

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 10, 2026

NEW ISSUE

RATING: Moody's: "MIG 1"

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

\$23,715,000 GENERAL OBLIGATION NOTES
consisting of
I. \$23,615,000 BOND ANTICIPATION NOTES
comprised of
\$14,880,000 General Bond Anticipation Notes
\$8,735,000 Water-Sewer Utility Bond Anticipation Notes

II. \$100,000 SPECIAL EMERGENCY NOTES
of the
BOROUGH OF RAMSEY
COUNTY OF BERGEN, NEW JERSEY
(Non-Callable) (Not Bank-Qualified) (Book-Entry Only)

Dated: February 26, 2026

Due: February 26, 2027

The \$23,715,000 General Obligation Notes consisting of (I) \$23,615,000 Bond Anticipation Notes comprised of \$14,880,000 General Bond Anticipation Notes and \$8,735,000 Water-Sewer Utility Bond Anticipation Notes, and (II) \$100,000 Special Emergency Notes (collectively, the "Notes") of the Borough of Ramsey, in the County of Bergen, New Jersey (the "Borough"), shall be issued as fully registered book-entry notes registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), as registered owner of the Notes, with the Notes immobilized in the custody of DTC. Owners of beneficial interests in the Notes will not receive physical delivery of note certificates, but are to receive statements or other evidence of such ownership of beneficial interests from sources from which such interests were purchased. Investors may purchase beneficial interests in the Notes in book-entry form only in the principal amount of \$1,000 or any integral multiple thereof with a minimum of \$5,000 required. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of principal of and interest on the Notes will be made directly to DTC or its nominee, Cede & Co., which will remit such payments to the DTC Participants, which will, in turn, remit such payments to the owners of beneficial interests in the Notes. Principal of and interest on the Notes are payable at maturity.

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 the interest thereon. The Borough is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

Interest on the Notes will be payable at maturity on February 26, 2027. Principal of and interest on the Notes will be paid to DTC by the Borough. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

SALE INFORMATION SCHEDULE

<u>Principal</u>	<u>Interest</u>	<u>Yield or</u>
<u>Amount</u>	<u>Rate</u>	<u>Price</u>
\$23,715,000	%	%

The Notes are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Notes in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about February 26, 2026.

PROPOSALS WILL BE RECEIVED UNTIL 11:00 AM ON WEDNESDAY, FEBRUARY 18, 2026
BY BOND COUNSEL ON BEHALF OF THE BOROUGH,
VIA ELECTRONIC MAIL AT SLR@ROGUTMCCARTHY.COM OR
VIA THE PARITY ELECTRONIC BID SYSTEM OF I-DEAL LLC

**BOROUGH OF RAMSEY
BERGEN COUNTY, NEW JERSEY**

MAYOR

Deirdre A. Dillon

BOROUGH COUNCIL

Peter Kilman
Judy Cusick
Michael Gutwetter
Sara Poppe
Glen Popolo
Christian Grissoni

BOROUGH ADMINISTRATOR

Bruce Vozeh

BOROUGH CLERK

Meredith Bendian

CHIEF FINANCIAL OFFICER

Denise Bartalotta

BOROUGH ATTORNEY

Peter A. Scandariato, Esq.
Saddle Brook, New Jersey

BOROUGH AUDITOR

Garbarini & Co., P.C. CPAs
River Edge, New Jersey

BOND COUNSEL

Rogut McCarthy LLC
Cranford, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of 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 or warranty by the Underwriter 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 Official Statement 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 Official Statement 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, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement 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 Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

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**OFFICIAL STATEMENT
OF THE BOROUGH OF RAMSEY
IN THE COUNTY OF BERGEN, NEW JERSEY
relating to**

**\$23,715,000 GENERAL OBLIGATION NOTES
consisting of
I. \$23,615,000 BOND ANTICIPATION NOTES
comprised of
\$14,880,000 General Bond Anticipation Notes
\$8,735,000 Water-Sewer Utility Bond Anticipation Notes

II. \$100,000 SPECIAL EMERGENCY NOTES**

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Ramsey (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$23,715,000 General Obligation Notes consisting of (I) \$23,615,000 Bond Anticipation Notes comprised of \$14,880,000 General Bond Anticipation Notes (the "General Bond Anticipation Notes") and \$8,735,000 Water-Sewer Utility Bond Anticipation Notes (the "Water-Sewer Utility Bond Anticipation Notes", and together with the General Bond Anticipation Notes, the "Bond Anticipation Notes") and (II) \$100,000 Special Emergency Notes (the "Special Emergency Notes", and together with the Bond Anticipation Notes, the "Notes"). This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the Notes.

This Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriters and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE NOTES

General Description

The Notes shall be dated and shall bear interest from February 26, 2026 and shall mature on February 26, 2027. The Notes shall bear interest at the interest rate set forth on the cover hereof, which interest is payable on February 26, 2027. The Notes will be issued as fully registered notes in book-entry only form and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$1,000 or any integral multiple thereof, with a minimum purchase of \$5,000 required. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The note certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its Direct Participants, as defined herein, and transfers of the interests among its Direct Participants. The Direct Participants and Indirect Participants, as defined herein, will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Borough or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial Owners of the Notes.

Book-Entry Only System

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 note certificate will be issued for each issue of the Notes, in the principal amount of each issue 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 and 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.

Purchases of 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 the 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 affect 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.

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 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).

Principal and interest payments on the Notes 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 detailed information from the Borough or the paying agent, if any, on the 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 paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, 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 the paying agent, if any. 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 THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC 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 PARTICIPANTS OR BENEFICIAL OWNERS OF THE NOTES.

Prior Redemption

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

SECURITY AND SOURCE OF PAYMENT

The Notes are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Notes are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Notes or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services (the "Division") in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

AUTHORIZATION AND PURPOSE OF THE NOTES

The Bond Anticipation Notes are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law") and adopted bond ordinances of the Borough.

The bond ordinances included in the sale of the Bond Anticipation Notes were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any party shall be estopped from questioning the sale or the execution or the delivery of the Bond Anticipation Notes by the Borough.

The Special Emergency Notes are to be issued in accordance with the Local Budget Law of the State of New Jersey, N.J.S.A. 40A:4-1 et seq., as amended (the "Local Budget Law") and an adopted ordinance and resolution of the Borough.

The Local Budget Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any party shall be estopped from questioning the sale or the execution or the delivery of the Special Emergency Notes by the Borough.

The proceeds of the Bond Anticipation Notes will be used to currently refund \$15,967,000 of the Borough's \$17,510,000 outstanding bond anticipation notes maturing on February 27, 2026 and provide funding for unfunded capital projects in the amount of \$7,648,000. The proceeds of the Special Emergency Notes will be used to currently refund \$100,000 of the Borough's \$190,000 outstanding special emergency notes maturing on February 27, 2026.

Ord. No.	Description	Amount
General Bond Anticipation Notes		
16-2018	Senior/Community Center & Pool House Project	\$ 1,500,000.00
06-2019	Various Capital Improvements	410,000
15-2019	Various Capital Improvements	1,840,000
05-2020	Various Capital Improvements	485,000
11-2021	2021 Road Resurfacing Program	510,000
17-2021	Various Capital Improvements	500,000
07-2022	Various Capital Improvements	585,000
04-2023/16-2025	Various Capital Improvements	2,490,000
05-2024	Various Capital Improvements	870,000
10-2024	Resurfacing of Various Roads	655,000
14-2025	Various Capital Improvements	5,035,000
		<u>14,880,000</u>
Water & Sewer Utility Bond Anticipation Notes		
13-2019	Replacement of Arsenic Treatment Systems	\$ 3,255,000
03-2020	Replacement of Arsenic Treatment Systems	1,875,000
08-2022	Water Line Replacement - Phase 1	725,000
04-2024	Water Line Replacement - Phase 2	600,000
15-2025	Various Water-Sewer Capital Improvements	2,280,000
		<u>8,735,000</u>
Special Emergency Notes		
03-2024	Property Tax Revaluation	100,000
		<u>100,000</u>
Total Notes to be Issued		<u><u>\$ 23,715,000</u></u>

NO DEFAULT

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Borough does not contemplate issuing any bonds or tax anticipation notes during the remainder of 2026. The Borough may issue additional bond anticipation notes during 2026, as needed.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

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

The Local Bond Law governs the issuance of bonds and notes 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. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

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 of the Division (the "Director"), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough's 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 unit's financial procedures and must be filed with the Director within eight months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

At December 31, 2025

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Debt	\$ 36,460,000	\$ 36,460,000	\$ -
General Debt	16,023,000	-	16,023,000
Water- Sewer Debt	13,075,562	13,075,562	-
	<u>\$ 65,558,562</u>	<u># \$ 49,535,562</u>	<u># \$ 16,023,000</u>

The Borough has not exceeded its statutory debt limit. On December 31, 2025 (Unaudited) the statutory net debt as a percentage of average equalized valuation was .332%. As noted above, the statutory limit is 3.50%.

Exceptions to Debt Limits - Extensions of Credit

The Borough may exceed its debt limit with the approval of the Local Finance Board. 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 make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued 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. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission (the "Commission") was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such Commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq., or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

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. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. 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, among others, for certification.

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

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, 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 Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase 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 items 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. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increase for 2011 through 2025, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and without conducting a referendum to exceed the cap limits. The Borough's 2026 budget has not been introduced as of the date of this Official Statement.

Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall 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 shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall 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 of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

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. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected tax by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See "ASSESSMENT AND COLLECTION OF TAXES - Tax Collection Procedure" herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

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 the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

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, property revaluation programs, revision and codification of ordinances, master plan preparations, 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

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

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.

Fiscal Year

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Borough's budget process lies with the Borough Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 26.25% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Borough 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 of the next ensuing three 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 three 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 items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500, and an additional penalty of 6% on delinquent taxes in excess of \$10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15 to the County by the Borough. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen County Tax Board 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 Bergen County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three-to-five-year period. In addition, pursuant to Assembly Bill No. 2004, signed into law on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three-year period - rather than within sixty days of the final judgment (the standard period for refunds).

Further, pursuant to Assembly Bill No. 862, signed into law on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding \$100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three-year period, with any excess after three years being paid immediately.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Notes, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of governmental obligations, such as the Notes, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Notes. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Tax Changes

From time to time, there are proposals of the Office of the President of the United States, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if

enacted it would apply to notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

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

STATEMENT OF LITIGATION

To the knowledge of the Borough Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Notes, the levy or the collection of any taxes to pay the principal of or the interest on the Notes or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of the taxes, affecting the validity of the Notes or the levy or the collection of taxes or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers of the Borough to their respective offices.

Additionally, there is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its noteholders. All of the Borough's tort actions are being defended by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number and based upon the Borough's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Borough, such resolution would not in any way endanger the Borough's ability to pay its noteholders.

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 institutions, 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 obligations of the Borough, including the Notes, and such Notes are authorized security for any and all public deposits.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned a rating of "MIG 1" to the Notes.

The rating reflects only the view of the Rating Agency and an explanation of the significance of the rating may only be obtained from the Rating Agency at the following address: 7 World Trade Center, 250 Greenwich Street, New York 10007. The Borough forwarded 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 the rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of the rating, may have an adverse effect on the marketability or market price of the Notes.

UNDERWRITING

The Notes have been purchased at a public sale from the Borough for resale by _____ (the "Underwriter").

The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Notes. If all the Notes are sold at the public offering price or at the yield set forth on the cover page of this Official Statement, the Underwriter anticipates total selling compensation of _____. The public offering price or yield on the Notes may be changed from time to time by the Underwriter without notice. The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

* Information obtained from the Underwriter.

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending or 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 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.

Legal Matters

The legality of the Notes will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Notes, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix C – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Borough Officials

The original purchasers of the Notes shall also receive a certificate, dated as of the date of delivery of the Notes and signed by the Chief Financial Officer that (a) as of the date of the Official Statement furnished by the Borough in relation to the Notes, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such

officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Notes, there have been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Notes. In addition, the original purchasers of the Notes shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Notes and receipt of payment therefor and a certificate, dated as of the date of delivery of the Notes and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their respective offices, is being contested.

INFECTIOUS DISEASE OUTBREAK – COVID-19

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the “Plan”). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Borough have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Borough. The Borough cannot quantify any such impacts at this time.

The Plan, signed into law on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. For municipalities with populations less than 50,000, such as the Borough, the relief funds were distributed by the State. The relief funds were received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment. The deadline to obligate the funds was December 31, 2024, and to spend them is December 31, 2026. The Borough received the full amount of its relief funds in the amount of \$1,557,886.77. The Borough expended all of the funds on capital improvements, including road resurfacing, cybersecurity upgrades, and various facility improvements and equipment acquisitions.

SECONDARY MARKET DISCLOSURE

The Borough has a limited secondary market disclosure obligation pursuant to Rule 15c2-12(d)(3) because the Notes have a stated maturity of 18 months or less. In accordance with such exemption from full secondary market disclosure, the Borough will agree, pursuant to a continuing disclosure certificate to be executed on the date of issuance of the Notes, to undertake for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Notes and the beneficial owners thereof:

Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Notes or financial obligations of the Borough:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of 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 status of the Notes;
- (7) Modifications to the rights of Noteholders, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property which secures the repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough 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 Borough, 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 Borough);
- (13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, 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 Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Noteholders, 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 Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The Borough reserves the right to terminate its obligation to provide notice of material events, as set forth above, if and when the Borough no longer remains an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Noteholders and the beneficial owners of the Notes.

The Borough has a limited secondary market disclosure obligation for its outstanding notes maturing on February 27, 2026 as described in "AUTHORIZATION AND PURPOSE OF THE NOTES" above. The Borough has appointed Garbarini & Co., P.C. CPAs, River Edge, New Jersey to act as, Continuing Disclosure Agent to assist in the filing of certain information on the Electronic Municipal Market Access System ("EMMA") as required with respect to its outstanding obligations.

FINANCIAL STATEMENTS

The compiled financial statements of the Borough for the year ended December 31, 2025 and the audited financial statements of the Borough for the year ended December 31, 2024 are presented in Appendix B to this Official Statement (the "Financial Statements"). The 2024 and 2025 financials have been prepared by Garbarini & Co., P.C. CPAs, an independent auditor (the "Auditor"). See "Appendix B –Independent Accountant's Compilation Report for the Year Ended December 31, 2025 and Independent Auditor's Report for the Year Ended December 31, 2024".

PREPARATION OF OFFICIAL STATEMENT

The Auditor takes responsibility for the financial statements to the extent specified in the Independent Auditor's Report.

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

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Borough of Ramsey, 33 N. Central Avenue, Ramsey, New Jersey, 07446, Denise Bartalotta, Chief Financial Officer, (201) 825-3400 ext. 239.

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. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the Borough.

BOROUGH OF RAMSEY, IN THE COUNTY OF BERGEN, NEW JERSEY

By: /s/
Denise Bartalotta
Chief Financial Officer

Dated: _____

APPENDIX A
ECONOMIC AND DEMOGRAPHIC INFORMATION
RELATING TO THE BOROUGH OF RAMSEY

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GENERAL INFORMATION
ABOUT THE
BOROUGH OF RAMSEY, IN THE
COUNTY OF BERGEN, NEW JERSEY

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

Form of Government

The Borough, incorporated in 1908, is governed by a Borough Council consisting of six (6) council members elected to three (3) year terms. The Mayor is elected to a four (4) year term. The Mayor and Borough Council constitute the legislative body which formulates policy, appropriates funds and adopts ordinances and resolutions for the purpose of conducting Borough business.

Geographical Location and Area

The Borough is a quintessential American municipality nestled in the foothills of the Ramapo Mountains in the County of Bergen in the State of New Jersey. The Borough is noted for its convenient location for individuals working in major corporate headquarters and industries in northern New Jersey and New York City.

The Borough comprises six (6) square miles and borders the Township of Mahwah and the Boroughs of Allendale, Saddle River and Upper Saddle River. It is located approximately twenty (20) miles northwest of the George Washington Bridge.

Utilities

Sanitation

The Borough provides garbage and recycling collection for all homes through a contract with a private company.

Gas and Electric

Gas services are supplied by Public Service Electric and Gas Company (PSE&G), although the State has authorized competition within the supply side of energy. PSE&G remains responsible for the maintenance and upkeep of the infrastructure. Rockland Electric provides electric services.

Water and Sanitary Sewer

The Borough operates a Water - Sewer Utility, which provides water and sanitary sewer services in the Borough.

Public Safety

The Borough provides police protection through its police department. The Borough is protected by a volunteer fire department. The Rescue Squad consists of approximately seventy-five (75) individuals. The Ramsey Ambulance Corp. consists of approximately fifty (50) members.

GENERAL INFORMATION
ABOUT THE
BOROUGH OF RAMSEY, IN THE
COUNTY OF BERGEN, NEW JERSEY

Library

The Ramsey Free Public Library is located at 30 Wyckoff Avenue. The Public Library provides free library services to Borough residents ranging from reference assistance, children's programs, audiovisual materials and periodicals.

Recreation

The Borough offers a wide variety of programs for all ages as well as many seasonally themed special events. Sports programs for children include bowling, basketball, lacrosse, volleyball and wrestling. Adults may participate in ping pong, soccer, and men's and women's softball. The Borough also has a municipal swimming pool.

Building Permits

<u>Year</u>	<u>Permit</u>	<u>Value of Construction</u>
2025	935	\$ 28,133,902
2024	917	26,316,624
2023	912	31,758,186
2022	998	27,465,498
2021	1,098	36,376,666

Education

Students in Pre-Kindergarten through twelfth grade attend the schools of the Ramsey Public School District. Schools in the district are Mary A. Hubbard Elementary School with students in grades K-3, Wesley D. Tisdale Elementary School with students in grades Pre-K-3, John Y. Dater Elementary School with students in grades 4-5, Eric Smith Middle School with students in grades 6-8 and Ramsey High School with students in grades 9-12.

<u>School Year</u>	<u>Enrollment</u>
2024-2025	2,307
2023-2024	2,380
2022-2023	2,483
2021-2022	2,554
2020-2021	2,579

Source: Ramsey Board of Education

GENERAL INFORMATION
ABOUT THE
BOROUGH OF RAMSEY, IN THE
COUNTY OF BERGEN, NEW JERSEY

Transportation

The Borough has two New Jersey Transit train stations which provide mass transit access to Hoboken Terminal with connection available at Secaucus Junction to Penn Station New York in Midtown Manhattan and other New Jersey Transit lines. Located on Main Street just east of Central Avenue in the Borough's downtown area, the Ramsey Main Street station was constructed in 1868 by the Paterson and Ramapo Railroad and is the oldest operating passenger station in service in New Jersey. The Ramsey Route 17 station, which opened on August 22, 2004, is a park-and-ride facility and regional commuter hub located along Route 17 South in the northern section of town. Both of these stations are stops along NJ Transit's Main Line and Bergen County Line.

Short Line provides bus service along Route 17 (with limited service at other local stops) to the Port Authority Bus Terminal in Midtown Manhattan.

Retirement Systems

All full-time permanent or qualified Borough employees who began employment after 1954 must enroll in one of two retirement systems depending upon their employment status. These systems were established by acts of the State Legislature. Benefits, contributions, means of funding and the manner of administration are set by State law. The Division of Pensions within the New Jersey Department of Treasury is the administrator of the funds with the benefit and contribution levels set by the State. The Borough is enrolled in the Public Employees' Retirement System and the Police and Firemen's Retirement System. The State Division of Pensions annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial calculations. The employees contribute a portion of the cost. The Borough's share of pension costs, which is based upon the annual billings received from the State.

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Employment and Unemployment Comparisons

For the years 2020 to 2024, the New Jersey Department of Labor reported the following annual average employment information for the Borough of Ramsey, the County of Bergen and the State of New Jersey:

Borough of Ramsey

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate (%)</u>
2024	7,949	7,667	282	3.5%
2023	7,882	7,610	272	3.5%
2022	7,619	7,397	222	2.9%
2021	7,307	6,912	395	5.4%
2020	7,225	6,653	572	7.9%

County of Bergen

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate (%)</u>
2024	541,844	521,596	20,248	3.7%
2023	536,776	517,682	19,094	3.6%
2022	519,799	502,401	17,398	3.3%
2021	499,794	468,726	31,068	6.2%
2020	494,538	449,149	45,389	9.2%

State of New Jersey

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed Labor Force</u>	<u>Total Unemployed</u>	<u>Unemployment Rate (%)</u>
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%

* 2025 information not available yet.

Population Estimates from US Census Bureau

Borough of Ramsey

April 1, 2020	14,798
Population Estimates (as of July 01)	
2024.....	15,003
2023.....	14,839
2022	14,722
2021	14,717
2020	14,798

County of Bergen

April 1, 2020	955,732
Population Estimates (as of July 01)	
2024.....	978,641
2023.....	966,484
2022	957,235
2021	955,510
2020	955,732

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Per Capita Income Estimate from US Census Bureau

County of Bergen

Per capita income in last 12 months (2024 dollars)	\$ 62,531
Median Household income (in 2023 dollars)	\$123,715

Major Real Property Taxpayers

<u>Taxpayers</u>	<u>2025 Assessed Valuation</u>
Ramsey Interstate CTR LLC	\$ 121,875,800
Lithia Northeast Realty	91,973,600
LCN KMI Ramsey NJ LLC	82,608,700
Commercial Realty Enterprises	49,902,200
Triangle 17 Center LLC	23,000,000
Yankee Partners	20,219,800
500 N. Franklin Tpke	19,086,400
Ferncroft C/O H.W. Young & Assoc., Inc.	17,725,000
Ramsey Center	16,278,500
Adventures in Recreation Inc.	16,191,000

Net Assessed Property Valuations

<u>Classification</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Apartment	\$ 31,851,300	\$ 23,282,800	\$ 20,292,300	\$ 20,292,300	\$ 20,292,300
Residential	3,800,130,900	2,762,124,600	2,753,558,300	2,738,607,500	2,724,310,500
Farm	5,800	5,200	5,200	5,200	4,195,100
Commercial	855,502,100	559,162,400	570,948,600	577,791,500	579,231,700
Industrial	304,349,500	174,501,500	163,972,500	163,972,500	163,239,300
Vacant Land	21,927,100	17,550,500	22,291,500	20,899,200	19,626,500
Subtotal	5,013,766,700	3,536,627,000	3,531,068,400	3,521,568,200	3,510,895,400
Public Utilities	300,000	300,000	300,000	300,000	300,000
Total	* \$ 5,014,066,700	\$ 3,536,927,000	\$ 3,531,368,400	\$ 3,521,868,200	\$ 3,511,195,400

*Revaluation

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Comparative Schedule of Tax Rate Information

		<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	*	<u>2.059</u>	<u>2.822</u>	<u>2.737</u>	<u>2.623</u>	<u>2.593</u>

Apportionment of Tax Rate

Municipal	0.455	0.617	0.594	0.546	0.537
County	0.233	0.291	0.280	0.260	0.267
Local School	1.371	1.914	1.863	1.817	1.789

*Revaluation

Comparative Schedule of Tax Levy Information

	<u>2025 (Unaudited)</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Apportionment of of Tax Levy</u>					
Municipal	\$ 21,396,825	\$ 20,586,385	\$ 19,795,754	\$ 18,209,229	\$ 17,842,643
Library	1,643,589	1,466,036	1,371,746	1,254,438	1,226,828
County	11,131,826	9,830,388	9,445,966	8,771,627	8,979,856
County Open Space	499,003	442,867	413,025	361,977	371,532
Local School	<u>68,711,797</u>	<u>67,671,306</u>	<u>65,622,549</u>	<u>63,988,795</u>	<u>62,829,702</u>
Total	<u>\$ 103,383,040</u>	<u>\$ 99,996,982</u>	<u>\$ 96,649,040</u>	<u>\$ 92,586,066</u>	<u>\$ 91,250,560</u>

Comparison of Tax Levies and Collection

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
2025 (Unaudited)	\$ 103,383,040	\$ 102,436,290	99.08%
2024	99,996,982	99,174,515	99.18%
2023	96,649,040	95,952,943	99.28%
2022	92,586,066	91,959,980	99.32%
2021	91,250,560	90,856,846	99.57%

* Tax Levy includes Special District and Added Taxes

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Delinquent Taxes and Tax Title Liens

<u>December Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2025 (Unaudited)	\$ 192,133	\$ 777,027	\$ 969,160	0.94%
2024	183,145	659,523	842,668	0.84%
2023	174,659	508,396	683,055	0.71%
2022	166,429	439,144	605,574	0.65%
2021	158,542	343,219	501,761	0.55%

Comparison of Assessed Valuation and Tax Rates

<u>Year</u>	<u>Net Taxable Value</u>	<u>Tax Rate</u>	<u>Real Property Assessed Valuation Percentage of True Value</u>
2025 *	\$ 5,014,066,700	2.059	100.78%
2024	3,536,927,000	2.822	90.11%
2023	3,531,368,400	2.737	85.58%
2022	3,521,868,200	2.623	93.30%
2021	3,511,195,400	2.593	94.75%
	* Revaluation		

Property Acquired by Tax Title Lien Liquidation

<u>Year</u>	<u>Amount</u>
2025 (Unaudited)	\$ 122,400
2024	122,400
2023	122,400
2022	122,400
2021	122,400

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Comparison of Water - Sewer Utility Levies and Collection

Year	Rents Charged	Cash Collection	Percentage of Collection
2025 (Unaudited)	\$ 8,449,566	\$ 8,716,774	103.16%
2024	8,345,703	8,246,997	98.82%
2023	7,741,754	7,666,264	99.02%
2022	7,667,045	7,472,580	97.46%
2021	7,397,044	7,426,175	100.39%

*Cash collections include prior year receivable

Comparison of Swimming Pool Utility Levies and Collection

Year	Membership Fees	Cash Collection	Percentage of Collection
2025 (Unaudited)	\$ 746,810	\$ 746,810	100.00%
2024	727,755	727,755	100.00%
2023	711,600	711,600	100.00%
2022	640,955	640,955	100.00%
2021	508,165	508,165	100.00%

Current Fund Balances and Amounts Utilized in Succeeding Year's Budget

Current Fund			Water-Sewer Utility - Operating Fund		Swimming Pool Utility - Operating Fund	
Year	Balance	Utilized in Budget Succeeding Year	Balance	Utilized in Budget Succeeding Year	Balance	Utilized in Budget Succeeding Year
2025*	\$ 4,360,727	**	\$ 1,439,345	**	\$ 176,821	**
2024	4,585,948	2,695,000	1,359,896	625,000	230,615	160,000
2023	4,286,217	2,695,000	1,067,756	575,000	308,186	175,000
2022	4,201,492	2,695,000	1,114,034	500,000	292,067	168,000
2021	4,214,897	2,695,000	1,333,675	750,000	234,838	135,000

* Unaudited

** Budget not introduced

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

**Summary of Borough of Ramsey's Current Fund Budgets
(As Adopted)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenues					
Surplus Anticipated	\$2,695,000	\$2,695,000	\$2,695,000	\$2,695,000	\$2,495,000
Miscellaneous Revenues	4,202,208	5,015,581	4,281,842	5,349,121	3,208,309
Receipts from Delinquent Taxes	625,000	425,000	400,000	400,000	560,000
Amount to be Raised by Taxation for Municipal Purposes	22,855,739	21,872,324	20,960,983	19,251,186	18,855,351
	<u>\$30,377,947</u>	<u>\$30,007,905</u>	<u>\$28,337,825</u>	<u>\$27,695,307</u>	<u>\$25,118,660</u>
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenditures					
Salaries and Wages	\$11,002,000	\$10,814,000	\$10,416,350	\$10,406,500	\$10,357,500
Other Expenses	12,435,026	12,454,271	11,938,350	9,380,936	8,892,189
Deferred Charges and Statutory Expenditures	2,854,000	2,918,000	2,801,125	3,244,968	2,609,176
Capital Improvement Fund	300,000	1,150,000	650,000	1,657,887	500,000
Municipal Debt Service	2,786,921	1,671,634	1,482,000	1,955,016	1,709,795
Reserve for Uncollected Taxes	1,000,000	1,000,000	1,050,000	1,050,000	1,050,000
	<u>\$30,377,947</u>	<u>\$30,007,905</u>	<u>\$28,337,825</u>	<u>\$27,695,307</u>	<u>\$25,118,660</u>

Source: Borough of Ramsey 2025-2021 Budgets as adopted.

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Summary of Municipal Debt

	<u>2025 (Unaudited)</u>	<u>2024</u>	<u>2023</u>
<u>Issued</u>			
General Capital Fund:			
Bonds Anticipation Notes Payable	\$ 10,655,000	\$ 13,265,000	\$ 12,526,000
Water-Sewer Utility Capital Fund:			
Bond Anticipation Notes Payable	6,855,000	7,155,000	6,905,000
Loans Payable	272,510	388,046	497,094
Total Issued	<u>17,782,510</u>	<u>20,808,046</u>	<u>19,928,094</u>
<u>Total Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes Payable	5,368,000	-	600
Water-Sewer Utility Capital Fund:			
Bonds and Notes Payable	5,948,052	1,817,650	1,817,650
Swim Pool Utility Capital Fund:			
Bonds and Notes Payable	-	-	-
Total Authorized But Not Issued	<u>11,316,052</u>	<u>1,817,650</u>	<u>1,818,250</u>
Net Notes and Loans issued and authorized but not issued	<u><u>\$ 29,098,562</u></u>	<u><u>\$ 22,625,696</u></u>	<u><u>\$ 21,746,344</u></u>

	<u>2025 (Unaudited)</u>	<u>2024</u>	<u>2023</u>
School Debt	\$ 36,460,000	\$ 38,610,000	\$ 41,310,000
General Debt	16,023,000	13,265,000	12,526,600
Water Utility Debt	13,075,562	9,360,696	9,219,744
Gross Debt	<u>\$ 65,558,562</u>	<u>\$ 61,235,696</u>	<u>\$ 63,056,344</u>
Deductions:			
School Debt	\$ 36,460,000	\$ 38,610,000	\$ 41,310,000
Water Utility Debt	13,075,562	9,360,696	9,219,744
Net Debt	<u><u>\$ 16,023,000</u></u>	<u><u>\$ 13,265,000</u></u>	<u><u>\$ 12,526,600</u></u>

Statutory Net Debt as Percentage	0.332% (a)	0.296% (b)	.306% (c)
----------------------------------	------------	------------	-----------

(a) December 31, 2025 Net Debt of \$16,023,000 divided by of Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$4,827,942,753 = .332%.

(b) December 31, 2024 Net Debt of \$13,265,00 divided by of Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$4,481,075,690 = .296%.

(c) December 31, 2023 Net Debt of \$12,526,600 divided by of Average Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended of \$4,091,924,479 = .306%.

DESCRIPTION OF
THE BOROUGH OF RAMSEY
TOGETHER WITH
CERTAIN ECONOMIC, DEMOGRAPHIC AND DEBT INFORMATION

Overlapping Debt as of December 31, 2024

<u>Name of Related Entity</u>	<u>Related Entity Debt Outstanding</u>	<u>Borough Percentage</u>	<u>Borough Share</u>
County ¹	\$1,688,935,829	1.9725%	\$33,313,422
Northwest Bergen County Utilities Authority ²			<u>4,006,995</u>
Overlapping Debt			\$37,320,417
Net Direct Debt			<u>13,265,000</u>
Total Net Direct and Overlapping Debt			<u>\$50,585,417</u>

(1) The County of Bergen has \$1,688,935,829 in gross long-term and temporary debt at 12/31/2024. The Borough's net share is obtained by dividing the Borough's average equalized valuation \$4,481,075,690 by the County's equalized valuation \$227,183,185,143.

(2) Overlapping debt was computed based upon usage billing @ 12/31/2024.

Debt Limit as of December 31, 2024

Average Equalized Valuation Basis (2022, 2023, 2024)	\$4,481,075,690
Permitted Debt Limitation (3 1/2%)	156,837,649
Less: Net Debt	<u>13,265,000</u>
Remaining Borrowing Power	<u>\$143,572,649</u>
Percentage of Net Debt to Average Equalized Valuation	.296%

Debt Statistics

Overall Debt (Gross and Overlapping Debt) Per Capita based on 2020 population of 14,798	\$6,660
Gross Debt Per Capita based on 2020 population of 14,798	\$4,138
Net Debt Per Capita based on 2020 population of 14,798	\$896

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APPENDIX B

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024
OF THE BOROUGH OF RAMSEY,
IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY**

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BOROUGH OF RAMSEY
BERGEN COUNTY, NEW JERSEY

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Ramsey, New Jersey

Management is responsible for the accompanying financial statements of the Borough of Ramsey, New Jersey (the "Borough") which comprise the balance sheet - regulatory basis, of each fund and General Fixed Assets as of December 31, 2025, and the statement of operations and changes in fund balance-regulatory basis, statement of revenues-regulatory basis and statement of appropriations-regulatory basis, of the Current Fund, which collectively comprise the Borough's basic financial statements. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the December 31, 2025 financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

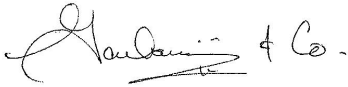
The financial statements are prepared in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The December 31, 2024 financial statements were audited by our firm, and we expressed an unmodified opinion on them in accordance with the financial reporting provisions of the Division as described above in our report dated July 31, 2025, which is available on the Borough's website and also on <https://emma.msrb.org/>.

Management has elected to omit all the disclosures ordinarily included in financial statements prepared in accordance with the financial reporting provisions of the Division. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Borough's assets, liabilities, fund balance, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



Garbarini & Co. P.C.
Certified Public Accountants

River Edge, New Jersey
January 22, 2026

BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	At December 31,	
	(Unaudited)	(Audited)
<u>ASSETS</u>	2025	2024
Current Fund:		
Cash and Cash Equivalents	\$ 9,601,078.94	\$ 8,843,635.07
Change Fund	425.00	425.00
	<u>9,601,503.94</u>	<u>8,844,060.07</u>
Due from State of NJ- Senior and Veterans Deductions	<u>2,557.28</u>	<u>293.58</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	777,027.14	659,523.24
Tax Title Liens Receivable	192,132.75	183,145.23
Property Acquired for Taxes - Assessed Valuation	122,400.00	122,400.00
Revenue Accounts Receivable	8,701.72	19,632.71
Due from Cafeteria Plan Account	20,400.00	20,400.00
Due from Animal License Fund	9,051.73	112,537.38
Due from Payroll/Agency/Cafeteria Plan Interest	56,830.57	
Due from Health Insurance Account	1,227.63	
Miscellaneous Receivables	2,671.15	2,671.15
	<u>1,190,442.69</u>	<u>1,120,309.71</u>
Deferred Charges:		
Special Emergency - Revaluation(40A:4-55)	190,000.00	280,000.00
Total Current Fund	<u>10,984,503.91</u>	<u>10,244,663.36</u>
Federal and State Grants Fund:		
Federal and State Grants Receivable	101,879.52	856,295.14
Amount Due from Current Fund	1,325,078.05	
Total Federal and State Grant Fund	<u>1,426,957.57</u>	<u>856,295.14</u>
TOTAL ASSETS	<u><u>\$ 12,411,461.48</u></u>	<u><u>\$ 11,100,958.50</u></u>

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	At December 31,	
	<u>(Unaudited)</u>	<u>(Audited)</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>	<u>2025</u>	<u>2024</u>
Current Fund:		
Appropriation Reserves	\$ 2,117,674.25	\$ 2,498,295.13
Due to Capital Fund	155,939.37	
Due to Water/ Sewer Fund	786.31	786.31
Due to Grant Fund	1,325,078.05	
Reserve for Encumbrances	509,666.18	541,901.38
Accounts Payable	24,594.84	8,674.84
Due to Outside Lienholders	3,296.23	-
Prepaid Taxes	764,212.40	731,139.94
Tax Overpayments	500.00	4,429.13
Reserve for Amount Due to State of New Jersey:		
Construction Code Surcharge Fees	13,997.00	6,276.00
Marriage License Surcharge Fees	1,425.00	625.00
Special Reserves	137,210.23	137,210.23
Reserve for Road Opening Deposits	5,061.00	4,436.00
Reserve for Revaluation	7,722.59	44,962.30
Reserve for Tax Appeals	163,080.93	113,947.63
Emergency Note Payable	190,000.00	430,000.00
County Taxes Payable	13,090.26	15,722.18
	<u>5,433,334.64</u>	<u>4,538,406.07</u>
Reserve for Receivables	1,190,442.69	1,120,309.71
Fund Balance	4,360,726.58	4,585,947.58
	<u>5,551,169.27</u>	<u>5,706,257.29</u>
Total Liabilities, Reserves and Fund Balance - Current Fund	<u>10,984,503.91</u>	<u>10,244,663.36</u>
Federal and State Grant Fund:		
Do From/To Current Fund	-	4,760.61
Unappropriated Reserves	792,047.96	90,736.93
Appropriation Reserves	474,133.94	414,195.26
Encumbrance Payable	33,228.89	198,842.56
Due to Capital Fund	48,912.00	69,125.00
Due to Other Trust Fund	78,634.78	78,634.78
Total Federal and State Grant Fund	<u>1,426,957.57</u>	<u>856,295.14</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u><u>\$ 12,411,461.48</u></u>	<u><u>\$ 11,100,958.50</u></u>

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	For the Years Ended December 31, (Unaudited) 2025	(Audited) 2024
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 2,695,000.00	\$ 2,695,000.00
Miscellaneous Revenue Anticipated	4,669,818.44	5,521,631.00
Receipts from Current Taxes	102,436,290.18	99,174,515.46
Receipts from Delinquent Taxes	659,521.36	507,727.69
Non-Budget Revenues	254,101.46	356,830.05
Other Credits to Income:		
Unexpended Balance of Appropriations	1,609.82	1,124.22
Canceled PY Outside Tax Title Lien		446.14
Excess Reserves in Animal License	9,051.73	8,378.40
Cancel Tax Overpayments	47.21	
Unexpended Balance of Appropriation Reserves	1,715,698.92	1,790,669.04
Interfunds Returned	103,485.65	
Total Income	<u>112,544,624.77</u>	<u>110,056,322.00</u>
 Budgetary and Emergency Appropriations:		
Appropriations Within "CAPS"		
Salaries and Wages	10,041,000.00	10,006,500.00
Other Expenses	11,359,643.00	10,717,965.00
Deferred Charges and Statutory Expenditures	2,765,857.00	2,768,000.00
Appropriations Excluded from "CAPS"		
Salaries and Wages	791,000.00	770,000.00
Other Expenses	1,481,837.65	1,773,205.83
Capital Improvements	300,000.00	1,150,000.00
Debt Service	2,786,920.99	1,671,634.00
Deferred Charges and Statutory Expenditures	90,000.00	150,600.00
Prior Year Senior Citizens Deductions Disallowed	-	791.10
Interfund Advanced		103,200.16
Bank Reconciliation Adjustments		
Prior Year Bills	98,310.00	
County Taxes	11,131,825.95	9,814,665.65
County Taxes Paid on PILOT	4,560.66	5,134.75
County Open Space Taxes	499,003.26	442,867.20
County Added/Omitted Taxes	13,090.26	15,722.18
Local District School Tax	68,711,797.00	67,671,306.00
Total Expenditures	<u>110,074,845.77</u>	<u>107,061,591.87</u>
 Excess in Operations	2,469,779.00	2,994,730.13
 Fund Balance, Beginning of Year	<u>4,585,947.58</u>	<u>4,286,217.45</u>
	7,055,726.58	7,280,947.58
Decreased by:		
Utilized as Anticipated Revenue	<u>2,695,000.00</u>	<u>2,695,000.00</u>
 Fund Balance, End of Year	<u><u>\$ 4,360,726.58</u></u>	<u><u>\$ 4,585,947.58</u></u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF REVENUES - REGULATORY BASIS

	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 2,695,000.00	\$ 2,695,000.00	\$ -
Miscellaneous Revenues:			
LOCAL REVENUES			
Licenses			
Alcoholic Beverages	35,000.00	35,400.00	400.00
Other	73,610.00	73,923.00	313.00
Fees and Permits	55,000.00	69,644.80	14,644.80
Fines and Costs:			
Municipal Court	165,000.00	183,075.08	18,075.08
Interest and Costs on Taxes	105,000.00	164,580.41	59,580.41
Interest on Investments and Deposits	240,000.00	369,297.36	129,297.36
Anticipated Utility Operating Surplus	275,000.00	275,000.00	-
Uniform Fire Safety Act (c.383, P.L. 1983) Fees	200,000.00	207,686.79	7,686.79
Cable Franchise Fee	210,000.00	212,561.87	2,561.87
Municipal Occupancy Tax	190,000.00	184,440.75	(5,559.25)
Cell Tower Revenue	71,000.00	68,860.49	(2,139.51)
Recycling Revenue	15,000.00	12,969.52	(2,030.48)
Reserve for Payment of BANS	424,807.75	424,807.75	-
	<u>2,059,417.75</u>	<u>2,282,247.82</u>	<u>222,830.07</u>
STATE AID WITHOUT OFFSETTING APPROPRIATIONS			
Energy Receipts Taxes	1,492,053.12	1,492,053.13	0.01
			-
Total State Aid Without Offsetting Appropriations	<u>1,492,053.12</u>	<u>1,492,053.13</u>	<u>0.01</u>
DEDICATED UNIFORM CONSTRUCTION CODE FEES OFFSET WITH APPROPRIATIONS			
Uniform Construction Code Fees	<u>560,000.00</u>	<u>566,468.60</u>	<u>6,468.60</u>
SPECIAL ITEMS OF REVENUE OFFSET WITH APPROPRIATIONS			
Alcohol Education & Rehabilitation	1,103.25	1,103.25	-
Municipal Alliance Youth Leadership	4,507.18	4,507.18	-
Opioid Settlement Grant	42,441.68	42,441.68	-
USDOJ Body Armor Grant Fund	2,916.39	2,916.39	-
Bergen County Cleanup Grant	500.00	500.00	-
Clean Communities	39,268.43	39,268.43	-
Chapter 159:			
ANJEC Grant	3,000.00	3,000.00	-
3M Settlement Grant	234,191.96	234,191.96	-
AAA Pedestrian Safety Grant	1,120.00	1,120.00	-
	<u>329,048.89</u>	<u>329,048.89</u>	<u>-</u>
Total Miscellaneous Revenues	4,440,519.76	4,669,818.44	229,298.68
Receipts From Delinquent Taxes	<u>625,000.00</u>	<u>659,521.36</u>	<u>34,521.36</u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amt. to be Raised by Taxes for Support of Municipal Budget			
Local Tax for Municipal Purposes Including			
Reserve for Uncollected Taxes and Minimum Tax	\$ 22,855,738.88	\$ 23,080,573.71	\$ 224,834.83
 BUDGET TOTALS			
NON BUDGET REVENUES	-	254,101.46	254,101.46
 TOTAL GENERAL REVENUES	<u>\$ 30,616,258.64</u>	<u>\$ 31,359,014.97</u>	<u>\$ 742,756.33</u>

ANALYSIS OF REALIZED REVENUE
(Before Federal and State Grants)

Local Revenues	\$ 2,282,247.82
State Aid Without Offsetting Appropriations	1,492,053.13
Dedicated Uniform Construction Code Fees	566,468.60
Grants	329,048.89
	<u>\$ 4,669,818.44</u>
Allocation of Current Tax Collections:	
Current Tax Revenue	\$ 102,436,290.18
Less: Allocated to School and County Taxes	(80,355,716.47)
Add: Appropriation for Uncollected Taxes	1,000,000.00
Amount for Support of Municipal Budget Appropriations	<u>\$ 23,080,573.71</u>

ANALYSIS OF NON-BUDGET REVENUE

Off-Duty Vehicle Fees	\$ 15,614.00
DMV Inspection Fines	700.25
Health Surcharge	300.00
Pmt In Lieu of Taxes	93,634.71
Business Registration Certificate	50.00
NSF Check Fees	860.00
EV Charging Revenue	12,043.32
Police Towing Fees	800.00
Unclaimed Funds & Property	40.00
Senior & Vet Administration Fees & Homestead Benefit Mailing	948.70
Shade Tree Application Fee	1,050.00
Ramsey Day Booth	1,500.00
Ramsey Run Sponsors	700.00
Prior Year Budget Reimbursements	36,800.00
Filming permits	1,200.00
Photocopies	3,868.98
Bid Specs	490.00
Recycling Pails	450.00
Day Camp Enrollment/Membership	74,125.00
Day Camp Snack Bar	2,341.50
Snow Plowing Reimbursements	6,325.00
Driveway Permit	260.00
	<u>\$ 254,101.46</u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS		EXPENDED		Lapsed
	Budget	Modified Budget	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS:					
General Administration					
Salaries and Wages	\$ 198,000.00	\$ 198,000.00	\$ 194,440.00	\$ 3,560.00	\$ -
Other Expenses	303,000.00	303,000.00	276,229.74	26,770.26	
Mayor and Council					
Salaries and Wages	50,000.00	50,000.00	47,775.36	2,224.64	
Other Expenses	4,000.00	4,000.00	968.35	3,031.65	
Borough Clerk					
Salaries and Wages	268,000.00	258,000.00	225,957.40	32,042.60	
Other Expenses	66,000.00	66,000.00	52,127.99	13,872.01	
Financial Administration					
Salaries and Wages	304,000.00	304,000.00	294,051.94	9,948.06	
Other Expenses	26,000.00	26,000.00	16,601.49	9,398.51	
Audit Services	55,000.00	55,000.00	22,346.00	32,654.00	
Computer Maintenance					
Payroll Data Processing	26,000.00	26,000.00	16,289.10	9,710.90	
Collection of Taxes				-	
Salaries and Wages	45,000.00	45,000.00	38,085.32	6,914.68	
Other Expenses	17,000.00	15,143.00	11,454.68	3,688.32	
Assessment of Taxes					
Salaries and Wages	85,000.00	85,000.00	78,642.00	6,358.00	
Other Expenses	101,000.00	121,000.00	111,996.73	9,003.27	
Legal Services and Costs					
Other Expenses	229,000.00	229,000.00	106,350.27	122,649.73	
Engineering Services and Costs					
Salaries & Wages	125,000.00	125,000.00	118,958.58	6,041.42	
Other Expenses	10,000.00	10,000.00	8,992.17	1,007.83	
Insurance (N.J.S.A.40A:4-45.3(00))					
General Liability/ Workers' Compensation	950,000.00	960,000.00	731,258.95	228,741.05	
Employee Group Health				-	
Net Employees Group Insurance	2,397,200.00	2,480,200.00	2,338,844.89	141,355.11	
Health Benefit Waiver	20,000.00	20,000.00	12,291.63	7,708.37	
<u>LAND USE ADMINISTRATION:</u>					
Municipal Land Use Law (NJSA 40A:55D-1)					
Planning Board					
Salaries and Wages	68,000.00	68,000.00	63,977.24	4,022.76	
Other Expenses	28,000.00	28,000.00	16,216.91	11,783.09	
Zoning Board Adjustment					
Other Expenses	12,000.00	12,000.00	3,540.94	8,459.06	

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS		EXPENDED		Lapsed
	Budget	Modified Budget	Paid or Charged	Reserved	
OPERATIONS WITHIN "CAPS" (cont'd)					
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police					
Salaries and Wages	\$ 6,149,000.00	\$ 5,976,000.00	\$ 5,868,395.78	\$ 107,604.22	\$ -
Other Expenses	298,000.00	313,000.00	295,149.35	17,850.65	
Emergency Management Services					
Salaries and Wages	31,000.00	28,800.00	27,958.43	841.57	
Other Expenses	140,000.00	140,000.00	133,551.97	6,448.03	
Volunteer Fire Dept. - Other Expenses	258,300.00	258,300.00	255,319.69	2,980.31	
First Aid Organization - Contribution	125,000.00	125,000.00	125,000.00	-	
Fire Dept.				-	
(Uniform Fire Safety Act c.383, PL 1938)					
Fire Protection Official					
Salaries and Wages	194,000.00	196,200.00	195,091.83	1,108.17	
Other Expenses	14,000.00	14,000.00	12,845.85	1,154.15	
Municipal Prosecutor					
Salaries and Wages	16,000.00	16,000.00	14,364.00	1,636.00	
Other Expenses	1,000.00	1,000.00	-	1,000.00	
Road Repair and Maintenance					
Salaries and Wages	1,254,000.00	1,254,000.00	1,202,679.96	51,320.04	
Other Expenses	114,000.00	114,000.00	72,331.39	41,668.61	
Road Resurfacing	50,000.00	50,000.00	12,000.00	38,000.00	
Sidewalk Reconstruction	10,000.00	10,000.00		10,000.00	
<u>PUBLIC WORKS FUNCTIONS:</u>					
Snow Removal (NJSA 40A:4-62.1)	150,000.00	150,000.00	117,418.82	32,581.18	
Shade Tree Commission					
Salaries and Wages	25,000.00	25,000.00	23,440.04	1,559.96	
Other Expenses	209,000.00	209,000.00	153,015.03	55,984.97	
Recycling					
Salaries and Wages	35,000.00	35,000.00	28,440.49	6,559.51	
Other Expenses	800,000.00	800,000.00	620,269.50	179,730.50	
Garbage and Trash Removal					
Contractual	1,275,000.00	1,255,000.00	1,090,939.16	164,060.84	
Public Buildings and Grounds					
Salaries and Wages	374,000.00	374,000.00	355,030.39	18,969.61	
Other Expenses	290,000.00	290,000.00	275,400.76	14,599.24	
Vehicle Maintenance					
Salaries and Wages	195,000.00	195,000.00	161,317.92	33,682.08	
Other Expenses	302,000.00	302,000.00	277,670.40	24,329.60	

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS		EXPENDED		
	Budget	Modified Budget	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)					
<u>HEALTH AND HUMAN SERVICES FUNCTIONS:</u>					
Board of Health					
Salaries and Wages	\$ 85,000.00	\$ 85,000.00	\$ 77,836.40	\$ 7,163.60	\$ -
Other Expenses	49,000.00	49,000.00	36,196.31	12,803.69	
Services of Visiting Nurses					
Contractual	20,000.00	20,000.00	14,200.00	5,800.00	
Environmental Commission					
Salaries and Wages	4,000.00	4,000.00	3,672.12	327.88	
Other Expenses	10,000.00	10,000.00	7,976.30	2,023.70	
Dog and Cat Regulation					
Other Expenses	25,000.00	25,000.00	18,620.00	6,380.00	
Administration of Public Assistance					
Other Expenses	1,000.00	1,000.00		1,000.00	
West Bergen Mental Health					
Contractual	15,500.00	15,500.00	15,350.00	150.00	
Drug Abuse Program	15,000.00	15,000.00	14,800.00	200.00	
<u>PARKS AND RECREATION FUNCTIONS:</u>					
Recreation Commission					
Salaries and Wages	82,000.00	82,000.00	73,607.88	8,392.12	
Other Expenses	51,000.00	51,000.00	36,991.37	14,008.63	
Contribution to Senior Citizen's Center (NJSA 40:48-96)					
Salaries and Wages	41,000.00	41,000.00	34,088.58	6,911.42	
Other Expenses	74,000.00	74,000.00	53,461.10	20,538.90	
Fine Arts Committee					
Other Expenses	1,000.00	1,000.00	1,000.00	-	
Ramsey Wind Symphony					
Other Expenses	9,500.00	9,500.00	9,500.00	-	
Parks Improvements	10,000.00	10,000.00	-	10,000.00	
<u>OTHER COMMON OPERATING FUNCTIONS:</u>					
Celebration of Public Events					
Other Expenses	85,000.00	85,000.00	76,483.35	8,516.65	
IT Support	236,000.00	241,000.00	240,974.22	25.78	
Municipal Court					
Salaries and Wages	182,000.00	192,000.00	189,656.33	2,343.67	
Other Expenses	19,000.00	9,000.00	7,218.15	1,781.85	
Public Defender					
Other Expenses	3,000.00	3,000.00		3,000.00	
Purchase and Replacement of Department Equipment				-	
Police Department Equipment	45,000.00	45,000.00	28,461.44	16,538.56	
Fire Department Equipment	40,000.00	40,000.00	39,962.69	37.31	
Admin.- Equipment	40,000.00	40,000.00	29,246.76	10,753.24	
Rescue Squad Equipment	40,000.00	40,000.00	39,823.45	176.55	
DPW Equipment	45,000.00	45,000.00	-	45,000.00	
Misc. Equipment	40,000.00	40,000.00	25,866.68	14,133.32	
Alliance Drug Committee					
Other Expenses	7,000.00	7,000.00	7,000.00	-	

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2024 APPROPRIATIONS		EXPENDED		
	Budget	Modified Budget	Paid or Charged	Reserved	Lapsed
OPERATIONS WITHIN "CAPS" (Cont'd)					
<u>UNIFORM CONSTRUCTION CODE - (NJAC 5:23-4.17):</u>					
Construction Code Officials					
Salaries and Wages	\$ 405,000.00	\$ 404,000.00	\$ 399,223.15	\$ 4,776.85	\$ -
Other Expenses	17,000.00	18,000.00	17,807.04	192.96	
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>					
Electricity	222,000.00	262,000.00	232,862.41	29,137.59	
Street Lighting	222,000.00	222,000.00	180,852.84	41,147.16	
Natural Gas	46,000.00	56,000.00	45,954.52	10,045.48	
Telephone	299,000.00	309,000.00	281,513.86	27,486.14	
Gasoline	210,000.00	170,000.00	141,246.10	28,753.90	
Fire Hydrants	65,000.00	65,000.00	65,000.00	-	
Municipal Services Act (NJSA 40:67-23.2 et seq.)					
Other Expenses	130,000.00	105,000.00	83,174.44	21,825.56	
Sanitary Landfill Dumping Fees				-	
Other Expenses	710,000.00	710,000.00	656,418.21	53,581.79	
Accumulated Absences	100,000.00	175,000.00	175,000.00	-	
(B) Contingent	5,000.00	5,000.00	-	5,000.00	
Total Operations Including Contingent within "CAPS"	21,402,500.00	21,400,643.00	19,466,074.14	1,934,568.86	-
Detail:					
Salaries and Wages	10,215,000.00	10,041,000.00	9,716,691.14	324,308.86	-
Other Expenses	11,187,500.00	11,359,643.00	9,749,383.00	1,610,260.00	-
(E) Deferred Charges and Statutory Expenditures-					
Social Security System (O.A.S.I.)	469,000.00	469,000.00	431,556.44	37,443.56	
Police and Fireman's Retirement System of N.J.	1,571,000.00	1,571,000.00	1,569,436.00	1,564.00	
Public Employees' Retirement Fund	684,000.00	684,000.00	684,000.00	-	
Retirement Fund				-	
Unemployment Compensation	25,000.00	25,000.00	25,000.00	-	
Defined Contribution Retired Plan	15,000.00	16,857.00	16,613.95	243.05	
	2,764,000.00	2,765,857.00	2,726,606.39	39,250.61	-
(H-1) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	24,166,500.00	24,166,500.00	22,192,680.53	1,973,819.47	-

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS		EXPENDED		
	Budget	Modified Budget	Paid or Charged	Reserved	Lapsed
(A) Operations - Excluded from "CAPS"					
GENERAL GOVERNMENT					
Maintenance of Free Public Library (C. 82 & 541, PL 1985)					
Salaries and Wages	\$ 787,000.00	\$ 791,000.00	\$ 791,000.00	\$ -	\$ -
Other Expenses	856,588.76	852,588.76	852,588.76	-	
911 Regional Service	14,400.00	14,400.00		14,400.00	
Statutory Expenditures:					
Reserve for Property Tax Appeals	125,000.00	125,000.00	-	125,000.00	
Stormwater Management (NJSA 40:A 4-45.3(bb))	50,000.00	50,000.00	46,400.00	3,600.00	
Employee Group Health Insurance (Out of CAPs)	110,800.00	110,800.00	109,945.22	854.78	
				-	
	1,943,788.76	1,943,788.76	1,799,933.98	143,854.78	-
PUBLIC AND PRIVATE REVENUES OFF-SET BY REVENUES					
Alcohol Education & Rehabilitation	1,103.25	1,103.25	1,103.25	-	
Municipal Alliance Youth Leadership	4,507.18	4,507.18	4,507.18	-	
Drunk Driver Prevention				-	
Opioid Settlement Grant	42,441.68	42,441.68	42,441.68	-	
Clean Communities Grant	39,268.43	39,268.43	39,268.43	-	
USDOJ Body Armor	2,916.39	2,916.39	2,916.39	-	
Bergen County Cleanup Grant	500.00	500.00	500.00	-	
				-	
Chap. 159 - ANJEC	3,000.00	3,000.00	3,000.00	-	
Chap. 159 - 3M Settlement Grant	234,191.96	234,191.96	234,191.96	-	
Chap. 159- AAA Pedestrian Safety Grant	1,120.00	1,120.00	1,120.00	-	
				-	
				-	
	329,048.89	329,048.89	329,048.89	-	
Total Operations - Excluded from "CAPS"	2,272,837.65	2,272,837.65	2,128,982.87	143,854.78	-
Detail:					
Salaries and Wages	787,000.00	791,000.00	791,000.00	-	
Other Expenses	1,485,837.65	1,481,837.65	1,337,982.87	143,854.78	

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	2025 APPROPRIATIONS		EXPENDED		
	Budget	Modified Budget	Paid or Charged	Reserved	Lapsed
OPERATIONS EXCLUDED FROM "CAPS" (Cont'd)					
(C) Capital Improvement Fund - Excluded from "CAPS"					
Capital Improvement Fund	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$ -	\$ -
	300,000.00	300,000.00	300,000.00	-	-
(D) Municipal Debt Service					
Payment of Bond Anticipation Notes and Capital Notes	1,795,192.25	1,795,192.25	1,795,192.25	-	
Payment of Bond Anticipation Notes - Grant	424,807.75	424,807.75	424,807.75	-	
Interest on Notes	566,920.99	566,920.99	565,311.17	-	1,609.82
				-	
	2,786,920.99	2,786,920.99	2,785,311.17	-	1,609.82
(E) Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorization- 5 Years (N.J.S.A. 40A:4	90,000.00	90,000.00	90,000.00	-	
(L) Subtotal General Appropriations	29,616,258.64	29,616,258.64	27,496,974.57	2,117,674.25	1,609.82
(M) Reserve for Uncollected Taxes	1,000,000.00	1,000,000.00	1,000,000.00	-	-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 30,616,258.64</u>	<u>\$ 30,616,258.64</u>	<u>\$ 28,496,974.57</u>	<u>\$ 2,117,674.25</u>	<u>\$ 1,609.82</u>
Adopted Budget		30,377,946.68			
Chapter 159's		238,311.96			
		<u>\$ 30,616,258.64</u>			

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
TRUST FUNDS
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	At December 31,	
	(Unaudited)	(Audited)
	2025	2024
<u>ASSETS</u>		
Animal Control Fund:		
Cash and Cash Equivalents	\$ 33,806.66	\$ 30,766.60
Due from State of New Jersey		
Interfund Receivable		
	<u>33,806.66</u>	<u>30,766.60</u>
Other Trust Fund:		
Cash and Cash Equivalents	3,169,082.04	2,974,532.55
Escrow Receivable	480.00	480.00
Due from Grant Fund	78,634.78	78,634.78
Due From Animal License Fund	2,321.13	
Due From Water/Sewer to Unemployment	3,000.00	
Police Extra Duty Receivable	30,922.58	28,622.64
	<u>3,284,440.53</u>	<u>3,082,269.97</u>
TOTAL ASSETS	<u><u>\$ 3,318,247.19</u></u>	<u><u>\$ 3,113,036.57</u></u>
<u>LIABILITIES AND RESERVES</u>		
Animal Control Fund:		
Due to Current Fund	\$ 9,051.73	\$ 8,378.40
Due to Trust Fund	2,321.13	
Due to State of New Jersey	5.40	4.20
Reserve for Animal License Expenditures	22,428.40	22,384.00
	<u>33,806.66</u>	<u>30,766.60</u>
Other Trust Fund:		
Due to Criminal Disposition and Review Collection Fund		-
Reserve for Extra Duty Police Fees		
Due to Current Fund-Payroll/Agency/ Cafeteria Plan- Interest	56,830.57	
Due to Current Fund-Health Ins. Acct.	1,227.63	
Due to Current Fund-Cafeteria Plan Acct.	20,400.00	-
Payroll Agency Reserve	90,811.57	
Special Deposits	372,722.10	513,550.29
Reserve for Special Funds	2,742,448.66	2,568,719.68
	<u>3,284,440.53</u>	<u>3,082,269.97</u>
TOTAL LIABILITIES AND RESERVES	<u><u>\$ 3,318,247.19</u></u>	<u><u>\$ 3,113,036.57</u></u>

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
CAPITAL FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	At December 31,	
	<u>(Unaudited)</u>	<u>Audited</u>
	<u>2025</u>	<u>2024</u>
<u>ASSETS</u>		
Cash	\$ 2,492,436.09	\$ 5,612,831.14
Deferred Charges to Future Taxation:		
Unfunded	16,023,000.00	13,265,000.00
Due from Current Fund	155,939.37	-
Due from Grant Fund	48,912.00	69,125.00
Grants Receivable	263,910.70	263,910.70
TOTAL ASSETS	\$ 18,984,198.16	\$ 19,210,866.84
 <u>LIABILITIES, RESERVE AND FUND BALANCE</u>		
Due to Water/Sewer Capital Fund	\$ 232,610.20	\$ 1,118,159.45
Due To Current Fund		99,398.37
Capital Improvement Fund	774,838.39	1,696,838.39
Improvement Authorizations:		
Funded	531,395.43	103,913.98
Unfunded	2,475,269.01	1,233,135.64
Encumbrance Payable	3,712,558.76	465,467.24
Reserve for Payment of Bonds		814,807.75
Bond Anticipation Notes	10,655,000.00	13,265,000.00
Down Payments on Improvements	755.00	755.00
Reserve for Drainage Study	51,833.48	51,833.48
Reserve for Sewer Planning	4,545.21	4,545.21
Reserve for Grants Receivable	263,910.70	263,910.70
Fund Balance	281,481.98	93,101.63
TOTAL LIABILITIES, RESERVE AND FUND BALANCE	\$ 18,984,198.16	\$ 19,210,866.84

There were bonds and notes authorized but not issued on December 31, 2025 and 2024 in the amount of \$5,368,000 and \$0 respectively.

See Independent's Accountant Compilation Report.

EXHIBIT D

**BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

	At December 31,	
	(Unaudited)	(Audited)
	2025	2024
<u>ASSETS</u>		
Operating Fund:		
Cash and Cash Equivalents	\$ 2,251,256.07	\$ 1,744,739.43
Interfunds Receivable	82,216.74	380,307.66
Due From Current Fund	786.31	786.31
	<u>2,334,259.12</u>	<u>2,125,833.40</u>
Receivables with Full Reserves:		
Consumer Accounts Receivable	<u>618,381.31</u>	<u>885,347.88</u>
Other Assets:		
Deferred Charges - Emergency Authorization	<u>120,000.00</u>	<u>-</u>
Total Operating Fund	<u>3,072,640.43</u>	<u>3,011,181.28</u>
Capital Fund:		
Fixed Capital	24,741,856.14	19,972,418.89
Fixed Capital Authorized and Uncompleted	16,625,000.00	17,083,000.00
Interfunds Receivable	232,610.20	1,118,159.45
NJ Environmental Infrastructure Trust Loan Receivable	<u>16,390.00</u>	<u>16,390.00</u>
Total Capital Fund	<u>41,615,856.34</u>	<u>38,189,968.34</u>
TOTAL ASSETS	<u><u>\$ 44,688,496.77</u></u>	<u><u>\$ 41,201,149.62</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund		
Liabilities:		
Appropriation Reserves	\$ 451,472.59	\$ 100,554.86
Reserve for Encumbrances	86,587.66	343,178.59
Encumbrance Payable- Reserve for Capital Improvements	-	16,680.00
Accounts Payable	61,787.15	13,999.27
Prepaid Revenue	1,052.26	2,164.98
Deposits on Meters	1,755.00	1,755.00
Reserve for Engineering Study	1,722.25	1,722.25
Reserve for Capital Improvements	142,892.52	5,711.43
Accrued Interest Payable	237,501.48	260,420.25
Due to Unemployment Trust Fund	3,000.00	
Reserve for Overpayments	<u>27,143.21</u>	<u>19,750.98</u>
	<u>1,014,914.12</u>	<u>765,937.61</u>
Reserve for Receivables	618,381.31	885,347.88
Fund Balance	<u>1,439,345.00</u>	<u>1,359,895.79</u>
Total Operating Fund	<u>3,072,640.43</u>	<u>3,011,181.28</u>
Capital Fund		
Liabilities:		
Improvement Authorizations - Funded	-	117,055.73
Improvement Authorizations - Unfunded	4,173,106.41	1,372,149.92
Encumbrance Payable	1,601,489.97	859,502.73
Capital Improvement Fund	6,238.11	6,238.11
Reserve for Amortization	23,538,338.93	19,125,918.55
Deferred Reserve for Amortization	4,816,886.52	8,632,736.10
Interfunds Payable	82,216.74	380,307.66
Bond Anticipation Notes Payable	6,855,000.00	7,155,000.00
NJ Environmental Infrastructure Trust Loan Payable	272,510.11	388,045.72
Reserve for Payment of BANS	4,020.81	4,020.81
Fund Balance	<u>266,048.74</u>	<u>148,993.01</u>
Total Capital Fund	<u>41,615,856.34</u>	<u>38,189,968.34</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u><u>\$ 44,688,496.77</u></u>	<u><u>\$ 41,201,149.62</u></u>
 Bonds and Notes Authorized But Not Issued	 <u><u>\$ 5,948,052.06</u></u>	 <u><u>\$ 1,817,650.00</u></u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND - OPERATING FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	At December 31,	
	<u>(Unaudited)</u>	<u>(Audited)</u>
	2025	2024
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 625,000.00	\$ 575,000.00
Water-Sewer Rents	8,716,773.73	8,247,782.94
Fire Hydrant Service	65,000.00	55,000.00
Communication Tower Lease	124,832.10	121,196.22
Interest Income	58,615.71	59,299.30
Miscellaneous Anticipated Revenues	46,288.87	124,605.63
Other Credits to Income:		
Unexpended Balance of Appropriations	85,104.15	109,889.92
Unexpended Balance of Appropriation Reserves	7,834.65	69,365.86
	-	-
	<u>9,729,449.21</u>	<u>9,362,139.87</u>
<u>EXPENDITURES</u>		
Budgetary and Emergency Appropriations:		
Operating	7,583,000.00	7,047,500.00
Capital Improvements	470,000.00	400,000.00
Debt Service	746,492.98	928,000.00
Statutory Expenditures & Deferred Charges	345,507.02	119,500.00
	<u>9,145,000.00</u>	<u>8,495,000.00</u>
Excess in Revenue	584,449.21	867,139.87
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		
Emergency Authorization	120,000.00	-
	<u>704,449.21</u>	<u>867,139.87</u>
Fund Balance, Beginning of Year	1,359,895.79	1,067,755.92
Decreased by: Utilized by Water-Sewer Operating Budget	<u>625,000.00</u>	<u>575,000.00</u>
Fund Balance, End of Year	<u>\$ 1,439,345.00</u>	<u>\$ 1,359,895.79</u>

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	\$ 625,000.00	\$ 625,000.00	\$ -
Water-Sewer Rents	8,025,000.00	8,716,773.73	691,773.73
Fire Hydrant Service	65,000.00	65,000.00	-
Communication Tower Lease	120,000.00	124,832.10	4,832.10
Miscellaneous	150,000.00	46,288.87	(103,711.13)
Interest Income	40,000.00	58,615.71	18,615.71
	<u>\$ 9,025,000.00</u>	<u>\$ 9,636,510.41</u>	<u>\$ 611,510.41</u>

See Independent's Accountant Compilation Report.

BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	Budget	Modified Budget	Paid or Charged	Appropriation Reserve	Appropriation Lapsed
Operating:					
Salaries and Wages	\$ 1,011,000.00	\$ 1,031,000.00	\$ 1,018,416.00	\$ 12,584.00	\$ -
Other Expenses	3,319,000.00	3,298,790.00	3,223,254.94	75,535.06	-
Repairs and Maintenance	195,000.00	195,000.00	146,886.72	48,113.28	-
Northwest Bergen County Sewer Authority	2,594,000.00	2,594,000.00	2,563,926.00	30,074.00	-
Allendale Interceptor	304,000.00	304,210.00	303,205.73	1,004.27	-
Water Supply Agreement	160,000.00	160,000.00	66,151.38	93,848.62	-
Total Operating	<u>7,583,000.00</u>	<u>7,583,000.00</u>	<u>7,321,840.77</u>	<u>261,159.23</u>	<u>-</u>
Capital Improvements:					
Improvement Authorization	-	120,000.00	120,000.00	-	-
Capital Outlay	350,000.00	350,000.00	164,397.47	185,602.53	-
Total Capital Improvements	<u>350,000.00</u>	<u>470,000.00</u>	<u>284,397.47</u>	<u>185,602.53</u>	<u>-</u>
Debt Service:					
Payment of Loan Principal	116,000.00	116,000.00	115,535.61	-	464.39
Payment of Bond Anticipation Notes	300,000.00	300,000.00	300,000.00	-	-
Loan - Interest	11,000.00	11,000.00	8,080.90	-	2,919.10
Bond Anticipation Note - Interest	319,492.98	319,492.98	281,188.42	-	38,304.56
Total Debt Service	<u>746,492.98</u>	<u>746,492.98</u>	<u>704,804.93</u>	<u>-</u>	<u>41,688.05</u>
Statutory Expenditures & Deferred Charges:					
Unfunded Ordinances:					
Ordinance #03-2000	68,041.77	68,041.77	68,041.77	-	-
Ordinance #15-2007	103,007.20	103,007.20	103,007.20	-	-
Ordinance #18-2009	50,458.05	50,458.05	7,041.95	-	43,416.10
Contribution to:					
Public Employees' Retirement System	44,000.00	44,000.00	42,643.00	1,357.00	-
Social Security System (O.A.S.I.)	77,000.00	77,000.00	73,646.17	3,353.83	-
Unemployment Compensation Insurance	3,000.00	3,000.00	3,000.00	-	-
Total Statutory Expenditures	<u>345,507.02</u>	<u>345,507.02</u>	<u>297,380.09</u>	<u>4,710.83</u>	<u>43,416.10</u>
	<u>\$ 9,025,000.00</u>	<u>\$ 9,145,000.00</u>	<u>\$ 8,608,423.26</u>	<u>\$ 451,472.59</u>	<u>85,104.15</u>
Budget Appropriations		9,025,000.00			
Add: Emergency Authorizations		120,000.00			
		<u>\$ 9,145,000.00</u>			

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	At December 31,	
	<u>(Unaudited)</u> 2025	<u>(Audited)</u> 2024
<u>ASSETS</u>		
Operating Fund:		
Cash and Cash Equivalents	\$ 291,140.29	\$ 331,112.57
Interfund Receivables		92.32
	-	-
Total Operating Fund	<u>291,140.29</u>	<u>331,204.89</u>
Capital Fund:		
Cash and Cash Equivalents	1,302.41	1,373.74
Fixed Capital	939,766.12	939,766.12
Interfund Receivable	24,979.01	
Total Capital Fund	<u>966,047.54</u>	<u>941,139.86</u>
TOTAL ASSETS	<u><u>\$ 1,257,187.83</u></u>	<u><u>\$ 1,272,344.75</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Operating Fund:		
Liabilities:		
Appropriation Reserves	\$ 15,583.26	\$ 50,487.34
Encumbrance Payable	802.00	2,302.00
Interfunds Payable	24,979.01	-
Reserve for Capital Improvement	61,455.15	36,300.15
Reserve for Capital Outlay	11,500.00	11,500.00
Encumbrance Payable - Reserve for Capital Improvements		-
	<u>114,319.42</u>	<u>100,589.49</u>
Fund Balance	<u>176,820.87</u>	<u>230,615.40</u>
Total Operating Fund	<u>291,140.29</u>	<u>331,204.89</u>
Capital Fund:		
Liabilities:		
Interfunds Payable	-	92.32
Reserve for Improvements - Bathhouse and Grounds	67.52	67.52
Capital Improvement Fund	25,373.31	373.31
Reserve for Amortization	939,766.12	939,766.12
	<u>965,206.95</u>	<u>940,299.27</u>
Fund Balance	<u>840.59</u>	<u>840.59</u>
Total Capital Fund	<u>966,047.54</u>	<u>941,139.86</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	<u><u>\$ 1,257,187.83</u></u>	<u><u>\$ 1,272,344.75</u></u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - OPERATING FUND
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
- REGULATORY BASIS**

	At December 31,	
	(Unaudited)	(Audited)
	2025	2024
<u>REVENUE AND OTHER INCOME REALIZED</u>		
Fund Balance Utilized	\$ 160,000.00	\$ 175,000.00
Membership Fees	746,810.00	727,755.00
Refreshment Stand	23,500.00	23,000.00
Office Miscellaneous	25,775.00	23,200.00
Rentals/Guest Passes	96,715.00	79,760.00
Interest Income	8,507.96	10,256.55
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	24,897.51	33,458.10
	<u>1,086,205.47</u>	<u>1,072,429.65</u>
<u>EXPENDITURES</u>		
Budgetary and Emergency Appropriations:		
Operating	651,500.00	618,500.00
Capital Improvement Fund	25,000.00	80,000.00
Utility Budget Surplus to Current Fund Budget	275,000.00	250,000.00
Statutory Expenditures	28,500.00	26,500.00
	<u>980,000.00</u>	<u>975,000.00</u>
Deficit in Revenue	106,205.47	97,429.65
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year		
Deficit in Operations	<u>106,205.47</u>	<u>97,429.65</u>
Fund Balance, Beginning of Year	230,615.40	308,185.75
Decreased by:		
Utilized by Operating Budget	<u>160,000.00</u>	<u>175,000.00</u>
Fund Balance, End of Year	<u>\$ 176,820.87</u>	<u>\$ 230,615.40</u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	\$ 160,000.00	\$ 160,000.00	\$ -
Membership Fees	691,000.00	746,810.00	55,810.00
Refreshment Stand	23,000.00	23,500.00	500.00
Office Miscellaneous	23,000.00	25,775.00	2,775.00
Rentals/ Guest Passes	79,000.00	96,715.00	17,715.00
Interest Income	<u>4,000.00</u>	<u>8,507.96</u>	<u>4,507.96</u>
	<u><u>\$ 980,000.00</u></u>	<u><u>\$ 1,061,307.96</u></u>	<u><u>\$ 81,307.96</u></u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Appropriation Reserve</u>
Operating:				
Salaries and Wages	\$ 350,000.00	\$ 358,400.00	\$ 358,261.78	\$ 138.22
Other Expenses	301,500.00	293,100.00	277,877.83	15,222.17
Total Operating	<u>651,500.00</u>	<u>651,500.00</u>	<u>636,139.61</u>	<u>15,360.39</u>
Capital Improvement Fund	25,000.00	25,000.00	25,000.00	-
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	28,000.00	28,000.00	27,777.13	222.87
Unemployment Compensation Insurance	500.00	500.00	500.00	-
Total Statutory Expenditures	<u>28,500.00</u>	<u>28,500.00</u>	<u>28,277.13</u>	<u>222.87</u>
Surplus to Current Fund	<u>275,000.00</u>	<u>275,000.00</u>	<u>275,000.00</u>	<u>-</u>
	<u><u>\$ 980,000.00</u></u>	<u><u>\$ 980,000.00</u></u>	<u><u>\$ 964,416.74</u></u>	<u><u>\$ 15,583.26</u></u>

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
DECEMBER 31, 2025 (UNAUDITED) AND 2024 (AUDITED)**

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
GROUP OF ACCOUNTS - REGULATORY BASIS**

	At December 31,	
	(Unaudited)	(Audited)
	2025	2024
<u>ASSETS</u>		
* Land	\$ 66,083,500	\$ 41,328,300
* Improvements	12,601,700	8,326,900
** Machinery, Equipment and Other	18,864,444	18,864,444
	<u>\$ 97,549,644</u>	<u>\$ 68,519,644</u>
<u>RESERVE</u>		
Reserve for Fixed Assets	<u>\$ 97,549,644</u>	<u>\$ 68,519,644</u>

* Increase is due to Revaluation Program in 2025

** Has not been updated for 2025

See Independent's Accountant Compilation Report.

**BOROUGH OF RAMSEY
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2024 AND 2023

BOROUGH OF RAMSEY
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INTRODUCTORY SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Ramsey, New Jersey

Report on the Audit of the Regulatory Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the accompanying comparative balance sheets – regulatory basis of various funds of the Borough of Ramsey, in the County of Bergen, State of New Jersey (the “Borough”), as of December 31, 2024 and 2023, and the related comparative statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues and expenditures – regulatory basis and comparative statement of general fixed assets group of accounts – regulatory basis for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Borough’s basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the comparative financial position – regulatory basis, of each fund and account group of the Borough as of December 31, 2024 and 2023, and each fund’s respective operations and changes in financial position and fund balance – regulatory basis for the years then ended, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) 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 and Unmodified Opinions” section of our audit report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2024 and 2023, or the changes in financial position for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. Our responsibilities under those standards and requirements are further described in the “Auditors’ Responsibility for the Audit of the Financial Statements” section of our report. We are required to be independent of the Borough of Ramsey, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our adverse and unmodified audit opinions.

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

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to meet the requirement of the State of New Jersey for municipal government entities. The effect on financial statements of the variances between the regulatory accounting practices and GAAP, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis (the “financial statements”) in accordance with the financial reporting provisions of the Division. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibility 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 opinions. Reasonable assurance is a high level of assurance, but not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough’s basic financial statements. The supplementary schedules and the audit comments and recommendations listed in the table of contents are presented for the purpose of additional analysis as required by the Division and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Report on Supplementary Information as Required by the Uniform Guidance and NJ OMB Circular 15-08

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*; and NJ OMB Circular 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and related notes to the schedules of federal awards and state financial assistance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards, state financial assistance, and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards, state financial assistance, and related notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Required Supplementary Information

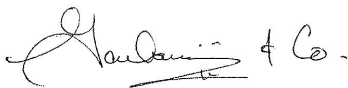
Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 31, 2025 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



Garbarini & Co. P.C.
Certified Public Accountants

July 31, 2025
River Edge, New Jersey

FINANCIAL SECTION

CURRENT FUND

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024 AND 2023**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		A	
<u>ASSETS</u>	<u>Reference</u>	At December 31,	
		<u>2024</u>	<u>2023</u>
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 8,843,635.07	\$ 9,289,500.26
Change Fund	A-6	425.00	425.00
		<u>8,844,060.07</u>	<u>9,289,925.26</u>
Due from State of NJ- Senior and Veterans Deductions	A-7	<u>293.58</u>	<u>43.58</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	659,523.24	508,395.88
Tax Title Liens Receivable	A-9	183,145.23	174,659.47
Property Acquired for Taxes - Assessed Valuation	A-10	122,400.00	122,400.00
Revenue Accounts Receivable	A-11	19,632.71	5,146.87
Due from Cafeteria Plan	A-13	20,400.00	20,400.00
Interfund Receivable	A-15	112,537.38	9,337.22
Miscellaneous Receivables	A-12	2,671.15	2,671.15
	A	<u>1,120,309.71</u>	<u>843,010.59</u>
Total Current Fund		<u>9,964,663.36</u>	<u>10,132,979.43</u>
Deferred Charges			
N.J.S.A. 40A:4-55 - Special Emergency- Revaluation	A-14a	<u>280,000.00</u>	
Federal and State Grants Fund:			
Federal and State Grants Receivable	A-30	856,295.14	219,386.57
Amount Due from Current Fund	A-34		718,377.73
Total Federal and State Grant Fund		<u>856,295.14</u>	<u>937,764.30</u>
TOTAL ASSETS		<u><u>\$ 11,100,958.50</u></u>	<u><u>\$ 11,070,743.73</u></u>

See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024 AND 2023**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		A	
		At December 31,	
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Current Fund:			
Appropriation Reserves	A-3, A-16	\$ 2,498,295.13	\$ 2,460,405.85
Due to Water Sewer Operating	A-4	786.31	
Due to State of NJ- Senior and Veterans Deductions	A-7		
Interfunds Payable	A-15	-	718,377.73
Reserve for Encumbrances	A-17	541,901.38	812,150.20
Accounts Payable	A-18	8,674.84	9,124.84
Reserve for Municipal Relief Funds	A-19	-	153,795.39
Prepaid Taxes	A-20	731,139.94	640,751.22
Tax Overpayments	A-21	4,429.13	-
Outside Tax Title Liens Payable	A-22	-	446.14
Reserve for Amount Due to State of New Jersey:			
Construction Code Surcharge Fees	A-23	6,276.00	4,204.00
Marriage License Surcharge Fees	A-24	625.00	448.00
Special Reserves	A-25	137,210.23	137,210.23
Reserve for Road Opening Deposits	A-14	4,436.00	3,811.00
Reserve for Revaluation	A-26	44,962.30	2,462.30
Reserve for Tax Appeals	A-27	113,947.63	40,521.13
County Taxes Payable	A-28	15,722.18	20,043.36
Special Emergency Note	A-28a	430,000.00	
		<u>4,538,406.07</u>	<u>5,003,751.39</u>
Reserve for Receivables	A	1,120,309.71	843,010.59
Fund Balance	A-1	4,585,947.58	4,286,217.45
		<u>5,706,257.29</u>	<u>5,129,228.04</u>
Total Liabilities, Reserves and Fund Balance - Current Fund		<u>10,244,663.36</u>	<u>10,132,979.43</u>
Federal and State Grant Fund:			
Unappropriated Reserves	A-31	90,736.93	63,608.25
Appropriation Reserves	A-32	414,195.26	530,177.29
Encumbrance Payable	A-32	198,842.56	196,218.98
Due to Current Fund	A-34	4,760.61	
Due to Capital Fund	C	69,125.00	69,125.00
Due to Other Trust Fund	A-33	78,634.78	78,634.78
Total Federal and State Grant Fund		<u>856,295.14</u>	<u>937,764.30</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 11,100,958.50</u></u>	<u><u>\$ 11,070,743.73</u></u>

See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024 AND 2023**

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Reference</u>	<u>For the Years Ended December 31,</u> <u>2024</u>	<u>2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-2	\$ 2,695,000.00	\$ 2,695,000.00
Miscellaneous Revenue Anticipated	A-2	5,521,631.00	4,907,820.37
Receipts from Current Taxes	A-2	99,174,515.46	95,952,943.26
Receipts from Delinquent Taxes	A-2	507,727.69	432,518.73
Non-Budget Revenues	A-2	356,830.05	363,101.32
Other Credits to Income:			
Unexpended Balance of Appropriations	A-3	1,124.22	1,436.89
Canceled PY Outside Tax Title Lien	A-22	446.14	-
Adjustment for CSIP Grant Expended Prior Year	A-32,34		
Excess Reserves in Animal License	A-15	8,378.40	8,742.80
Prior Year Interfunds Returned			
Unexpended Balance of Appropriation Reserves	A-16	1,790,669.04	1,201,710.49
Total Income		<u>110,056,322.00</u>	<u>105,563,273.86</u>
Budgetary and Emergency Appropriations:			
Appropriations Within "CAPS"			
Salaries and Wages	A-3	10,006,500.00	9,646,350.00
Other Expenses	A-3	10,717,965.00	9,302,603.00
Deferred Charges and Statutory Expenditures	A-3	2,768,000.00	2,801,125.00
Appropriations Excluded from "CAPS"			
Salaries and Wages	A-3	770,000.00	770,000.00
Other Expenses	A-3	1,773,205.83	2,635,747.36
Capital Improvements	A-3	1,150,000.00	650,000.00
Debt Service	A-3	1,671,634.00	1,482,000.00
Deferred Charges and Statutory Expenditures	A-3	150,600.00	-
Prior Year Senior Citizens Deductions Disallowed	A-7	791.10	-
Interfund Advanced		103,200.16	9,166.80
Bank Reconciliation Adjustments		-	35.00
County Taxes	A-28	9,814,665.65	9,425,922.17
County Taxes Paid on PILOT	A-28	5,134.75	4,982.55
County Open Space Taxes	A-28	442,867.20	413,024.57
County Added/Omitted Taxes	A-28	15,722.18	20,043.36
Local District School Tax	A-29	67,671,306.00	65,622,549.00
Total Expenditures		<u>107,061,591.87</u>	<u>102,783,548.81</u>
Excess in Operations		2,994,730.13	2,779,725.05
Fund Balance, Beginning of Year	A	<u>4,286,217.45</u>	<u>4,201,492.40</u>
		7,280,947.58	6,981,217.45
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,695,000.00</u>	<u>2,695,000.00</u>
Fund Balance, End of Year	A	<u>\$ 4,585,947.58</u>	<u>\$ 4,286,217.45</u>

See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF REVENUES - REGULATORY BASIS

				A-2
	Reference	Anticipated Budget	Realized	Excess or (Deficit)
Surplus Anticipated	A-1	\$ 2,695,000.00	\$ 2,695,000.00	\$ -
Miscellaneous Revenues:				
LOCAL REVENUES				
Licenses				
Alcoholic Beverages		35,000.00	35,150.00	150.00
Other		78,500.00	74,264.50	(4,235.50)
Fees and Permits		46,500.00	55,159.60	8,659.60
Fines and Costs:				
Municipal Court		122,000.00	177,568.00	55,568.00
Interest and Costs on Taxes		105,000.00	144,270.59	39,270.59
Interest on Investments and Deposits		240,000.00	469,002.34	229,002.34
Anticipated Utility Operating Surplus		250,000.00	250,000.00	-
Uniform Fire Safety Act (c.383, P.L. 1983) Fees		176,000.00	215,308.71	39,308.71
Cable Franchise Fee		216,000.00	218,827.98	2,827.98
Municipal Occupancy Tax		162,000.00	204,633.24	42,633.24
Cell Tower Revenue		70,000.00	75,351.11	5,351.11
Recycling Revenue		10,000.00	15,298.34	5,298.34
Reserve for Payment of BANS		574,287.40	574,287.40	-
	Below	2,085,287.40	2,509,121.81	423,834.41
STATE AID WITHOUT OFFSETTING APPROPRIATIONS				
Energy Receipts Taxes		1,484,663.00	1,492,053.13	7,390.13
Reserve for Municipal Relief		153,795.39	153,795.39	-
Total State Aid Without Offsetting Appropriations	Below	1,638,458.39	1,645,848.52	7,390.13
DEDICATED UNIFORM CONSTRUCTION CODE FEES OFFSET WITH APPROPRIATIONS				
Uniform Construction Code Fees	Below	550,000.00	624,826.00	74,826.00
SPECIAL ITEMS OF REVENUE OFFSET WITH APPROPRIATIONS				-
Alcohol Education & Rehabilitation		2,206.51	2,206.51	-
Storm Water Assistance Grant		15,000.00	15,000.00	-
Opioid Settlement Grant		8,525.42	8,525.42	-
USDOJ Body Armor Grant Fund		2,803.57	2,803.57	-
Bergen County Cleanup Grant		500.00	500.00	-
Clean Communities		34,572.75	34,572.75	-
Chapter 159s				
Recycling Tonnage Grant		24,621.66	24,621.66	
Opioid Settlement Grant		15,000.00	15,000.00	
Assistance to Firefighters		557,904.76	557,904.76	
Spotted Lanternfly Grant		6,700.00	6,700.00	
ARP Firefighters 2024		74,000.00	74,000.00	
	A-15	741,834.67	741,834.67	-
Total Miscellaneous Revenues	A-1	\$ 5,015,580.46	\$ 5,521,631.00	\$ 506,050.54
Receipts From Delinquent Taxes	A-1, 8,9	\$ 425,000.00	\$ 507,727.69	\$ 82,727.69

See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amt. to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes Including				
Reserve for Uncollected Taxes and Minimum Tax	A-8, Below	\$ 21,872,324.37	\$ 22,229,954.43	\$ 357,630.06
BUDGET TOTALS				
NON BUDGET REVENUES	Below	-	356,830.05	356,830.05
TOTAL GENERAL REVENUES	A-3	<u>\$ 30,007,904.83</u>	<u>\$ 31,311,143.17</u>	<u>\$ 1,303,238.34</u>

ANALYSIS OF REALIZED REVENUE

(Before Federal and State Grants)

Local Revenues	Above	\$ 2,509,121.81
State Aid Without Offsetting Appropriations	Above	1,645,848.52
Dedicated Uniform Construction Code Fees	Above	624,826.00
	A-11	<u>\$ 4,779,796.33</u>
Allocation of Current Tax Collections:		
Current Tax Revenue	A-1	\$ 99,174,515.46
Less: Allocated to School and County Taxes	A-8	(77,944,561.03)
Add: Appropriation for Uncollected Taxes	A-3	1,000,000.00
Amount for Support of Municipal Budget Appropriations	Above	<u>\$ 22,229,954.43</u>

ANALYSIS OF NON-BUDGET REVENUE

Off-Duty Vehicle Fees	\$ 125,104.50
DMV Inspection Fines	1,400.00
Health Surcharge	45.00
Pmt In Lieu of Taxes	91,213.20
Budget Reimbursement	43,916.00
NSF Check Fees	1,020.00
Miscellaneous-Permits	175.00
Police Towing Fees	800.00
Unclaimed Funds & Property	1,514.10
Senior & Vet Administration Fees & Homestead Benefit Mailing	1,024.18
Donations	500.00
Shade Tree Application Fee	225.00
Ramsey Day Booth	2,000.00
Ramsey Run Sponsors	600.00
Prior Year Budget Reimbursements	13,890.42
Refund Convention	525.00
Photocopies	3,735.42
Bid Specs	885.00
Recycling Pails	225.00
Day Camp Enrollment	59,635.00
Snow Plowing Reimbursements	3,680.00
JIF Reimbursement & Award	<u>4,717.23</u>
	<u>\$ 356,830.05</u>
A-1,4, Above	

See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	Reference	2024 APPROPRIATIONS		EXPENDED		Lapsed
		Budget	Modified Budget	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT FUNCTIONS:						
General Administration						
Salaries and Wages		\$ 194,000.00	\$ 194,000.00	\$ 190,698.08	\$ 3,301.92	\$ -
Other Expenses		298,000.00	335,500.00	321,071.27	14,428.73	
Mayor and Council						
Salaries and Wages		50,000.00	50,000.00	47,775.36	2,224.64	
Other Expenses		2,100.00	2,100.00	1,962.61	137.39	
Borough Clerk						
Salaries and Wages		268,000.00	268,000.00	261,565.43	6,434.57	
Other Expenses		60,000.00	63,000.00	61,903.57	1,096.43	
Financial Administration						
Salaries and Wages		295,000.00	295,000.00	288,285.40	6,714.60	
Other Expenses		25,000.00	25,000.00	15,799.97	9,200.03	
Audit Services		55,000.00	55,000.00	9,000.00	46,000.00	
Computer Maintenance						
Payroll Data Processing		25,000.00	25,000.00	15,920.95	9,079.05	
Collection of Taxes					-	
Salaries and Wages		45,000.00	45,000.00	37,338.34	7,661.66	
Other Expenses		17,000.00	17,000.00	10,313.22	6,686.78	
Assessment of Taxes						
Salaries and Wages		83,000.00	83,000.00	71,314.00	11,686.00	
Other Expenses		65,000.00	65,000.00	41,765.00	23,235.00	
Legal Services and Costs						
Other Expenses		225,000.00	240,000.00	235,326.16	4,673.84	
Engineering Services and Costs						
Salaries & Wages		125,000.00	125,000.00	116,776.57	8,223.43	
Other Expenses		10,000.00	10,000.00	9,132.45	867.55	
Insurance (N.J.S.A. 40A:4-45.3(00))						
General Liability/ Workers' Compensation		847,665.00	847,665.00	625,686.52	221,978.48	
Employee Group Health					-	
Net Employees Group Insurance		2,246,400.00	2,246,400.00	1,989,288.95	257,111.05	
Health Benefit Waiver		23,000.00	23,000.00	14,374.93	8,625.07	
<u>LAND USE ADMINISTRATION:</u>						
Municipal Land Use Law (NJSA 40A:55D-1)						
Planning Board						
Salaries and Wages		67,000.00	67,000.00	62,449.00	4,551.00	
Other Expenses		28,000.00	25,000.00	17,630.31	7,369.69	
Zoning Board Adjustment						
Other Expenses		12,000.00	12,000.00	3,324.44	8,675.56	

(Continued Next Page)

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

Reference	2024 APPROPRIATIONS		EXPENDED		Lapsed
	Budget	Modified Budget	Paid or Charged	Reserved	
OPERATIONS WITHIN "CAPS" (cont'd)					
<u>PUBLIC SAFETY FUNCTIONS:</u>					
Police					
Salaries and Wages	\$ 6,050,000.00	\$ 6,050,000.00	\$ 5,741,614.71	\$ 308,385.29	\$ -
Other Expenses	285,000.00	285,000.00	246,992.49	38,007.51	
Emergency Management Services					
Salaries and Wages	25,000.00	25,000.00	21,575.76	3,424.24	
Other Expenses	140,000.00	140,000.00	135,952.24	4,047.76	
Volunteer Fire Dept. - Other Expenses	258,300.00	258,300.00	249,224.12	9,075.88	
First Aid Organization - Contribution	125,000.00	125,000.00	125,000.00	-	
Fire Dept.				-	
(Uniform Fire Safety Act c.383, PL 1938)					
Fire Protection Official					
Salaries and Wages	189,000.00	192,500.00	191,201.29	1,298.71	
Other Expenses	14,000.00	10,500.00	9,914.66	585.34	
Municipal Prosecutor					
Salaries and Wages	16,000.00	16,000.00	14,076.00	1,924.00	
Other Expenses	1,000.00	1,000.00		1,000.00	
Road Repair and Maintenance					
Salaries and Wages	1,227,000.00	1,197,000.00	1,112,843.36	84,156.64	
Other Expenses	112,000.00	112,000.00	76,992.14	35,007.86	
Road Resurfacing	50,000.00	-		-	
Sidewalk Reconstruction	10,000.00	-		-	
<u>PUBLIC WORKS FUNCTIONS:</u>					
Snow Removal (NJSA 40A:4-62.1)	135,000.00	115,000.00	105,297.65	9,702.35	
Shade Tree Commission					
Salaries and Wages	25,000.00	25,000.00	22,924.00	2,076.00	
Other Expenses	205,000.00	205,000.00	195,540.01	9,459.99	
Recycling					
Salaries and Wages	50,000.00	50,000.00	9,443.16	40,556.84	
Other Expenses	921,000.00	921,000.00	581,587.42	339,412.58	
Garbage and Trash Removal					
Contractual	1,252,000.00	1,252,000.00	969,358.71	282,641.29	
Public Buildings and Grounds					
Salaries and Wages	365,000.00	345,000.00	338,783.56	6,216.44	
Other Expenses	285,000.00	305,000.00	281,169.28	23,830.72	
Vehicle Maintenance					
Salaries and Wages	190,000.00	190,000.00	175,218.04	14,781.96	
Other Expenses	290,000.00	340,000.00	302,589.43	37,410.57	

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See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	Reference	2024 APPROPRIATIONS		EXPENDED		Lapsed
		Budget	Modified Budget	Paid or Charged	Reserved	
OPERATIONS WITHIN "CAPS" (Cont'd)						
<u>HEALTH AND HUMAN SERVICES FUNCTIONS:</u>						
Board of Health						
Salaries and Wages		\$ 83,000.00	\$ 83,000.00	\$ 76,387.16	\$ 6,612.84	\$ -
Other Expenses		54,000.00	54,000.00	32,173.82	21,826.18	
Services of Visiting Nurses						
Contractual		27,000.00	27,000.00	9,662.00	17,338.00	
Environmental Commission						
Salaries and Wages		4,000.00	4,000.00	3,672.12	327.88	
Other Expenses		10,000.00	10,000.00	7,227.23	2,772.77	
Dog and Cat Regulation						
Other Expenses		24,000.00	24,000.00	18,225.00	5,775.00	
Administration of Public Assistance						
Other Expenses		1,000.00	1,000.00	-	1,000.00	
West Bergen Mental Health						
Contractual		15,500.00	15,500.00	15,350.00	150.00	
Drug Abuse Program		15,000.00	15,000.00	14,800.00	200.00	
<u>PARKS AND RECREATION FUNCTIONS:</u>						
Recreation Commission						
Salaries and Wages		82,000.00	82,000.00	67,780.02	14,219.98	
Other Expenses		50,000.00	50,000.00	41,784.67	8,215.33	
Contribution to Senior Citizen's Center (NJSA 40:48-96)						
Salaries and Wages		40,000.00	40,000.00	33,020.96	6,979.04	
Other Expenses		72,000.00	72,000.00	67,348.44	4,651.56	
Fine Arts Committee						
Other Expenses		1,000.00	1,000.00	1,000.00	-	
Ramsey Wind Symphony						
Other Expenses		9,500.00	9,500.00	9,500.00	-	
Parks Improvements		10,000.00	10,000.00	-	10,000.00	
<u>OTHER COMMON OPERATING FUNCTIONS:</u>						
Celebration of Public Events						
Other Expenses		78,000.00	78,000.00	63,796.71	14,203.29	
IT Support		217,000.00	217,000.00	199,861.23	17,138.77	
Municipal Court						
Salaries and Wages		175,000.00	184,000.00	180,582.82	3,417.18	
Other Expenses		19,000.00	13,000.00	9,016.47	3,983.53	
Public Defender						
Other Expenses		3,000.00	3,000.00	-	3,000.00	
Purchase and Replacement of Department Equipment					-	
Police Department Equipment		45,000.00	45,000.00	20,094.81	24,905.19	
Fire Department Equipment		40,000.00	-	-	-	
Admin.- Equipment		40,000.00	39,500.00	18,393.12	21,106.88	
Rescue Squad Equipment		40,000.00	40,000.00	30,565.37	9,434.63	
DPW Equipment		45,000.00	74,256.00	74,255.11	0.89	
Misc. Equipment		40,000.00	10,744.00		10,744.00	
Alliance Drug Committee						
Other Expenses		7,000.00	7,000.00	7,000.00	-	

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See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

	Reference	2024 APPROPRIATIONS		EXPENDED		Lapsed
		Budget	Modified Budget	Paid or Charged	Reserved	
OPERATIONS WITHIN "CAPS" (Cont'd)						
<u>UNIFORM CONSTRUCTION CODE - (NIAC 5:23-4.17):</u>						
Construction Code Officials						
Salaries and Wages		\$ 396,000.00	\$ 396,000.00	\$ 376,287.50	\$ 19,712.50	\$ -
Other Expenses		16,000.00	16,000.00	15,021.10	978.90	
<u>UTILITY EXPENSES AND BULK PURCHASES:</u>						
Electricity		215,000.00	215,000.00	187,288.21	27,711.79	
Street Lighting		210,000.00	210,000.00	191,031.10	18,968.90	
Natural Gas		45,000.00	45,000.00	35,049.03	9,950.97	
Telephone		299,000.00	299,000.00	272,415.39	26,584.61	
Gasoline		210,000.00	190,000.00	165,841.48	24,158.52	
Fire Hydrants		55,000.00	55,000.00	55,000.00	-	
Municipal Services Act (NJSA 40:67-23.2 et seq.)						
Other Expenses		130,000.00	55,000.00	50,186.60	4,813.40	
Sanitary Landfill Dumping Fees					-	
Other Expenses		560,000.00	700,000.00	688,578.23	11,421.77	
Accumulated Absences		50,000.00	50,000.00	50,000.00	-	
(B) Contingent		5,000.00	5,000.00	-	5,000.00	
Total Operations Including Contingent within "CAPS"		20,724,465.00	20,724,465.00	18,444,196.26	2,280,268.74	-
Detail:						
Salaries and Wages	A-1	10,044,000.00	10,006,500.00	9,441,612.64	564,887.36	-
Other Expenses	A-1	10,680,465.00	10,717,965.00	9,002,583.62	1,715,381.38	-
<u>(2) STATUTORY EXPENDITURES:</u>						
Contribution to:						
Social Security System (O.A.S.I.)		457,000.00	457,000.00	444,287.44	12,712.56	
Police and Fireman's Retirement System of N.J.		1,556,000.00	1,556,000.00	1,555,534.00	466.00	
Public Employees' Retirement Fund		715,000.00	715,000.00	713,863.00	1,137.00	
Retirement Fund					-	
Unemployment Compensation		25,000.00	25,000.00	25,000.00	-	
Defined Contribution Retired Plan		15,000.00	15,000.00	11,752.67	3,247.33	
	A-1	2,768,000.00	2,768,000.00	2,750,437.11	17,562.89	-
(H-1) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"						
		23,492,465.00	23,492,465.00	21,194,633.37	2,297,831.63	-

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See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

		2024 APPROPRIATIONS		EXPENDED		
	Reference	Budget	Modified Budget	Paid or Charged	Reserved	Lapsed
(A) Operations - Excluded from "CAPS"						
<u>GENERAL GOVERNMENT</u>						
Maintenance of Free Public Library (C. 82 & 541, PL 1985)						
Salaries and Wages		\$ 770,000.00	\$ 770,000.00	\$ 770,000.00	\$ -	\$ -
Other Expenses		696,036.16	696,036.16	696,036.16	-	
911 Regional Service		14,400.00	14,400.00	7,386.50	7,013.50	
Statutory Expenditures:						
Reserve for Property Tax Appeals		165,000.00	165,000.00		165,000.00	
Stormwater Management (NJSA 40:A 4-45.3(bb))		50,000.00	50,000.00	21,550.00	28,450.00	
Employee Group Health Insurance (Out of CAPs)		58,600.00	58,600.00	58,600.00	-	
Approp. CAP Relief LFN #2023-04						
Liability/ Workers Compensation Insurance		47,335.00	47,335.00	47,335.00	-	
					-	
		<u>1,801,371.16</u>	<u>1,801,371.16</u>	<u>1,600,907.66</u>	<u>200,463.50</u>	<u>-</u>
<u>PUBLIC AND PRIVATE REVENUES OFF-SET BY REVENUES</u>						
Alcohol Education & Rehabilitation		2,206.51	2,206.51	2,206.51	-	
Municipal Alliance Youth Leadership					-	
Opioid Settlement Grant		8,525.42	8,525.42	8,525.42	-	
Clean Communities Grant		34,572.75	34,572.75	34,572.75	-	
Bergen County Cleanup Grant		500.00	500.00	500.00	-	
Recycling Tonnage Grant					-	
Stormwater Assistance Grant		15,000.00	15,000.00	15,000.00	-	
Asst. to Firefighters Grant					-	
USDOJ Body Armor		2,803.57	2,803.57	2,803.57	-	
FEMA Emergency Protective Grant					-	
COVID/OMICRON Surge Grant					-	
Chap. 159 - Recycling Tonnage Grant		24,621.66	24,621.66	24,621.66	-	
Chap. 159 - Assistance to Firefighters Grant		557,904.76	557,904.76	557,904.76	-	
Chap. 159 - ARP 2024 Firefighters Grant		74,000.00	74,000.00	74,000.00	-	
Chap. 159 - Opioid Settlement Grant		15,000.00	15,000.00	15,000.00	-	
Chap. 159 - Spotted Lanternfly Grant		6,700.00	6,700.00	6,700.00	-	
		<u>741,834.67</u>	<u>741,834.67</u>	<u>741,834.67</u>	<u>-</u>	
Total Operations - Excluded from "CAPS"		<u>2,543,205.83</u>	<u>2,543,205.83</u>	<u>2,342,742.33</u>	<u>200,463.50</u>	<u>-</u>
Detail:						
Salaries and Wages	A-1	770,000.00	770,000.00	770,000.00	-	
Other Expenses	A-1	1,773,205.83	1,773,205.83	1,572,742.33	200,463.50	

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See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
CURRENT FUND
DECEMBER 31, 2024**

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3

			2024 APPROPRIATIONS		EXPENDED	
	Reference	Budget	Modified Budget	Paid or Charged	Reserved	Lapsed
OPERATIONS EXCLUDED FROM "CAPS" (Cont'd)						
(C) Capital Improvement Fund - Excluded from "CAPS"						
Capital Improvement Fund		\$ 1,150,000.00	\$ 1,150,000.00	\$ 1,150,000.00	\$ -	\$ -
A-1		1,150,000.00	1,150,000.00	1,150,000.00	-	-
(D) Municipal Debt Service						
Payment of Bond Anticipation Notes and Capital Notes		636,712.60	636,712.60	636,712.60	-	
Payment of Bond Anticipation Notes - Grant		574,287.40	574,287.40	574,287.40	-	
Interest on Notes		460,634.00	460,634.00	459,509.78	-	1,124.22
A-1		1,671,634.00	1,671,634.00	1,670,509.78	-	1,124.22
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Special Emergency Authorization- 5 Years (N.J.S.A. 40A:4-55)		150,000.00	150,000.00	150,000.00	-	
Unfunded Capital Ordinances: Ord # 04-2023		600.00	600.00	600.00	-	
		150,600.00	150,600.00	150,600.00	-	-
(H-2) TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"		5,515,439.83	5,515,439.83	5,313,852.11	200,463.50	1,124.22
(L) Subtotal General Appropriations		29,007,904.83	29,007,904.83	26,508,485.48	2,498,295.13	1,124.22
(M) Reserve for Uncollected Taxes		A-2	1,000,000.00	1,000,000.00	-	-
TOTAL GENERAL APPROPRIATIONS		\$ 30,007,904.83	\$ 30,007,904.83	\$ 27,508,485.48	\$ 2,498,295.13	\$ 1,124.22
Reference		A-2	A-2	Below	A	A-1
Adopted Budget			29,329,678.41			
Chapter 159's			678,226.42			
			\$ 30,007,904.83			
Reference						
Cash Disbursements	A-4			\$ 26,648,636.90		
Cash Receipts	A-4			(1,423,887.47)		
Encumbrances Payable	A-17			541,901.38		
Non-cash Expenditure - Federal and State Grant Fund	A-15			741,834.67		
Non-cash Expenditure - Reserve for Uncollected Taxes	A-2			1,000,000.00		
Above				\$ 27,508,485.48		

See independent auditor's report and accompanying notes.

TRUST FUNDS

**BOROUGH OF RAMSEY
TRUST FUNDS
DECEMBER 31, 2024 AND 2023**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		B	
		At December 31,	
	<u>Reference</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	\$ 30,766.60	\$ 28,921.22
Due from State of New Jersey	B-3		8.60
Interfund Receivable	B-2		
		<u>30,766.60</u>	<u>28,929.82</u>
Other Trust Fund:			
Cash and Cash Equivalents	B-5	2,974,532.55	3,482,173.90
Reserve for Extra Duty Police Fees	B-6	28,622.64	
Escrow Receivable	B-6a	480.00	480.00
Interfund Receivable	B-7	78,634.78	78,634.78
		<u>3,082,269.97</u>	<u>3,561,288.68</u>
TOTAL ASSETS		<u><u>\$ 3,113,036.57</u></u>	<u><u>\$ 3,590,218.50</u></u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to Current Fund	B-2	\$ 8,378.40	\$ 8,913.22
Due to State of New Jersey	B-3	4.20	
Reserve for Animal License Expenditures	B-4	22,384.00	20,016.60
		<u>30,766.60</u>	<u>28,929.82</u>
Other Trust Fund:			
Reserve for Extra Duty Police Fees	B-6		27,379.17
Interfund Payable	B-7	-	-
Special Deposits	B-8	513,550.29	479,974.23
Reserve for Special Funds	B-9	2,568,719.68	3,053,935.28
		<u>3,082,269.97</u>	<u>3,561,288.68</u>
TOTAL LIABILITIES AND RESERVES		<u><u>\$ 3,113,036.57</u></u>	<u><u>\$ 3,590,218.50</u></u>

See independent auditor's report and accompanying notes.

GENERAL CAPITAL FUND

**BOROUGH OF RAMSEY
CAPITAL FUND
DECEMBER 31, 2024 AND 2023**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

C

		At December 31,	
	<u>Reference</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Cash	C-2,2a	\$ 5,612,831.14	\$ 4,845,766.99
Deferred Charges to Future Taxation:			
Unfunded	C-3	13,265,000.00	12,526,600.00
Due from Current Fund	C-5		-
Due from Grant Fund	A,C-7	69,125.00	69,125.00
Grants Receivable	C-4	263,910.70	244,794.55
		<hr/>	<hr/>
TOTAL ASSETS		\$ 19,210,866.84	\$ 17,686,286.54
		<hr/>	<hr/>
<u>LIABILITIES, RESERVE AND FUND BALANCE</u>			
Due to Water/Sewer Capital Fund	C-9	\$ 1,118,159.45	\$ 1,092,387.34
Capital Improvement Fund	C-6	1,696,838.39	619,338.39
Due to Current Fund	C-5	99,398.37	
Improvement Authorizations:			
Funded	C-7	103,913.98	132,371.29
Unfunded	C-7	1,233,135.64	1,579,027.84
Encumbrance Payable	C-12	465,467.24	860,946.04
Reserve for Payment of Bonds	C-8	814,807.75	574,287.40
Bond Anticipation Notes	C-10	13,265,000.00	12,526,000.00
Down Payments on Improvements	C-11	755.00	755.00
Reserve for Drainage Study	C-13	51,833.48	51,833.48
Reserve for Sewer Planning	C-13	4,545.21	4,545.21
Reserve for Grants Receivable	C-15	263,910.70	244,794.55
Fund Balance	C-1	93,101.63	
		<hr/>	<hr/>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		\$ 19,210,866.84	\$ 17,686,286.54
		<hr/>	<hr/>

There were bonds and notes authorized but not issued on December 31, 2024 and 2023 in the amount of \$600 and \$0 respectively. (Exhibit C-14).

C-1

STATEMENT OF FUND BALANCE

	<u>Reference</u>	
Balance December 31, 2023	C	\$ -
Increased by:		
Premium on Bond Anticipation Notes	C-1a	93,101.63
		<hr/>
Decreased by:		
		<hr/>
Balance December 31, 2024	C	\$ 93,101.63
		<hr/>

See independent auditor's report and accompanying notes.

WATER-SEWER UTILITY FUND – OPERATING AND CAPITAL FUNDS

**BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND
DECEMBER 31, 2024 AND 2023**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		D	
		At December 31,	
	Reference	2024	2023
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,744,739.43	\$ 1,712,542.22
Interfunds Receivable	D-18	381,093.97	380,307.66
		<u>2,125,833.40</u>	<u>2,092,849.88</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	885,347.88	787,330.60
		<u>885,347.88</u>	<u>787,330.60</u>
Other Assets:			
Deferred Charges - Overexpenditure of Appropriations	D-3		-
			<u>-</u>
Total Operating Fund		<u>3,011,181.28</u>	<u>2,880,180.48</u>
Capital Fund:			
Fixed Capital	D-12	19,972,418.89	19,972,418.89
Fixed Capital Authorized and Uncompleted	D-13	17,083,000.00	16,433,000.00
Interfunds Receivable	D-18	1,118,159.45	1,092,387.34
NJ Environmental Infrastructure Trust Loan Receivable	D-21	16,390.00	16,390.00
Total Capital Fund		<u>38,189,968.34</u>	<u>37,514,196.23</u>
TOTAL ASSETS		<u><u>\$ 41,201,149.62</u></u>	<u><u>\$ 40,394,376.71</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund			
Liabilities:			
Appropriation Reserves	D-3, D-7	\$ 100,554.86	\$ 250,866.80
Reserve for Encumbrances	D-8a	359,858.59	97,530.91
Accounts Payable	D-10a	13,999.27	14,076.57
Prepaid Revenue	D-8	2,164.98	2,299.05
Deposits on Meters	D-9	1,755.00	1,755.00
Reserve for Engineering Study	D-10	1,722.25	1,722.25
Reserve for Capital Improvements	D-10	5,711.43	437,221.32
Accrued Interest Payable	D-11	260,420.25	190,298.24
Reserve for Overpayments	D-11a	19,750.98	29,323.82
		<u>765,937.61</u>	<u>1,025,093.96</u>
Reserve for Receivables	D-6	885,347.88	787,330.60
Fund Balance	D-1	1,359,895.79	1,067,755.92
Total Operating Fund		<u>3,011,181.28</u>	<u>2,880,180.48</u>
Capital Fund			
Liabilities:			
Improvement Authorizations - Funded	D-14	117,055.73	117,055.73
Improvement Authorizations - Unfunded	D-14	1,372,149.92	1,413,937.65
Encumbrance Payable	D-23	859,502.73	791,942.89
Capital Improvement Fund	D-15	6,238.11	6,238.11
Reserve for Amortization	D-16	19,125,918.55	19,125,918.55
Deferred Reserve for Amortization	D-17	8,632,736.10	8,123,687.42
Interfunds Payable	D-18	380,307.66	380,307.66
Bond Anticipation Notes Payable	D-19	7,155,000.00	6,905,000.00
NJ Environmental Infrastructure Trust Loan Payable	D-22	388,045.72	497,094.40
Reserve for Payment of BANS	D-14	4,020.81	4,020.81
Fund Balance	D-5	148,993.01	148,993.01
Total Capital Fund		<u>38,189,968.34</u>	<u>37,514,196.23</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 41,201,149.62</u></u>	<u><u>\$ 40,394,376.71</u></u>
Bonds and Notes Authorized But Not Issued	D-20	<u><u>\$ 1,817,650.00</u></u>	<u><u>\$ 1,817,650.00</u></u>

See independent auditor's report and accompanying notes.

BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND - OPERATING FUND
YEARS ENDED DECEMBER 31, 2024 AND 2023

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

		D-1	
		December 31,	
	<u>Reference</u>	<u>2024</u>	<u>2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-2	\$ 575,000.00	\$ 500,000.00
Water-Sewer Rents	D-2	8,247,782.94	7,666,264.34
Fire Hydrant Service	D-2	55,000.00	55,000.00
Communication Tower Lease	D-2	121,196.22	117,666.24
Miscellaneous Anticipated Revenues	D-2	124,605.63	319,190.09
Interest Income	D-2	59,299.30	
Other Credits to Income:			
Unexpended Balance of Appropriations	D-3	109,889.92	4,137.31
Unexpended Balance of Appropriation Reserves	D-7	69,365.86	25,325.02
		-	-
		<u>9,362,139.87</u>	<u>8,687,583.00</u>
<u>EXPENDITURES</u>			
Budgetary and Emergency Appropriations:			
Operating	D-3	7,047,500.00	6,900,000.00
Capital Improvements	D-3	400,000.00	265,447.20
Debt Service	D-3	928,000.00	894,552.80
Statutory Expenditures & Deferred Charges	D-3	119,500.00	120,000.00
Unrecorded Accounts Payable	D-4	-	53,861.38
		<u>8,495,000.00</u>	<u>8,233,861.38</u>
Excess in Revenue		867,139.87	453,721.62
Fund Balance, Beginning of Year	D	1,067,755.92	1,114,034.30
Decreased by: Utilized by Water-Sewer Operating Budget	D-2	<u>575,000.00</u>	<u>500,000.00</u>
Fund Balance, End of Year	D	<u>\$ 1,359,895.79</u>	<u>\$ 1,067,755.92</u>

See independent auditor's report and accompanying notes.

BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2024

STATEMENT OF REVENUES - REGULATORY BASIS

D-2

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	D-1	\$ 575,000.00	\$ 575,000.00	\$ -
Water-Sewer Rents	D-1, D-6	7,575,000.00	8,247,782.94	672,782.94
Fire Hydrant Service	D-1, D-4	55,000.00	55,000.00	-
Communication Tower Lease	D-1, D-4	115,000.00	121,196.22	6,196.22
Miscellaneous	D-1, D-4	150,000.00	124,605.63	(25,394.37)
Interest Income	D-1, D-4	25,000.00	59,299.30	34,299.30
		<u>\$ 8,495,000.00</u>	<u>\$ 9,182,884.09</u>	<u>\$ 687,884.09</u>
<u>Analysis of Water- Sewer Rents:</u>				
Water Sewer Rents- Cash Receipts	D-4		\$ 8,215,373.76	
Lien Received Current	D-18		786.31	
Prepaid Rent	D-8		2,299.05	
Overpayment	D-10		<u>29,323.82</u>	
		Above	<u>\$ 8,247,782.94</u>	

See independent auditor's report and accompanying notes.

BOROUGH OF RAMSEY
WATER-SEWER UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-3

	<u>Reference</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Appropriation Reserve</u>	<u>Appropriation Lapsed</u>
Operating:						
Salaries and Wages		\$ 975,000.00	\$ 982,000.00	\$ 968,987.14	\$ 13,012.86	\$ -
Other Expenses		2,960,000.00	2,923,000.00	2,918,261.45	4,738.55	
Repairs and Maintenance		195,000.00	195,000.00	174,034.61	20,965.39	
Northwest Bergen County Sewer Authority		2,595,000.00	2,595,000.00	2,588,929.00	6,071.00	
Allendale Interceptor		255,000.00	282,500.00	282,103.70	396.30	
Water Supply Agreement		70,000.00	70,000.00	67,520.31	2,479.69	
Total Operating	D-1	<u>7,050,000.00</u>	<u>7,047,500.00</u>	<u>6,999,836.21</u>	<u>47,663.79</u>	<u>-</u>
Capital Improvements:						
Capital Outlay		400,000.00	400,000.00	348,214.44	51,785.56	
Total Capital Improvements	D-1	<u>400,000.00</u>	<u>400,000.00</u>	<u>348,214.44</u>	<u>51,785.56</u>	<u>-</u>
Debt Service:						
Payment of Loan Principal		110,000.00	110,000.00	109,048.68	-	951.32
Payment of Bond Anticipation Notes		400,000.00	400,000.00	400,000.00	-	-
Loan - Interest		13,000.00	13,000.00	10,768.36	-	2,231.64
Bond Anticipation Note - Interest		405,000.00	405,000.00	298,293.04	-	106,706.96
Total Debt Service	D-1	<u>928,000.00</u>	<u>928,000.00</u>	<u>818,110.08</u>	<u>-</u>	<u>109,889.92</u>
Statutory Expenditures & Deferred Charges:						
Contribution to:						
Public Employees' Retirement System		44,000.00	44,000.00	44,000.00	-	
Social Security System (O.A.S.I.)		70,000.00	72,500.00	71,394.49	1,105.51	
Unemployment Compensation Insurance		3,000.00	3,000.00	3,000.00	-	
Total Statutory Expenditures	D-1	<u>117,000.00</u>	<u>119,500.00</u>	<u>118,394.49</u>	<u>1,105.51</u>	<u>-</u>
		<u>\$ 8,495,000.00</u>	<u>\$ 8,495,000.00</u>	<u>\$ 8,284,555.22</u>	<u>\$ 100,554.86</u>	<u>\$ 109,889.92</u>
	<u>Reference</u>	<u>D-1</u>	<u>D-1</u>	<u>Below</u>	<u>D</u>	<u>D-1</u>
Cash Disbursements -Operating	D-4			\$ 7,888,787.88		
Cash Receipts- Budget Offsets	D-4			(17,533.26)		
Encumbrance Payable	D-8a			343,178.59		
Accrued Interest	D-11			<u>70,122.01</u>		
	Above			<u>\$ 8,284,555.22</u>		

See independent auditor's report and accompanying notes.

SWIMMING POOL UTILITY FUND – OPERATING AND CAPITAL FUNDS

**BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND
DECEMBER 31, 2024 AND 2023**

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		E	
		At December 31,	
	Reference	2024	2023
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-5	\$ 331,112.57	\$ 408,507.38
Interfund Receivables	E-6	92.32	70.72
Deferred Charge			
Deficit in Operations	E-1	-	-
Total Operating Fund		<u>331,204.89</u>	<u>408,578.10</u>
Capital Fund:			
Cash and Cash Equivalents	E-10	1,373.74	1,352.14
Fixed Capital	E-11	939,766.12	939,766.12
Total Capital Fund		<u>941,139.86</u>	<u>941,118.26</u>
TOTAL ASSETS		<u><u>\$ 1,272,344.75</u></u>	<u><u>\$ 1,349,696.36</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	E-3, E-7	\$ 50,487.34	\$ 57,518.39
Encumbrance Payable	E-8	2,302.00	20,073.81
Accounts Payable	E-8a	-	-
Reserve for Capital Improvement	E-9	36,300.15	11,300.15
Reserve for Capital Outlay	E-9	11,500.00	11,500.00
Encumbrance Payable - Reserve for Capital Improvement	E-9a	-	-
		<u>100,589.49</u>	<u>100,392.35</u>
Fund Balance	E-1	<u>230,615.40</u>	<u>308,185.75</u>
Total Operating Fund		<u><u>331,204.89</u></u>	<u><u>408,578.10</u></u>
Capital Fund:			
Liabilities:			
Interfunds Payable	E-12	92.32	70.72
Reserve for Improvements - Bathhouse and Grounds	E-13	67.52	67.52
Capital Improvement Fund	E-14	373.31	373.31
Reserve for Amortization	E-15	939,766.12	939,766.12
		<u>940,299.27</u>	<u>940,277.67</u>
Fund Balance	E-4	<u>840.59</u>	<u>840.59</u>
Total Capital Fund		<u><u>941,139.86</u></u>	<u><u>941,118.26</u></u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 1,272,344.75</u></u>	<u><u>\$ 1,349,696.36</u></u>

See independent auditor's report and accompanying notes.

BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - OPERATING FUND
YEARS ENDED DECEMBER 31, 2024 AND 2023

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
- REGULATORY BASIS

E-1

	<u>Reference</u>	December 31, <u>2024</u>	<u>2023</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	E-2	\$ 175,000.00	\$ 168,000.00
Membership Fees	E-2	727,755.00	711,600.00
Refreshment Stand	E-2	23,000.00	23,000.00
Office Miscellaneous	E-2	23,200.00	23,415.00
Rentals/Guest Passes	E-2	79,760.00	117,435.00
Interest Income	E-5,6	10,256.55	9,910.45
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-7	33,458.10	757.84
		<u>1,072,429.65</u>	<u>1,054,118.29</u>
<u>EXPENDITURES</u>			
Budgetary and Emergency Appropriations:			
Operating	E-3	618,500.00	596,000.00
Capital Improvement Fund	E-3	80,000.00	25,000.00
Utility Budget Surplus to Current Fund Budget	E-3	250,000.00	225,000.00
Statutory Expenditures	E-3	26,500.00	24,000.00
	E-3	<u>975,000.00</u>	<u>870,000.00</u>
Deficit in Revenue		97,429.65	184,118.29
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			
Deficit in Operations	E	<u>97,429.65</u>	<u>184,118.29</u>
Fund Balance, Beginning of Year	E	308,185.75	292,067.46
Decreased by:			
Utilized by Operating Budget	E-2	<u>175,000.00</u>	<u>168,000.00</u>
Fund Balance, End of Year	E	<u><u>\$ 230,615.40</u></u>	<u><u>\$ 308,185.75</u></u>

See independent auditor's report and accompanying notes.

BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2024

STATEMENT OF REVENUES - REGULATORY BASIS

E-2

	<u>Reference</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Fund Balance Anticipated	E-1	\$ 175,000.00	\$ 175,000.00	\$ -
Membership Fees	E-1, E-5	650,000.00	727,755.00	77,755.00
Refreshment Stand	E-1, E-5	23,000.00	23,000.00	-
Office Miscellaneous	E-1, E-5	20,000.00	23,200.00	3,200.00
Rentals/ Guest Passes	E-1, E-5	105,000.00	79,760.00	(25,240.00)
Interest Income	E-1, E-5	2,000.00	10,256.55	8,256.55
		<u>\$ 975,000.00</u>	<u>\$ 1,038,971.55</u>	<u>\$ 63,971.55</u>
 <u>Analysis of Revenues</u>				
Fund Balance Anticipated	E-1		\$ 175,000.00	
Cash Receipts			<u>863,949.95</u>	
	E-5		1,038,949.95	
Due from Swimming Pool Capital Fund:				
Interest Earnings	E-6		<u>21.60</u>	
	Above		<u>\$ 1,038,971.55</u>	

See independent auditor's report and accompanying notes.

BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - OPERATING FUND
YEAR ENDED DECEMBER 31, 2024

STATEMENT OF EXPENDITURES - REGULATORY BASIS

E-3

	<u>Reference</u>	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Appropriation Reserve</u>
Operating:					
Salaries and Wages		\$ 325,000.00	\$ 325,000.00	\$ 320,630.48	\$ 4,369.52
Other Expenses		297,500.00	293,500.00	273,690.48	19,809.52
Total Operating	E-1	<u>622,500.00</u>	<u>618,500.00</u>	<u>594,320.96</u>	<u>24,179.04</u>
Capital Improvement Fund		80,000.00	80,000.00	54,845.00	25,155.00
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		22,000.00	26,000.00	24,846.70	1,153.30
Unemployment Compensation Insurance		500.00	500.00	500.00	-
Total Statutory Expenditures	E-1	<u>22,500.00</u>	<u>26,500.00</u>	<u>25,346.70</u>	<u>1,153.30</u>
Surplus to Current Fund	E-1	<u>250,000.00</u>	<u>250,000.00</u>	<u>250,000.00</u>	<u>-</u>
		<u>\$ 975,000.00</u>	<u>\$ 975,000.00</u>	<u>\$ 924,512.66</u>	<u>\$ 50,487.34</u>
	<u>Reference</u>		E-1	Below	E
Cash Disbursements	E-5			\$ 940,469.64	
Cash Receipts	E-5			(18,258.98)	
Encumbrance Payable	E-8			2,302.00	
	E-1				
	Above			<u>\$ 924,512.66</u>	

See independent auditor's report and accompanying notes.

**BOROUGH OF RAMSEY
SWIMMING POOL UTILITY FUND - CAPITAL FUND
DECEMBER 31, 2024 AND 2023**

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

E-4

	<u>Reference</u>	
Balance, December 31, 2023	E	\$ <u>840.59</u>
Balance, December 31, 2024	E	\$ <u><u>840.59</u></u>

See independent auditor's report and accompanying notes.

GENERAL FIXED ASSETS

**BOROUGH OF RAMSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
DECEMBER 31, 2024 AND 2023**

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
GROUP OF ACCOUNTS - REGULATORY BASIS**

		F	
		At December 31,	
	<u>Reference</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
Land		\$ 41,328,300	\$ 41,328,300
Improvements		8,326,900	8,326,900
Machinery, Equipment and Other		<u>18,864,444</u>	<u>17,507,849</u>
	F-1	<u>\$ 68,519,644</u>	<u>\$ 67,163,049</u>
<u>RESERVE</u>			
Reserve for Fixed Assets	F-2	<u>\$ 68,519,644</u>	<u>\$ 67,163,049</u>

See independent auditor's report and accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles in the United States of America (GAAP).

The financial statements of the Borough of Ramsey (the "Borough") have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under the modified accrual basis of accounting, the Borough accounts for its financial transactions through the following separate funds, which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14, which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either a) the ability to impose will by the primary government or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not issue financial statements in accordance with GAAP, and thus, do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers, or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the Volunteer Fire Department, First Aid Organization or Public Library which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds. The Borough has the following funds and account group:

Current Fund – resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Fund – receipts, custodianship, and disbursements of funds in accordance with the purpose for which each reserve was created, and receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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

Water-Sewer Operating and Capital Funds – account for the operation and acquisition of capital facilities of the water-sewer utility.

Swimming Pool Operating and Capital Funds – account for the operations and acquisition of capital facilities of the swimming pool utility.

Public Assistance Trust Funds – receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (continued)

General Fixed Assets – used to account for fixed assets required in general governmental operations.

Budgets and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services, in accordance with N.J.S.A. 40A:4 et seq. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

C. Measurement Focus and Basis of Accounting

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method of accounting, revenues, except for State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough.

When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the statement of financial position of the Borough's Current Fund and Utility Funds. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund, are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Utility Funds.

The Borough is not required to adopt budgets for the following funds:

Trust Funds
General Capital Fund
Public Assistance Fund
Swimming Pool Capital Fund
Water/Sewer Capital Fund

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line-item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line-item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line-item level. During 2024 and 2023, the Mayor and Council approved several budget transfers.

Expenditures - Expenditures are recorded in the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless canceled by the governing body. Except for unmatured interest on general long-term debt which should be recognized when due, GAAP requires expenditures, if measurable, to be recognized in the accounting period in which the fund liability is incurred.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Appropriation Reserves are available, until lapsed, at the close of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - 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 statement of financial position.

Cash and Investments - Cash includes amounts in demand deposits, as well as short-term investments, with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets – **N.J.A.C. 5:30-5.6 accounting for governmental fixed assets** continues the requirement that all local units shall have and maintain a fixed assets accounting and reporting system that differs in certain respects from GAAP. The fixed assets accounting and reporting system shall establish and maintain a physical inventory of fixed assets of non-expendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular 87, Cost Principals for State, Local and Indian Governments and shall place a value on all fixed assets whether constructed or acquired through purchase, grant, or gift. Fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost. The fixed assets accounting and reporting system shall also have a subsidiary ledger, consisting of detailed property records for controlling additions, retirements and transfers of fixed assets and such ledger shall be maintained and reconciled periodically and at the end of every fiscal year with the general ledger control accounts for fixed assets. The system shall also provide property management standards for fixed assets that ensures that property records are maintained accurately, to reflect a description and source of the property, its ownership, the acquisition cost and date, the percentage of Federal participation in the acquisition, and the location, use and condition of the property. Property management standards for fixed assets shall also ensure that periodic physical inventories are taken and reconciled with property records, that a control system is provided with adequate safeguards against loss, damage, or theft of property and that property is adequately maintained to keep the property in good condition. A Statement of General Fixed Assets shall be in every annual audit report.

Use of estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data – Comparative data for the prior year has been presented in the accompanying statements of financial position and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents, which are required by the Division, and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

2. Cash and Cash Equivalents

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A: 5-15.1(a) that are treated as cash equivalents. As of December 31, 2024, and 2023, \$0 of the Borough's bank balance of \$20,019,832.49 and \$20,740,638.88 respectively, was exposed to custodial credit risk.

3. Investments

Interest Rate Risk. 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. However, New Jersey Statutes 40A: 5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk. New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

3. Investments (Continued)

Concentration of Credit Risk. The Borough places no limit on the amount the Borough may invest in any one issuer. As of December 31, 2024 and 2023, the Borough had no investments.

4. Property Taxes Receivable, Tax Title Liens

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

For the years ended December 31, 2024 and 2023, property taxes receivables were \$659,523.24 and \$508,395.88 respectively and tax title liens receivable were \$183,145.23 and \$174,659.47, respectively.

5. Municipal Debt

The Local Bond Law, N.J.S.A. 40A:2, governs the issuance of bonds to finance general municipal and utility capital expenditures. Bond Anticipation Notes issued by the Borough are backed by the full faith and credit of the Borough. Notes, which are issued to temporarily finance capital projects, must be paid off within ten years or retired by the issuance of bonds.

A. Bond Anticipation Notes Payable

Bond Anticipation Notes payable at December 31, consisted of the following:

<u>General Capital Fund: Ordinance #</u>	<u>Rate</u>	<u>Maturity Date</u>	<u>2024</u>	<u>2023</u>
09-2013	4.25%	01/03/25	\$ 1,000,000	\$ 1,200,000
21-2016	4.50%	02/28/25	430,000	485,000
16-2018	4.25%	01/03/25	1,835,000	1,920,000
21-2018	4.50%	02/28/25	130,000	175,000
06-2019	4.50%	02/28/25	660,000	825,000
12-2019	4.50%	02/28/25	-	205,000
15-2019	4.25%	01/03/25	2,135,000	2,235,000
05-2020	4.50%	02/28/25	630,000	695,000
11-2021	4.25%	01/03/25	630,000	670,000
17-021	4.50%	02/28/25	670,000	799,000
07-2022	4.25%	01/03/25	700,000	736,000
04-2023	4.50%	02/28/25	2,495,000	2,581,000
05-2024	4.50%	02/28/25	960,000	
10-2024	4.50%	02/28/25	990,000	
			<u>\$ 13,265,000</u>	<u>\$ 12,526,000</u>
<u>Water-Sewer Capital Fund: Ordinance #</u>				
13-2019	4.50%	02/28/25	\$ 3,690,000	\$ 3,900,000
03-2020	4.50%	02/28/25	2,045,000	2,150,000
08-2022	4.25%	01/03/25	770,000	855,000
04-2024	4.50%	02/28/25	650,000	
			<u>\$ 7,155,000</u>	<u>\$ 6,905,000</u>

See independent auditor's report.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

5. Municipal Debt (Continued)

B. Summary of Municipal Debt

	2024	2023	2022
<u>Issued</u>			
General Capital Fund:			
Bonds Anticipation Notes Payable	\$ 13,265,000	\$ 12,526,000	\$ 10,469,000
Water-Sewer Utility Capital Fund:			
Bond Anticipation Notes Payable	7,155,000	6,905,000	6,500,000
Loans Payable	388,046	497,094	605,780
Total Issued	<u>20,808,046</u>	<u>19,928,094</u>	<u>17,574,780</u>
<u>Total Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes Payable	-	600	736,000
Water-Sewer Utility Capital Fund:			
Bonds and Notes Payable	1,817,650	1,817,650	2,672,650
Swim Pool Utility Capital Fund:			
Bonds and Notes Payable	-	-	-
Total Authorized But Not Issued	<u>1,817,650</u>	<u>1,818,250</u>	<u>3,408,650</u>
Net Notes and Loans issued and authorized but not issued	<u>\$ 22,625,696</u>	<u>\$ 21,746,344</u>	<u>\$ 20,983,430</u>

C. Summary of Statutory Debt Condition – Annual Statements

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .296% and .306 % on December 31, 2024 and 2023, respectively. The Equalized Valuation Basis of the Borough at December 31, 2024 and 2023 was \$4,481,075,690 and \$4,091,924,479, respectively.

<u>2024 Debt Authorized</u>	Gross Debt	Deductions	Net Debt
Local School District	\$ 38,610,000	\$ 38,610,000	\$ -
Water-Sewer Utility Capital Fund	9,360,696	9,360,696	-
General Capital Fund	13,265,000	-	13,265,000
	<u>\$ 61,235,696</u>	<u>\$ 47,970,696</u>	<u>\$ 13,265,000</u>
<u>2023 Debt Authorized</u>	Gross Debt	Deductions	Net Debt
Local School District	\$ 41,310,000	\$ 41,310,000	\$ -
Water-Sewer Utility Capital Fund	9,219,744	9,219,744	-
General Capital Fund	12,526,600	-	12,526,600
	<u>\$ 63,056,344</u>	<u>\$ 50,529,744</u>	<u>\$ 12,526,600</u>

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

	2024	2023
3 1/2 % of Equalized Valuation Basis	\$ 156,837,649	\$ 143,217,357
Net Debt	13,265,000	12,526,600
Remaining Borrowing Power	<u>\$ 143,572,649</u>	<u>\$ 130,690,757</u>

See independent auditor's report.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

5. Municipal Debt (Continued)

E. Bonds Authorized but not Issued

As of December 31, 2024 and 2023 the Borough of Ramsey had authorized but not issued bonds as follows:

	<u>2024</u>		<u>2023</u>
General Capital Fund		\$	600
Water-Sewer Utility Capital Fund	1,817,650		1,817,650

F. Loan Agreements

The Borough issued bonds of \$690,000 (Dated 11/08/07), \$124,620 (Dated 06/26/08), and \$95,625 (Dated 02/17/10) to the New Jersey Environmental Infrastructure Trust (the "Infrastructure Trust") and \$673,610 (Dated 11/08/07), \$124,620 (Dated 06/26/08), and \$286,875 (Dated 02/17/10) bonds to the State of New Jersey pursuant to the Infrastructure Trust Program. The total loan payable as of December 31, 2024 and 2023 was \$388,308 and \$497,094, respectively. The bonds were issued for the construction of water sewer utility arsenic treatment systems at various wells and treatment facilities. The bonds issued to the Infrastructure Trust bear interest at a rate of 3.40% to 5.00%. The bonds issued through the State of New Jersey are non-interest bearing.

G. Overlapping Debt

County of Bergen (1) – Borough's share (1.9725%)	\$33,313,422
Northwest Bergen County Sewer Authority (2)	<u>4,006,995</u>
Total Overlapping Debt	\$37,320,417

(1) The County of Bergen has \$1,688,935,829 in gross long-term and temporary debt. The Borough's net share is obtained by dividing the Borough's equalized valuation \$4,481,075,690 by the County's equalized valuation \$227,183,185,143.

(2) Overlapping debt was computed based upon usage billing @ 12/31/2024.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

6. Calculation of "Self-Liquidating Purpose" Per N.J.S.A. 40A:2-45

A. Water-Sewer Utility

	<u>2024</u>	<u>2023</u>
Cash Receipts from Fees, Rents or Other Charges	\$ 8,787,140.00	\$ 8,187,583.00
Surplus anticipated	<u>575,000.00</u>	<u>500,000.00</u>
	9,362,140.00	8,687,583.00
 Deductions:		
Operating and Maintenance Cost	\$ 7,567,000.00	\$ 7,339,308.58
Debt Service per Water-Sewer Account	<u>928,000.00</u>	<u>894,552.80</u>
Total Deductions	<u>8,495,000.00</u>	<u>8,233,861.38</u>
 Excess in Revenue - Self Liquidating	<u><u>\$ 867,140.00</u></u>	<u><u>\$ 453,721.62</u></u>

B. Swim Pool Utility

	<u>2024</u>	<u>2023</u>
Cash Receipts from Fees, Rents or Other Charges	\$ 897,430.00	\$ 886,118.29
Surplus anticipated	<u>175,000.00</u>	<u>168,000.00</u>
	1,072,430.00	1,054,118.29
 Deductions:		
Operating and Maintenance Cost	\$ 975,000.00	\$ 870,000.00
Debt Service per Swim Pool Account	<u>-</u>	<u>-</u>
Total Deductions	<u>975,000.00</u>	<u>870,000.00</u>
 Excess (Deficit) in Revenue - Self Liquidating	<u><u>\$ 97,430.00</u></u>	<u><u>\$ 184,118.29</u></u>

7. Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2024 and 2023 were as follows:

	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
Fund Type	Receivables	Payables	Receivables	Payables
Current Fund	\$ 112,537.38	\$ 786.31	\$ 8,913.22	\$ 718,377.73
Grant Fund		152,520.39	718,377.73	147,759.78
Trust Fund	78,634.78	8,378.40	78,634.78	8,913.22
Capital Fund	69,125.00	1,217,557.82	69,125.00	1,092,387.34
Water-Sewer Fund	381,093.97		380,307.66	
Water-Sewer Capital Fund	1,118,159.45	380,307.66	1,092,387.34	380,307.66
Swimming Pool Utility Fund	92.32		70.72	
Swimming Pool Capital Fund		92.32		70.72
	<u><u>\$ 1,759,642.90</u></u>	<u><u>\$ 1,759,642.90</u></u>	<u><u>\$ 2,347,816.45</u></u>	<u><u>\$ 2,347,816.45</u></u>

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

8. Fund Balances Appropriated

Fund balances at December 31, 2024 and 2023, which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2024 and 2023, were as follows:

	2025 Budget	2024 Budget
Current Fund	\$ 2,695,000.00	\$ 2,695,000.00
Water-Sewer Utility Operating Fund	625,000.00	575,000.00
Swimming Pool Utility Operating Fund	160,000.00	175,000.00
	<u>\$ 3,480,000.00</u>	<u>\$ 3,445,000.00</u>

9. Property Tax Calendar

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes. 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 budget of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when they are available and measurable, reduced by an allowance for doubtful accounts.

School Taxes

The Borough is responsible for levying, collecting and remitting school taxes for the Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the local school district.

County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County of Bergen. 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 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 of the current year, and due to be paid to the County by February 15 of the following year.

Prepaid Taxes

Taxes collected in advance are recorded as prepaid taxes (cash liabilities) in the financial statements and were \$731,139.94 and \$640,751.22 for the year ended December 31, 2024 and 2023, respectively.

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, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

10. Pensions

Substantially all Borough employees participate in the Public Employees Retirement System (PERS) and the Police and Fireman's Retirement System of New Jersey (PFRS). The PERS and PFRS systems are cost sharing multiple-employer contributory defined benefit plans, administered by the Division of Pensions in the Department of the Treasury, State of New Jersey. The PERS was established in January 1955 under provisions of N.J.S.A. 43:15A and provides retirement, death, disability and medical benefits to certain qualifying Plan members and beneficiaries. Membership is mandatory to substantially all full-time employees and vesting occurs after 8 to 10 years of service. Employees who retire at or after age 55 are entitled to a retirement benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years compensation for each year of membership during years of credible service. The PFRS was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firefighters and state police appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pensions (Continued)

According to state law, all obligations of PERS and PFRS will be assumed by the State of New Jersey should the PERS and PFRS be terminated. The State of New Jersey issues publicly available financial reports that include the financial statements and required supplementary information of the PERS and PFRS. This report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Summary of Significant Accounting Policies -PERS and PFRS

GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68*, and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*.

New Jersey municipalities and counties do not follow GAAP and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Therefore, the following information with regards to GASB 68 is for disclosure purposes only.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. 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 or local jurisdiction.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and June 30, 2023, the Borough has disclosed a liability of \$7,256,129 and \$8,213,193, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2024 and 2023. At June 30, 2024, the Borough's proportion was .053400881%, which was a decrease of .0033031% from its proportion measured as of June 30, 2023 of .056704%.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Public Employees' Retirement System (PERS)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Borough recognized pension expense of \$757,863 as measured at June 30, 2024.

At June 30, 2024, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2024		June 30, 2023	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 145,354	\$ 19,318	\$ 78,529	\$ 33,573
Changes of assumptions	9,014	82,558	18,043	497,755
Net difference between projected and actual earnings on pension plan investments		336,447	37,823	
Changes in proportion and differences between Borough and proportionate share of contributions	144,881	659,489	324,298	394,534
Borough contributions subsequent to the measurement date				
Total	<u>\$ 299,249</u>	<u>\$ 1,097,812</u>	<u>\$ 458,693</u>	<u>\$ 925,862</u>

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

	<u>Year Ended June 30:</u>
2025	\$ (308,078)
2026	238,381
2027	(137,146)
2028	(79,173)
2029	2,061
Total	<u>\$ (283,955)</u>

Changes in Proportion-The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.08, 5.04, 5.13, 5.16, and 5.21 years for the years for the 2024, 2023, 2022, 2021, 2020, and 2019 amounts, respectively.

	<u>06/30/2024</u>	<u>06/30/2023</u>
Collective deferred outflows of resources	\$ 1,079,580,780	\$ 1,080,204,730
Collective deferred inflows of resources	1,611,322,898	1,780,216,457
Collective net position liability (Non-State-Local Group)	13,702,423,985	14,606,489,066
Borough's portion of net pension liability	7,256,129	8,213,193
Borough's proportion %	0.05340083%	0.05670382%

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Public Employees' Retirement System (PERS)(Continued):

Actuarial assumptions. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions:

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

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00 %	8.63 %
Non-US Developed Market Equity	12.75 %	8.85 %
International Small Cap Equity	1.25 %	8.85 %
Emerging Market Equity	5.50 %	10.66 %
Private Equity	13.00 %	12.40 %
Real Estate	8.00 %	10.95 %
Real Assets	3.00 %	8.20 %
High Yield	4.50 %	6.74 %
Private Credit	8.00 %	8.90 %
Investment Grade Credit	7.00 %	5.37 %
Cash Equivalents	2.00 %	3.57 %
US Treasuries	4.00 %	3.57 %
Risk Mitigation Strategies	3.00 %	7.10 %

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Public Employees' Retirement System (PERS)(Continued):

Discount rate. The discount rate used to measure the total pension liability was 7.00% and 7.00% and as of June 30, 2024 and 2023, respectively. 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 the 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 projected benefit payments to determine the total pension liability.

Sensitivity of the District'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 measured as of June 30, 2024 and 2023, calculated using the discount rate of 7.00% and 7.00% respectively, 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 or 1-percentage-point higher than the current rate:

	June 30, 2024		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 9,641,611	\$ 7,256,129	\$ 5,226,097
	June 30, 2023		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 10,691,830	\$ 8,213,193	\$ 6,103,545

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PERS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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 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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full-time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and June 30, 2023, the Borough has disclosed a liability of \$11,716,654 and \$12,910,715, respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2024, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2024 and 2023. At June 30, 2024, the Borough's proportion was 0.11346091%, which was a decrease of 0.00342443% from its proportion measured as of June 30, 2023 of .1168852%.

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under 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. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2024 and 2023 respectively was \$ 2,309,913 and \$2,378,949.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2024, the Borough recognized pension expense of \$ 1,555,534, as measured on June 30, 2024. At December 31, 2024 as measured on June 30, 2024 and June 30, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2024		June 30, 2023	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 738,140	\$ 401,113	\$ 552,811	\$ 615,727
Changes of assumptions	18,522	344,099	27,866	871,783
Net difference projected and actual earnings on pension plan investments		91,704	657,518	
Changes in proportion and differences between Borough's and proportionate share of contributions	668,833	1,470,952	1,102,928	1,493,924
Borough contributions subsequent to the measurement date				
Total	<u>\$ 1,425,495</u>	<u>\$ 2,307,868</u>	<u>\$ 2,341,123</u>	<u>\$ 2,981,434</u>

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Police and Firemen's Retirement System (PFRS)

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

	<u>Year Ended June 30:</u>
2025	\$ (567,528)
2026	653,925
2027	(164,127)
2028	(76,216)
2029	67,803
Thereafter	5,889
Total	<u>\$ (80,254)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.09, 6.16, 6.22, 6.17, 5.90, and 5.92 for the years for the 2024, 2023, 2022, 2021, 2020, and 2019 amounts, respectively.

	<u>6/30/2024</u>	<u>6/30/2023</u>
Collective deferred outflows of resources	\$ 1,350,388,724	\$ 1,753,080,638
Collective deferred inflows of resources	1,421,121,200	1,966,439,601
Collective net pension liability (Non-State-Local Group)	12,362,466,447	13,084,649,602
Borough's portion of net pension liability	11,716,654	12,910,715
Borough's portion of net pension liability	0.1134609100%	0.1168519200%

Actuarial assumptions. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	3.00% – 16.25% based on years of service
Investment Rate of Return:	7.00%

Pre-retirement 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, postretirement mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96% adjustment for females. Disability retirement rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% 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, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Police and Firemen's Retirement System (PFRS)

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
US Equity	28.00%	6.25%
Foreign Equity	11.50%	6.35%
Emerging Market Equity	7.50%	7.65%
Private Equity	10.00%	9.55%
Core Fixed Income	17.00%	1.45%
High Yield Fixed Income	6.00%	3.25%
Private Debt	8.00%	5.85%
Real Estate	7.00%	3.05%
Infrastructure	3.00%	5.65%
Cash	2.00%	0.65%

Discount rate. The discount rate used to measure the total pension liability was 7.00% and 7.00% as of June 30, 2024 and 2023, respectively. 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 the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. Pension Plans (Continued)

Police and Firemen's Retirement System (PFRS)

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 measured as of June 30, 2024 and 2023, calculated using the discount rate of 7.00% and 7.00%, 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 or 1-percentage-point higher than the current rate:

	June 30, 2024		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	(6.00%)	(7.00%)	(8.00%)
Borough's proportionate share of the net pension liability	\$ 16,740,492	\$ 11,716,654	\$ 7,532,898

	June 30, 2023		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	(6.00%)	(7.00%)	(8.00%)
Borough's proportionate share of the net pension liability	\$ 17,988,821	\$ 12,910,715	\$ 8,681,866

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PFRS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after 4 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of the 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 early retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and tier 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement 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.

Funding Policy- PERS and PFRS

The contribution policy is set by the laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 8.5% for PFRS of the employees' annual compensation, as defined. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased in over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount
2024	\$ 757,863.00	\$ 1,555,534.00
2023	720,912.00	1,657,130.00
2022	701,414.00	1,373,429.00

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

11. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and was expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pensions and Benefits by Prudential Financial.

Under DCRP, the value of the pension is based on the amount of the contributions made by the employees and employer and through investment earnings. The employee, through options provided under the plan, directs investment of contributions. The employee contribution to DCRP is 5.5% of defined salary and the employer contributes 3%. The employer also makes contributions for eligible members' life insurance and disability coverage under DCRP.

12. Employee Deferred Compensation Plan

The Borough maintains a Deferred Compensation Plan (the "Plan") in accordance with IRC Section 457 and the State of NJ Deferred Revenue Regulation. Employees of the Borough are eligible to participate in the Plan. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. The Borough does not and is not required to make contributions to the Plan.

The deferred compensation plan is administered by unrelated financial institutions. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts are held in trust for the exclusive benefit of participants and their beneficiaries and is reported in our Review of the Employee Deferred Compensation financial statements for December 31, 2024 and 2023.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review of the plan in accordance with the American Institutes of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented unaudited in this report as part of the Borough's Trust Fund.

13. Post-Employment Benefits

The Borough contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2010.pdf

Contributions to pay for the health premiums of participating retirees in the SHBP are funded entirely by the participants. Retirees that were enrolled in the State of New Jersey Police and Firemen's Retirement System are allowed to participate in the SHBP. The Borough does not contribute to the SHBP.

Funding Policy. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis, but then reimbursed 54.5 % to the Borough by retirees.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. Post-Employment Benefits (Continued)

Basis of Accounting: The financial statements of the health benefits program are prepared on the accrual basis of accounting. Employer contributions are recognized when payable in accordance with terms of the health benefit program.

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund- Local Government Retired (the Plan) (including Prescription Drug Program Fund) - N.J.S.A. 43 :3c-24 established a separate trust fund for certain non-State participating employers to provide funding for State Health Benefit Program coverage to its eligible retirees. Under the provisions of Chapter 330, P.L. 1997, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. For additional information about the Plan, please refer to the State Division of Pensions and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The Plan provides medical and prescription drug coverage to retirees and their covered dependents. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement 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) retires 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) retires 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 agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52: 14-17.32i, the State provides medical and prescription drug 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 coverage.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with GAAP as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

13. Post-Employment Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2023, the most recent measurement date, the State had \$15,006,539,477 unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$3,489,093,208 for state non-employer active and retired members, \$11,517,446,269 for local participating employer active and retired members.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2023, OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Plan Membership and Contributing Employers

At June 30, 2024, the OPEB plan membership and contributing employers consisted of the following:

<u>Local Government Retired</u>	<u>June 30, 2024</u>
Active Plan Members	60,691
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>28,899</u>
Total Plan Members	89,590
Contributing Employers	555

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. Post-Employment Benefits (Continued)

Post-Retirement Medical Benefits Contribution (continued):

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution in accordance with the parameters of GASB Statement No. 75. The actuarially determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2024 and 2023 were \$722,520 and \$667,724, respectively, which equaled the required contributions for each year. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Funds for retiree health premiums are raised each year by direct billing to retirees in the amount of 54.5% of the premium and the remainder via property taxes.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund –Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2023. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2024, the Borough reported a liability of \$20,563,011, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at December 31, 2024 to the total OPEB liability for the State Health Benefit Program Fund- Local Government Retired Plan at June 30, 2024. As of the measurement date of June 30, 2023 the Borough's proportionate share was .137027 percent, which was an increase of .019546 percent from its proportionate share measured as of June 30, 2022.

For the year ended December 31, 2024 the Plan has determined the Borough's OPEB (benefit)/ expense to be \$ 175,213 based on the actuarial valuations which are less than the actual contributions reported in the Borough's financial statements of \$722,520. At December 31, 2023, measured at June 30, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following resources:

	June 30, 2023	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 948,260	\$ 5,584,242
Changes of assumptions	2,663,681	5,812,505
Net difference projected and actual earnings on OPEB plan investments		3,393
Changes in proportion and differences between Borough's and proportionate share of contributions	7,467,321	894,764
Borough contributions subsequent to the measurement date		
Total	<u>\$ 11,079,262</u>	<u>\$ 12,294,904</u>

See independent auditor's report.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

13. Post-Employment Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	<u>Year Ended June 30:</u>
2024	\$ (2,332,862)
2025	(1,910,760)
2026	(886,240)
2027	(470,854)
2028	(978,099)
Thereafter	(1,048,233)
Total	<u>\$ (7,627,047)</u>

Changes in Proportion

The previous amounts do not include employer specific deferred outflows and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining useful life of all plan members, which is 7.89, 7.82, 7.85, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2024 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Salary Increases*:	
PERS- Rate for all future years	2.75-6.55%
	Based on years of service
PFRS- Rate for all future years	3.25-16.25%
	Based on years of service

Mortality:

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

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

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend 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 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend is 5.00%.

See independent auditor's report.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

13. Post-Employment Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Discount rate

The discount rate used to measure the total pension liability was 3.65% as of June 30, 2023. 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 Discounts Rate

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2023 calculated using the discount rate of 3.65%, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Borough's proportionate share of the net OPEB liability	\$ 23,818,521	\$ 20,563,011	\$ 17,944,455

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at June 30, 2024. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

See independent auditor's report.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

13. Post-Employment Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2023 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Health Cost Trend Rates		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
Borough's proportionate share of the net OPEB liability	\$ 17,336,358	\$ 20,398,539	\$ 24,319,067

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at June 30, 2024.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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. The amounts contributed on behalf of the Borough by the State under this legislation are considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2024 (measured at June 30, 2023), the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$1,594,969 at June 30, 2023. For the year ended December 31, 2024 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is (\$289,199). At December 31, 2024, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the Borough was .045713 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Investment Valuation: Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

See independent auditor's report.

BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

14. Risk Management

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

The Borough is a member of the Bergen County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing its members the following low-cost coverage:

General liability
Automobile liability
Law enforcement professional liability
Employee benefits liability

Members are insured up to \$250,000. The Borough pays actuarial assessments annually. If these assessments prove deficient, additional assessments may be levied. The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides insurance coverage for claims in excess of \$250,000 for general liability, automobiles and workers' compensation/employer's liability. The MEL provides the following coverage:

Public officials' liability/employment practices liability
Crime coverage
Statutory and excess public official bond
Workers' compensation
Environmental liability

In addition, the MEL also provides for a Faithful Performance and Employee Dishonesty Blanket Bond with a \$1,000,000 limit.

The Borough continues to carry commercial insurance coverage for all these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

15. Compensated Absences

Under the existing contracts and policies of the Borough, certain employees are allowed to accumulate a limited amount of unused personal vacation and sick pay over the duration of their employment, which may be taken as time off or paid upon retirement or termination at an agreed-upon rate. Effective December 31, 2020, compensation for unused sick leave is eliminated for all employees.

As of December 31, 2024 and 2023, the total accumulated absence liability was \$772,017.00 and \$717,091.00, respectively. Also, as of December 31, 2024 and 2023, the Borough has reserved in its Trust Fund \$172,176.54 and \$190,828.88 respectively, for potential compensated absence payments and the 2024 and 2023 budget appropriation was \$50,000 and \$200,000, respectively.

16. Contingent Liabilities

Litigation

The Borough is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the Borough's Attorney, the potential claims against the Borough not covered by insurance policies would not materially affect the financial condition of the Borough.

See independent auditor's report.

**BOROUGH OF RAMSEY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023**

16. Contingent Liabilities (Continued)

Pending Tax Appeals

Various tax appeal cases were pending in the tax court at December 31, 2024 and 2023. Amounts claimed have not been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division, the Borough does not recognize a liability, if any, until these cases have been adjudicated and may be material. In anticipation of tax appeals, the Borough has on reserve \$113,947.63 for payment of tax appeals and has appropriated \$165,000 in the 2024 budget. It is anticipated that this reserve and the 2024 budget appropriation will provide sufficient funds to cover all anticipated judgements or settlements.

Federal and State Awards

The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2024 and 2023, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

Health Insurance Waiver

The Borough offers health insurance waivers in an amount of the lesser of \$2,500 or the actual net insurance cost to employees that can show that coverage is provided by a spouse or other means. In 2024 the Borough paid fourteen employees a total of \$14,374.93 and included the waiver as wages on their respective W-2's.

17. Federal Arbitrage Regulations

Municipalities are subject to Section 148 of the IRC as it pertains to the "arbitrage rebate" on all tax-exempt obligations. Under 1986 TRA, the IRS required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for the purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. Excess earnings may be required to be rebated to the IRS. Bond Counsel should be engaged to calculate the estimated arbitrage earnings due to the IRS, if any.

18. Liquidity, Management Plans and Intentions

Due to the COVID-19 Pandemic, the Borough had to adjust its operations in 2023 and 2024 to continue to provide services to taxpayers. The Pandemic did not have a significant impact on the financial statements of the Borough for the year ended December 31, 2024. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some additional costs incurred related to public health. Management believes that the fund balance available as of December 31, 2024, and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Borough's financial needs for one year from the date of issuance of this report.

19. Subsequent Events

During 2025 the Borough adopted the following Bond Ordinances:

Ordinance 14-2025 in the amount of \$ 5,300,000 for Various Public Improvements, Ordinance # 16-2025 in the amount of \$ 350,000 to amend Ordinance # 04-2023, and Ordinance # 15-2025 in the amount of \$2,400,000 for Various Water Sewer Utility Improvements.

The Borough renewed \$17,700,000 Bond Anticipation Notes at a rate of 4.00% (2.70% Yield) on February 27th 2025 of which Moody's assigned a rating of MIG-1.

The Borough has evaluated subsequent events through July 31, 2025 which is the date the financial statements were available to be issued. There were no subsequent events that required financial statements adjustment. The 2025 Municipal Budget was adopted on March 14, 2025.

See independent auditor's report.

APPENDIX C

PROPOSED FORMS OF BOND COUNSEL OPINIONS

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THOMAS J. BACE †
JOSHUA A. CUCUZZELLA

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DANIEL J. MCCARTHY, Of Counsel
DIANE U. DABULAS, Of Counsel

† ALSO ADMITTED IN FL AND DC

[Proposed Form of Bond Counsel Opinion - Bond Anticipation Notes]

February __, 2026

Borough Council
Borough of Ramsey
County of Bergen
State of New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$23,615,000 Bond Anticipation Notes (consisting of \$14,880,000 General Bond Anticipation Notes and \$8,735,000 Water-Sewer Utility Bond Anticipation Notes) (collectively, the "Notes"), by the Borough of Ramsey, a municipal corporation of the State of New Jersey, located in the County of Bergen (the "Borough"). The Notes are dated February 26, 2026, are payable February 26, 2027, bear interest from their date at the rate of ____% per annum, payable at maturity, and are numbered and in denomination as follows:

<u>Number</u>	<u>Denomination</u>
26-1R	\$14,880,000
26-1WSUR	\$ 8,735,000

The Notes have been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended). The \$14,880,000 General Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by eleven bond ordinances adopted by the Borough Council of the Borough on August 29, 2018 (Ord. No. 16-2018), April 24, 2019 (Ord. No. 06-2019), October 10, 2019 (Ord. No. 15-2019), April 22, 2020 (Ord. No. 05-2020), May 26, 2021 (Ord. No. 11-2021), December 20, 2021 (Ord. No. 17-2021), June 13, 2022 (Ord. No. 07-2022), April 26, 2023 (Ord. No. 04-2023,

as amended by Ord. No. 16-2025 adopted on August 27, 2025), April 24, 2024 (Ord. No. 05-2024), August 28, 2024 (Ord. No. 10-2024) and August 27, 2025 (Ord. No. 14-2025) (the "General Bond Ordinances") to finance the making of various public improvements in, by and for the Borough. The \$8,735,000 Water-Sewer Utility Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by five bond ordinances adopted by the Borough Council of the Borough on June 26, 2019 (Ord. No. 13-2019), February 26, 2020 (Ord. No. 03-2020), June 13, 2022 (Ord. No. 08-2022), April 10, 2024 (Ord. No. 04-2024) and August 27, 2025 (Ord. No. 15-2025) (the "Water-Sewer Utility Bond Ordinances", and together with the General Bond Ordinances, the "Bond Ordinances") to finance the making of various public improvements in, by and for the Water-Sewer Utility of the Borough.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Borough will covenant, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Bond Ordinances and copies of the forms of Notes. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Notes, on a certificate of the Borough.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Notes, or (ii) other documents of the Borough delivered to the purchaser of the Notes, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit to the payment of the principal of and interest on the Notes, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with its Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

STEVEN L. ROGUT
THOMAS J. BACE †
JOSHUA A. CUCUZZELLA

DANIEL J. McCARTHY, Of Counsel
DIANE U. DABULAS, Of Counsel

† ALSO ADMITTED IN FL AND DC

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[Proposed Form of Bond Counsel Opinion - Special Emergency Notes]

February __, 2026

Borough Council
Borough of Ramsey
County of Bergen
State of New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of a \$100,000 Special Emergency Note (the "Note") by the Borough of Ramsey, a municipal corporation of the State of New Jersey, located in the County of Bergen (the "Borough"). The Note is dated February 26, 2026, is payable February 26, 2027, bears interest from its date at the rate of _____% per annum, payable at maturity, and is numbered 26-1SENK.

The Note has been issued pursuant to the Local Budget Law (Chapter 4 of Title 40A of the New Jersey Statutes, as amended) and pursuant to an ordinance (Ord. No. 03-2024) and a resolution (Res. No. 067-2024) adopted by the Borough Council of the Borough on March 13, 2024 (collectively, the "Proceedings") to finance the preparation and execution of a complete program of revaluation of real property in, by and for the Borough.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Note in order that interest on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Note and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Note to be included in gross income of the owners thereof retroactive to the date of issuance of the Note, regardless of when such noncompliance occurs.

The Borough will covenant, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Note be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Note, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Proceedings and a copy of the form of Note. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Note, on a certificate of the Borough.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Note, or (ii) other documents of the Borough delivered to the purchaser of the Note, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Note has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the Borough enforceable in accordance with its terms, except as enforcement of the Note may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Note, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Note and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with its Tax Certificate, under existing law, interest on the Note is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Note is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Note that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Note and any gain from the sale of the Note are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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