financial statements.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in additional footnote disclosures on the Borough's financial statements.

Management has determined that the implementation of these Statements did not have a significant impact on the Borough's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

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

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

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

**Note 2. Deposits and Investments**

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

Deposits

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 2. Deposits and Investments (continued):**

As of December 31, 2024, the Borough's bank balance of \$34,446,081.53 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 29,207,202.57
NJ Cash Management Fund	230,602.29
Uninsured and Uncollateralized	5,008,276.67
	\$ 34,446,081.53

**Investments**

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

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2024 the Borough had investments held at Level 2 or 3.

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

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

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

The Borough's fair value, hierarchy level and maturities of its investments at December 31, 2024 was as follows:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2024</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Money Markets	\$ 1,739.92	\$ 1,739.92	\$ 1,739.92	\$ 1,739.92
Mutual Funds	1,244,948.63	1,244,948.63	1,244,948.63	1,244,948.63
	\$ 1,246,688.55	\$ 1,246,688.55	\$ 1,246,688.55	\$ 1,246,688.55
<u>Fund</u>				
Trust Fund - LOSAP	\$ 1,246,688.55	\$ 1,246,688.55	\$ 1,246,688.55	\$ 1,246,688.55
	\$ 1,246,688.55	\$ 1,246,688.55	\$ 1,246,688.55	\$ 1,246,688.55

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 2. Deposits and Investments (continued):**

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$300,424.54 as of December 31, 2024. Lincoln maintains the contributions in the group fixed annuity contracts (fixed accounts). The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contracts held by the Borough are guaranteed investment contracts. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rates that are guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contracts is dependent on the contract issuer's ability to meet its financial obligations. The fixed accounts continue in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

The total Trust Fund LOSAP value held by the Borough at December 31, 2024 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 1,246,688.55
Trust Fund - LOSAP (Contract Value)	
Fixed Account Plus	300,424.54
<b>Total Trust Fund - LOSAP</b>	<b>\$ 1,547,113.09</b>

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. These contracts meet the fully benefit-responsive investment contract criteria and therefore are reported at contract value.

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

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in mutual funds and fixed income. These investments represent 68.56% of the Borough's total investments.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 3. Property Taxes:**

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

**Comparison Schedule of Tax Rates**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Tax Rate	<u>\$ 1.312</u>	<u>\$ 1.211</u>	<u>\$ 1.125</u>
Apportionment of Tax Rate:			
Municipal	0.469	0.441	0.424
County	0.504	0.463	0.403
Local School	0.099	0.098	0.097
Regional School	0.240	0.209	0.201

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2024	\$ 2,188,346,100.00
2023	2,163,622,600.00
2022	2,141,434,300.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 28,700,095.25	\$ 28,539,160.22	99.43%
2023	26,394,655.25	26,140,638.10	99.03%
2022	24,230,948.45	23,994,440.43	99.02%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2024	\$ 20,040.98	\$ 307,499.52	\$ 327,540.50	1.14%
2023	18,374.74	226,381.87	244,756.61	0.93%
2022	16,836.77	248,401.71	265,238.48	1.09%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2024	1
2023	2
2022	2

The last tax sale was held on December 4, 2024.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 4. Property Acquired by Tax Title Lien Liquidation**

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2024, 2023 or 2022.

**Note 5. Utility Service Charges**

The following is a three-year comparison of water utility charges (rents) and collections for the current and previous two years.

**Water Utility Operating Fund:**

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 93,205.60	\$ 1,916,987.47	\$ 2,010,193.07	\$ 1,896,094.84	94.32%
2023	83,245.53	1,906,024.76	1,989,270.29	1,896,064.69	95.31%
2022	670,464.87	1,887,694.88	2,558,159.75	2,474,914.27	96.74%

**Sewer Utility Operating Fund:**

<u>Year</u>	<u>Beginning Balance</u>	<u>Levy</u>	<u>Transfer from Authority</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 93,265.30	1,710,075.45	\$ -	\$ 1,803,340.75	\$ 1,702,236.30	94.39%
2023	-	545,700.14	403,636.30	949,336.44	856,071.14	90.17%

The Borough adopted an ordinance dissolving the Beach Haven Sewerage Authority and establishing the Sewer Utility Operating and Capital Fund as of August 1, 2023.

**Note 6. Fund Balances Appropriated**

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2024	\$ 10,121,605.38	\$ 4,446,020.31	43.93%
2023	8,469,985.20	3,754,567.88	44.33%
2022	9,362,702.34	4,708,120.89	50.29%
<b>Water Utility Operating Fund:</b>			
2024	\$ 4,859,586.46	\$ 545,317.43	11.22%
2023	4,699,539.57	476,500.00	10.14%
2022	4,341,416.54	381,500.00	8.79%
<b>Sewer Utility Operating Fund:</b>			
2024	\$ 1,421,652.74	\$ 425,000.00	29.89%
2023	1,208,113.13	305,500.00	25.29%

The Borough adopted an ordinance dissolving the Beach Haven Sewerage Authority and establishing the Sewer Utility Operating and Capital Fund as of August 1, 2023.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 7. Disaggregated Receivable and Payable Balances**

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

**Note 8. Interfund Receivables, Payables and Transfers:**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2024:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 100,018.88
State and Federal Grant Fund	<u>100,018.88</u>	<u>-</u>
	<u>\$ 100,018.88</u>	<u>\$ 100,018.88</u>

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

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 659,628.35	\$ 1,240,000.00
Animal Control Trust	-	93.40
State and Federal Grant Fund	-	159,534.95
General Capital Fund	1,240,000.00	-
Water Operating Fund	-	410,000.00
Water Capital Fund	410,000.00	500,000.00
Sewer Operating Fund	-	175,000.00
Sewer Capital Fund	<u>175,000.00</u>	<u>-</u>
	<u>\$ 2,484,628.35</u>	<u>\$ 2,484,628.35</u>

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

**Note 9. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2024.

	Balance December 31, 2023	Additions	Adjustments*	Balance December 31, 2024
Land and Buildings	\$ 6,652,084.32	\$ -	\$ -	\$ 6,652,084.32
Machinery and Equipment	<u>5,179,103.00</u>	<u>-</u>	<u>-</u>	<u>5,179,103.00</u>
	<u>\$ 11,831,187.32</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,831,187.32</u>

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations**

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2024. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

As of August 1, 2023 the Borough has assumed the operations of the Beach Haven Sewage Authority, established in 1955. The numbers presented for the Public Employees' Retirement System for the Borough is combined with the Beach Haven Sewer Authority.

**Plan Description** - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Borough's contractually required contribution to PERS plan was \$408,151.00.

**Components of Net Pension Liability** - At December 31, 2023, the Borough's proportionate share of the PERS net pension liability was \$4,423,263.00. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Borough's proportion measured as of June 30, 2023, was 0.0305381725% which was a decrease of 0.0008435031% from its proportion measured as of June 30, 2022.

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

	<u>12/31/2023</u>	<u>12/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 194,792	\$ 467,703
Deferred Inflows of Resources	578,759	1,045,763
Net Pension Liability	4,423,263	4,735,927
 Borough's portion of the Plan's total Net Pension Liability	 0.03054%	 0.03138%

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2023, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is \$(98,607). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$408,151.00 to the plan in 2023.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 42,292	\$ 18,081
Changes of Assumptions	9,717	268,069
Net Difference between Projected and Actual Earnings on Pension Plan Investments	20,369	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>122,414</u>	<u>292,609</u>
	<u>\$ 194,792</u>	<u>\$ 578,759</u>

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (267,571)
2025	(164,387)
2026	148,114
2027	(66,637)
2028	<u>(33,485)</u>
	<u>\$ (383,966)</u>

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

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

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2023. At December 31, 2023, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$13,794.

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 5,806,693	\$ 4,423,263	\$ 3,314,813

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2024. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

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

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

The following represents the membership tiers for PFRS:

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

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2023, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Borough's contractually required contributions to PFRS plan was \$538,653.

**Net Pension Liability and Pension Expense** - At December 31, 2023 the Borough's proportionate share of the PFRS net pension liability was \$4,470,745. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Borough's proportion measured as of June 30, 2023, was 0.04046368%, which was an increase of 0.00307636% from its proportion measured as of June 30, 2022.

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

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 1,150,710	\$ 1,265,773
Deferred Inflows of Resources	624,334	1,045,863
Net Pension Liability	4,470,745	4,279,486
Borough's portion of the Plan's total net pension Liability	0.04046%	0.03739%

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2023, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date was \$423,509. This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$538,653 to the plan in 2023.

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

	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 191,428	\$	213,215
Changes of Assumptions	9,649		301,882
Net Difference between Projected and Actual Earnings on Pension Plan Investments	227,687		-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	721,946		109,237
	\$ 1,150,710		\$ 624,334

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

<b><u>Year Ending December 31,</u></b>	<b><u>Amount</u></b>
2024	\$ (51,444)
2025	(44,428)
2026	391,180
2027	99,437
2028	130,789
Thereafter	845
	\$ 526,379

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$823,787 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2023 was 0.04046368%, which was a decrease of 0.00307617% from its proportion measured as of June 30, 2022, which is the same proportion as the Borough's. At December 31, 2023, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 4,470,745
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>823,787</u>
	<u>\$ 5,294,532</u>

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

At December 31, 2023, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$94,209.

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

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

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

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

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2023 are summarized in the following table:

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<hr style="border-top: 1px solid black;"/> <u>100.00%</u>	

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

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 10. Pension Obligations (continued)**

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 6,229,200	\$ 4,470,745	\$ 3,006,372
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	1,147,804	823,787	553,959
	<b>\$ 7,377,004</b>	<b>\$ 5,294,532</b>	<b>\$ 3,560,331</b>

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

**Note 11. Postemployment Benefits Other Than Pensions**

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit (OPEB) obligations for the year ended June 30, 2024. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2023.

**General Information about the OPEB Plan**

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

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

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

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

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity.

Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2023 were \$3,461,898,890 and \$11,427,677,896, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

**Salary Increases\*:**

**Public Employees' Retirement System (PERS)**

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

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

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

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

Rate for all future years

**Mortality:**

**PERS**

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

**PERS**

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

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

**OPEB Obligation and OPEB (benefit) Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2023 was \$14,640,830. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2023, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0975629993% which was an increase of 0.0147429991% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB (benefit) expense in the amount of (\$193,117) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2023 measurement date.

Actuarial assumptions used in the July 1, 2022 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.

*Health Care Trend Assumptions*

For Pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.5% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

*Discount Rate*

The discount rate for June 30, 2022 was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

***Sensitivity of Net OPEB Liability to Changes in the Discount Rate***

The following presents the collective net OPEB liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 16,958,747.84	\$ 14,640,830.00	\$ 12,776,422.62
State of New Jersey's Total Nonemployer OPEB Liability	17,382,355,978.00	15,006,539,477.00	13,095,561,553.00

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

The following presents the net OPEB liability as of June 30, 2023, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 13,366,314.37	\$ 14,640,830.00	\$ 18,816,582.17
State of New Jersey's Total Nonemployer OPEB Liability	13,700,188,049.00	15,006,539,477.00	19,286,596,671.00

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

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

	12/31/2024	12/31/2023
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Collective Deferred Outflows of Resources	\$ 7,897,070,518.00	\$ 8,536,291,345.00
Collective Deferred Inflows of Resources	13,408,600,309.00	12,481,961,743.00
Collective Net OPEB Liability	15,006,539,477.00	16,149,595,478.00
Borough's Portion	0.027293%	0.029370%

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

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

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Postemployment Benefits Other Than Pensions (continued):**

**Changes in the Total OPEB Liability**

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

Service Cost	\$	597,135,801
Interest on the Total OPEB Liability		581,375,849
Changes of Benefit Terms		23,039,435
Differences Between Expected and Actual Experience		(2,123,324,632)
Changes of Assumptions		255,103,873
Contributions from the Employer		(431,386,179)
Contributions from Non-Employer Contributing Entities		(55,614,980)
Net Investment Income		(2,001,914)
Administrative Expenses		12,616,746
		<hr/>
Net Change in Total OPEB Liability		(1,143,056,001)
Total OPEB Liability (Beginning)		16,149,595,478
		<hr/>
Total OPEB Liability (Ending)	\$	<u>15,006,539,477</u>

**Note 12. Municipal Debt**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 9,669,537.48	\$ 9,582,638.61	\$ 9,323,896.50
Water Utility:			
Bonds, Notes and Loans	4,836,449.15	3,730,385.67	2,350,322.19
Sewer Utility:			
Bonds, Notes and Loans	1,089,000.00	-	-
			<hr/>
Total Debt Issued	15,594,986.63	13,313,024.28	11,674,218.69
			<hr/>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	\$ 6,255,000.00	\$ 3,913,000.00	\$ 4,825,000.00
Water Utility:			
Bonds, Notes and Loans	12,449,914.00	9,028,914.00	10,274,914.00
Sewer Utility:			
Bonds, Notes and Loans	985,000.00	1,089,000.00	-
			<hr/>
Total Authorized But Not Issued	19,689,914.00	14,030,914.00	15,099,914.00
			<hr/>
<b>Total Gross Debt</b>	<b>\$ 35,284,900.63</b>	<b>\$ 27,343,938.28</b>	<b>\$ 26,774,132.69</b>
			<hr/>



**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 12. Municipal Debt (continued):**

Self-Liquidating Water Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$2,410,126.60
Deductions:		
Operating and Maintenance Costs	\$ 1,027,500.00	
Debt Service	<u>572,118.95</u>	
Total Deductions		<u>1,599,618.95</u>
Excess/(Deficit) in Revenue		<u>\$ 810,507.65</u>

Self-Liquidating Sewer Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$2,022,593.27
Deductions:		
Operating and Maintenance Costs	\$1,395,000.00	
Debt Service	<u>30,855.00</u>	
Total Deductions		<u>1,425,855.00</u>
Excess/(Deficit) in Revenue		<u>\$ 596,738.27</u>

\*If Excess in Revenues all Utility Debt is Deducted

**General Debt**

**A. Serial Bonds Payable**

The Borough had no serial bonds payable outstanding in the General Capital Fund at December 31, 2024.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 12. Municipal Debt (continued):**

**B. Bond Anticipation Notes Payable – Short Term Debt**

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

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2024</u>
Series 2024	5/3/2024	5/2/2025	4.250%	<u>\$ 7,467,000.00</u>

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

**C. Bonds and Notes Authorized but Not Issued**

As of December 31, 2024, the Borough had \$7,467,000.00 in various General Capital bonds and notes authorized but not issued.

**D. Loans Payable**

USDA Loan Program

In July 2019 the Borough finalized a loan agreement with the United States Department of Agriculture (USDA) for \$2,500,000.00. The Loans were issued at an interest rate of 2.750% and mature on August 1, 2049.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 60,004.76	\$ 71,095.24	\$ 131,100.00
2026	61,970.76	69,129.24	131,100.00
2027	64,001.17	67,098.83	131,100.00
2028	66,098.11	65,001.89	131,099.99
2029	68,263.75	62,836.25	131,100.00
2030-2034	376,369.82	279,130.18	655,500.00
2035-2039	442,201.67	213,298.33	655,500.00
2040-2044	519,548.35	135,951.65	655,500.00
2045-2049	544,079.09	45,090.56	589,169.65
	<u>\$ 2,202,537.48</u>	<u>\$ 1,008,632.17</u>	<u>\$ 3,211,169.64</u>

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 12. Municipal Debt (continued):**

**Water Utility Debt**

**A. Serial Bonds Payable**

The Borough had no serial bonds payable outstanding in the Water Utility Capital Fund at December 31, 2024.

**B. Bond Anticipation Notes Payable – Short Term Debt**

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

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2024</u>
Series 2024	5/3/2024	5/2/2025	4.250%	<u>\$ 3,194,000.00</u>

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2024 the Borough had \$12,449,914.00 in various Water Utility bonds and notes authorized but not issued.

**D. Loans Payable**

**New Jersey Environmental Infrastructure Trust**

The Borough, in 2010, finalized two loan agreements with the State of New Jersey Department of Environmental Protection, pursuant to the 2010 New Jersey Environmental Infrastructure Trust Financing Program.

The first loan consists of two agreements, a Trust Loan Agreement of \$1,045,000.00 to be repaid over a 20 year period at interest rates ranging from 2.00% to 5.00%, and a no interest Fund Loan Agreement at \$1,020,563.00 to be repaid over a 20 year period. In addition the Borough was allocated \$2,041,125.00 in American Recovery and Reinvestment Act funding relating to this loan project. The proceeds of the NJEIT loans and ARRA funding are to provide for the acquisition and installation of residential water meters.

The second loan consists of two agreements, a Trust Loan Agreement of \$445,000.00 to be repaid over a 20 year period at interest rates ranging from 3.50% to 5.00%, and a no interest Fund Loan Agreement at \$1,330,007.00 to be repaid over a 20 year period. The proceeds of the loans are to provide for the repair and repainting of the Borough's water tower and well construction.

The Borough also, in 2010, finalized a loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2011 New Jersey Environmental Infrastructure Trust Financing Program.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 12. Municipal Debt (continued):**

The 2011 loan consists of two agreements, a Trust Loan Agreement of \$1,240,000 to be repaid over a 20 year period at an interest rate of 5.00%, and a no interest Fund Loan Agreement at \$1,286,000 to be repaid over a 20 year period. The proceeds of the loans are to provide for the removal and replacement of existing water mains in the Borough.

The Borough also, in 2015, finalized a loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the 2015 New Jersey Environmental Infrastructure Trust Financing Program.

The 2015 loan consists of two agreements, a Trust Loan Agreement of \$135,000 to be repaid over a 19 year period at an interest rate varying from 5.00% to 4.00%, and a no interest Fund Loan Agreement at \$148,250 to be repaid over a 20 year period. The proceeds of the loans are to provide for the reconstruction of a water system pump building.

Debt requirements (including related fees) for the New Jersey Environmental Infrastructure Trust Loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 360,936.52	\$ 43,275.00	\$ 404,211.52
2026	323,936.52	36,065.00	360,001.52
2027	289,946.40	27,150.00	317,096.40
2028	249,936.16	22,125.00	272,061.16
2029	245,002.79	16,875.00	261,877.79
2030-2034	172,690.76	15,570.00	169,917.52
	<u>\$ 1,642,449.15</u>	<u>\$ 161,060.00</u>	<u>\$ 1,785,165.91</u>

**Sewer Utility Debt**

**A. Serial Bonds Payable**

The Borough had no serial bonds payable outstanding in the Sewer Utility Capital Fund at December 31, 2024.

**B. Bond Anticipation Notes Payable – Short Term Debt**

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

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2024</u>
Series 2024	5/3/2024	5/2/2025	4.250%	<u>\$ 1,089,000.00</u>

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 12. Municipal Debt (continued):**

**C. Bonds and Notes Authorized But Not Issued**

As of December 31, 2024 the Borough had \$985,000.00 in various Sewer Utility bonds and notes authorized but not issued.

**Summary of Principal Debt**

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

	Balance December 31, <u>2023</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2024</u>	Balance Due Within <u>One Year</u>
General Capital:					
Bond Anticipation Notes	\$ 7,322,000.00	\$ 7,467,000.00	\$ 7,322,000.00	\$ 7,467,000.00	\$ 7,467,000.00
USDA Loan Payable	2,260,638.61	-	58,101.13	2,202,537.48	60,004.76
	<u>\$ 9,582,638.61</u>	<u>\$ 7,467,000.00</u>	<u>\$ 7,380,101.13</u>	<u>\$ 9,669,537.48</u>	<u>\$ 7,527,004.76</u>
Water Utility Capital:					
Bond Anticipation Notes	\$ 1,730,000.00	\$ 3,194,000.00	\$ 1,730,000.00	\$ 3,194,000.00	\$ 3,194,000.00
NJEIT Loans Payable	2,000,385.67	-	357,936.52	1,642,449.15	360,936.52
	<u>\$ 3,730,385.67</u>	<u>\$ 3,194,000.00</u>	<u>\$ 2,087,936.52</u>	<u>\$ 4,836,449.15</u>	<u>\$ 3,554,936.52</u>
Sewer Utility Capital:					
Bond Anticipation Notes	\$ -	\$ 1,089,000.00	\$ -	\$ 1,089,000.00	\$ 1,089,000.00

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 13. Deferred School Taxes**

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

<u>Local Taxes</u>	Balance, December 31,	
	<u>2024</u>	<u>2023</u>
Total Balance of Local Tax	\$ 1,081,480.01	\$ 1,060,274.51
Deferred Taxes	387,424.00	387,424.00
Local Tax Payable	\$ 694,056.01	\$ 672,850.51

<u>Regional Tax</u>	Balance, December 31,	
	<u>2024</u>	<u>2023</u>
Total Balance of Regional Tax	\$ 2,624,890.71	\$ 2,264,088.71
Deferred Taxes	555,330.00	555,330.00
Regional Tax Payable	\$ 2,069,560.71	\$ 1,708,758.71

**Note 14. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the Borough had a deferred charges to be raised in succeeding budgets due to an Over-Expenditure.

<u>Description</u>	Balance December 31, <u>2023</u>	2024 Budget <u>Appropriation</u>	Amount Resulting from <u>2024 Operations</u>	Balance to Succeeding <u>Budgets</u>
<b>Water Utility Operating Fund:</b>				
Overexpenditure of Appropriations	\$ -	\$ -	\$ 68,817.43	\$ 68,817.43

**Note 15. Deferred Compensation Salary Account**

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 16. Accrued Sick, Vacation and Compensation Time**

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

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

Under current policies and in accordance with N.J.S.A. 40A:9-10.2, unused sick leave is paid at an agreed upon rate upon separation of employment. Excess unused sick leave above the statutory cap is not paid out upon separation and lapses unless used. However, a liability is recognized under GASB 101 to the extent such leave is expected to be used as time off.

It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$287,981.73 at December 31, 2024. This estimate includes vacation leave that is expected to be paid upon separation from service, and sick leave and compensation time to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns. The Borough adopted GASB Statement No. 101 during the year ended December 31, 2024. As a result, the compensated absences liability disclosed above reflects the revised recognition criteria under this standard.

**Note 17. Risk Management**

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

**Joint Insurance Pool**

The Borough is a member of the Ocean County Municipal Joint Insurance Fund. The Fund provides the Borough with the following coverage

Worker's Compensation	\$300,000
General Liability	300,000
Employer's Liability	300,000
Employee Dishonesty Liability	1,000,000
Environmental Impairment Liability	1,000,000

Contributions to the Funds are payable in one installment and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2024 which can be obtained on the Fund's website.

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 17. Risk Management (continued)**

**New Jersey Unemployment Compensation Insurance**

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

<u>Year</u>	<u>Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024	\$ 20,000.00	\$ 41,986.90	\$ 16,065.39	\$ 169,241.72
2023	20,000.00	-	18,381.15	123,320.21
2022	20,000.00	-	4,538.77	121,701.36

**Note 18. Contingencies**

**Grantor Agencies**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2024 the Borough estimates that no material liabilities will result from such audits.

**Litigation**

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

**Tax Appeals**

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

**Note 19. Length of Service Awards Program**

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

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents the of the Borough come from contributions made solely by the governing body of

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 19. Length of Service Awards Program (continued)**

the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

**Contributions** - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute between \$213.00 and \$1,150.00 for the year ended December 31, 2024 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2024, the Borough contributed a total of \$127,226.03 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

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

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

**Payment of Benefits** - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2024 payouts of \$51,011.45 were made to vested participants.

**Forfeited Accounts** – During the year ended December 31, 2024, no accounts were forfeited.

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

**BOROUGH OF BEACH HAVEN  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 20. Tax Abatements:**

The Borough is authorized by the New Jersey Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (hereinafter “LRHL Law”), and a Resolution of the Council dated May 28, 2020, to enter into property tax agreement whereby the owner will pay the full levy on land and incur a 5 Year phase in period for the taxes assessed on improvements beginning in 2021. The phase in period will require the taxpayer to pay 20% of the assessed taxes in the second year following the completion of the project, and an additional 20% in each of the four subsequent years, at which time the full amount of taxes will be due annually.

**Note 21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2024 and June 30, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No significant subsequent events were noted.

On March 10, 2025, an Ordinance authorizing for The acquisition of certain police and Fire Equipment, appropriating \$830,000.00 therefor and authorizing the issuance of \$790,000.00 Bonds and Notes to finance a portion of the costs thereof, authorized in and by the Borough of Beach Haven, in the County of Ocean, New Jersey

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**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES**

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## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Borough of Beach Haven, in the County of Ocean, New Jersey (the “Issuer”) in connection with the issuance by the Issuer of its \$17,435,000 Bond Anticipation Notes, Series 2026 (the “Notes”). The Notes are being issued pursuant to bond ordinances duly adopted by the Issuer. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Noteholders and Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with the provisions of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Exchange Act”).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

“Continuing Disclosure Information” shall mean: (i) any notice required to be filed with the MSRB pursuant to Section 4 hereof; and (ii) any notice of an event required to be filed with the MSRB pursuant to Section 3(c) hereof.

“Dissemination Agent” shall mean the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

“Listed Events” shall mean any of the events listed in Section 3(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Exchange Act.

“Noteholder” shall mean any person who is the registered owner of any Note, including holders of beneficial interests in the Notes.

“Participating Underwriter” shall mean any of the original underwriters of the Notes required to comply with the Rule in connection with offering of the Notes.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of New Jersey.

### SECTION 3. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 3, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Notes, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on the debt service reserves reflecting financial difficulties;
4. unscheduled draws on the credit enhancements reflecting financial difficulties;
5. substitution of the credit or liquidity providers or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes;
7. modifications to rights of Noteholders, if material;
8. Note calls, if material, and tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the Notes, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar events of the Issuer, which shall be considered to occur when any of the following occur:

the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Notes, if material; and
16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in subsection (a) for which the disclosure obligation is dependent upon materiality, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If disclosure of a Listed Event is required, the Issuer shall in a timely manner not in excess of ten business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 4. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 3(c).

SECTION 5. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the Issuer.

SECTION 6. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Notes, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Noteholders or Beneficial Owners of the Notes.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the same manner as for a Listed Event under Section 3(a), and shall include a narrative explanation of the reason for the amendment or waiver.

SECTION 7. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

SECTION 8. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Noteholder or Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Notes, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Notes.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Noteholders and Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2026

BOROUGH OF BEACH HAVEN,  
IN THE COUNTY OF OCEAN, NEW JERSEY

By: \_\_\_\_\_  
Sharon Boehler  
Chief Financial Officer

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**APPENDIX D**  
**FORM OF BOND COUNSEL'S OPINION FOR THE NOTES**

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\_\_\_\_\_, 2026

Borough Council of the  
Borough of Beach Haven  
County of Ocean, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance by the Borough of Beach Haven (the “Borough”), in the County of Ocean, State of New Jersey, of the following:

BOROUGH OF BEACH HAVEN  
IN THE COUNTY OF OCEAN, STATE OF NEW JERSEY

\$17,435,000  
BOND ANTICIPATION NOTES, SERIES 2026

DATED: April 29, 2026  
MATURING: April 29, 2027

(said Bond Anticipation Notes, Series 2026 consist of \$12,990,000 General Improvement Notes, \$2,750,000 Water Utility Notes and \$1,695,000 Sewer Utility Notes and are hereinafter referred to as the “Notes”). Principal of and interest on the Notes are payable at maturity at the rate of \_\_\_\_ per centum (\_\_\_\_%) per annum upon presentation and surrender thereof at the administrative offices of the Borough.

In our capacity as bond counsel, we have examined such documents, instruments and other records that we have deemed necessary in order to render the opinions set forth below, including certified copies of the following ordinances adopted by the Borough pursuant to Chapter 2 of Title 40A of the Revised Statutes of New Jersey (the “Local Bond Law”) authorizing the issuance of (i) the General Improvement Notes: Ordinance #2013-15, finally adopted October 15, 2013, as amended by Ordinance #2020-21, finally adopted on October 13, 2020, as further amended by Ordinance #2021-36, finally adopted on October 12, 2021; Ordinance #2016-13, finally adopted on June 13, 2016, as amended by Ordinance # 2017-31 finally adopted on September 11, 2017; Ordinance #2017-28, finally adopted September 11, 2017; Ordinance #2018-30 finally adopted on November 7, 2018; Ordinance #2019-34 finally adopted on October 15, 2019; Ordinance #2020-20 finally adopted October 13, 2020; Ordinance

Borough Council of the  
Borough of Beach Haven

\_\_\_\_\_, 2026

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#2021-35 finally adopted October 12, 2021, as amended by Ordinance #2023-19 finally adopted on July 10, 2023; Ordinance #2022-17 finally adopted August 8, 2022; Ordinance #2022-22 finally adopted November 14, 2022; Ordinance #2022-25 finally adopted November 14, 2022, as amended by Ordinance # 2024-41 finally adopted November 25, 2024, as further amended by Ordinance #2025-20 finally adopted on September 8, 2025; Ordinance #2023-32 finally adopted November 13, 2023; Ordinance #2024-38 finally adopted November 25, 2024; and Ordinance #2025-5 finally adopted March 10, 2025, (ii) the Water Utility Notes: Ordinance #2014-14 finally adopted August 11, 2014; Ordinance #2015-23 finally adopted August 10, 2015; Ordinance #2016-21 finally adopted October 11, 2016; Ordinance #2021-37 finally adopted October 12, 2021; Ordinance #2022-07 finally adopted April 11, 2022, Ordinance #2022-23 finally adopted November 14, 2022; Ordinance #2023-34 finally adopted November 23, 2023 and Ordinance #2025-24 finally adopted November 10, 2025, and (iii) the Sewer Utility Notes: Ordinance #2023-33 finally adopted November 13, 2023 and Ordinance #2024-39 finally adopted November 25, 2024 (collectively, the “Ordinances”).

Based upon the foregoing, it is our opinion that:

1. The Ordinances were duly and lawfully adopted by the Borough and are in full force and effect.
2. The Notes have been duly authorized by the Borough and are the valid and legally binding obligation of the Borough enforceable in accordance with their terms, provided, however, enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium or other similar laws relating to the enforcement of creditors’ rights generally from time to time in effect and to the scope of equitable remedies which may be available, and all of the taxable property within the Borough is subject to the levy of *ad valorem* taxes without limit as to rate or amount for the payment of the principal and interest on the Notes.
3. Under existing statutes and court decisions, assuming continued compliance with certain tax-related certifications by the Borough, the interest on the Notes is not includable in gross income for Federal income tax purposes and will not constitute a tax preference under Section 57 of the Internal Revenue Code of 1986, as amended (the “Code”) for purposes of the alternative minimum tax imposed on individuals pursuant to Section 55 of the Code; however, interest on the Notes is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. We are also of the opinion that interest on the Notes and the gain on the sale thereof are not includable as gross income under the existing New Jersey Gross Income Tax Act.

Borough Council of the  
Borough of Beach Haven

\_\_\_\_\_, 2026

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We have examined the form of the Notes in registered form, and their form is regular and proper.

This opinion is rendered as of the date hereof and we express no opinion as to any matters not set forth in the numbered paragraphs above. We assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law or interpretations thereof that may occur after the date of this opinion or for any reason whatsoever. This opinion is issued solely for the benefit of the addressees hereof (including the successors or assigns of each) and no other person shall acquire or have any right hereunder.

Very truly yours,

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