PRELIMINARY OFFICIAL STATEMENT DATED JULY 21, 2026

New Issue

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

BOROUGH OF EATONTOWN
IN THE COUNTY OF MONMOUTH, NEW JERSEY
$6,987,001
Bond Anticipation Notes, Series 2026A
(Bank Qualified) (Book-Entry-Only) (Non-Rated)

Dated: Date of Delivery
Due: March 12, 2027
Interest Rate: ______%
Yield: ______%
CUSIP: _____

The Borough of Eatontown, in the County of Monmouth, New Jersey (the "Borough") is offering $6,987,001 Bond Anticipation Notes, Series 2026A (the "Notes"). The Notes are secured by the pledge of the full faith and credit of the Borough for payment of principal and interest thereon. The Notes are payable, if not paid from other sources, from *ad valorem* taxes levied upon all taxable property within the Borough without limitation as to rate or amount.

The Notes will be issued in fully registered form. One certificate for the aggregate principal amount of the Notes of each series when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), Brookyln, New York, which will act as Securities Depository. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $5,000 or any integral multiple of $1,000 in excess thereof (including any necessary odd denominations) through book-entries made on the books and the records of DTC and its participants. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes.

The Notes will constitute general obligations of the Borough for the payment of the principal of and interest on which the full faith, credit and taxing power of the Borough is available, and all the taxable real property within the Borough is subject to the levy of ad valorem taxes, without limitation as to rate or amount, for such purposes.

The Notes are being issued to: (i) temporarily finance the cost of various capital improvements in and by the Borough and the acquisition of various capital equipment; and (ii) pay the costs associated with the authorization, sale and issuance of the Notes.

The Notes shall be dated and bear interest from their date of delivery, shall mature on March 12, 2027, shall bear interest at the rate of interest set forth below, payable at maturity, calculated on the basis of a 30-day month, 360-day year. The Notes are not subject to redemption prior to maturity. Principal and interest on the Notes will be paid to DTC by the Borough.

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

The Notes are offered when, as and if received by the Underwriter and subject to prior sale, withdrawal or modification of the offer without notice, and to approval of legality by law firm of Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel, and to certain other conditions described herein. Certain legal matters will be passed upon for the Borough by the Borough Attorney, Andrew Bayer, Esquire NW Financial Group, LLC serves as Financial Advisor to the Borough. Delivery is anticipated to be at the offices of the Borough's Bond Counsel, Dilworth Paxson LLP, Freehold, New Jersey, or at such other place as agreed to with the Underwriter on or about August 11, 2026.

FAXED AND ELECTRONIC PROPOSAL VIA PARITY ELECTRONIC BID SYSTEM WILL BE RECEIVED FOR THE NOTES UNTIL 11:00AM ON TUESDAY, JULY 28, 2026, FOR MORE INFORMATION ON HOW TO BID, PLEASE REFER TO THE ENCLOSED NOTICE OF SALE.

BOROUGH OF EATONTOWN,
IN THE COUNTY OF MONMOUTH, NEW JERSEY

MAYOR

Anthony Talerico, Jr.

COUNCIL MEMBERS

Meir Araman
Carl Lawson
Virginia East
Danielle M. Jones
Maria Escalante
Candice Faust

INTERIM BOROUGH ADMINISTRATOR

William P. Lucia, III

BOROUGH CHIEF FINANCIAL OFFICER

Dena Amodea

BOROUGH ATTORNEY

Andrew Bayer, Esquire

BOROUGH CLERK

Trina Lindsey

AUDITOR

Oliwa & Company
Freehold, New Jersey

BOND COUNSEL

Dilworth Paxson LLP
Freehold, New Jersey

MUNICIPAL ADVISOR

NW Financial Group, LLC
Bloomfield, New Jersey

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

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

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

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
DESCRIPTION, AUTHORIZATION AND PURPOSE OF THE NOTES	1
SECURITY FOR THE NOTES	4
MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES	4
LITIGATION	8
TAX MATTERS	8
LEGALITY FOR INVESTMENT	11
MUNICIPAL BANKRUPTCY	11
APPROVAL OF LEGAL PROCEEDINGS	11
UNDERWRITING	12
MUNICIPAL ADVISOR	12
CONTINUING DISCLOSURE	12
DEFAULT	12
AUDITOR	13
INFECTIONS DISEASE OUTBREAK - COVID-19	13
PREPARATION OF OFFICIAL STATEMENT	14
ADDITIONAL INFORMATION	14

APPENDIX A	GENERAL INFORMATION REGARDING THE BOROUGH
APPENDIX B	FINANCIAL STATEMENT OF THE BOROUGH
APPENDIX C	FORM OF BOND COUNSEL OPINION
APPENDIX D	FORM OF CONTINUING DISCLOSURE CERTIFICATE

OFFICIAL STATEMENT
OF
THE BOROUGH OF EATONTOWN
IN THE COUNTY OF MONMOUTH, NEW JERSEY

$6,987,001
BOND ANTICIPATION NOTES, SERIES 2026A
Due: March 12, 2027

(BANK QUALIFIED)
(NON-CALLABLE)
(BOOK-ENTRY-ONLY ISSUE)

INTRODUCTION

The Borough of Eatontown, in the County of Monmouth, New Jersey (the "Borough") is offering $6,987,001 Bond Anticipation Notes, Series 2026A (the "Notes").

This Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Notes, including their general description, the purpose of the issue, a summary of borrowing procedures, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Borough from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts and disbursements, is intended to show recent historic information and is not necessarily indicative of future or continuing trends in the financial position or other affairs of the Borough.

DESCRIPTION, AUTHORIZATION AND PURPOSE OF THE NOTES

Description

The Notes are general obligations of the Borough, and the full faith and credit of the Borough are pledged to the payment of the principal of and the interest on the Notes. The Notes are dated the date of delivery and will mature on March 12, 2027. The Notes are authorized by and are issued pursuant to: (i) the provisions of the Local Bond Law, Chapter 169 of the Laws of 1960 of the State of New Jersey, effective January 1, 1962, and the acts amendatory thereof and supplemental thereto (the "Local Bond Law") and (ii) Bond Ordinance Nos. 14-2025 and 11-2026 duly adopted by the Borough Council on September 25, 2025 and June 10, 2026, respectively (collectively, the "Bond Ordinances"). The Notes are being issued to: (i) temporarily finance the cost of various capital improvements in and by the Borough and the acquisition of various capital equipment; and (ii) pay the costs associated with the authorization, sale and issuance of the Notes.

At the option of the successful bidder if the Notes are to be reoffered, the Notes will be issued in. the form of a certificate in the principal amount of the Notes, registered in the name of Cede & Co. as nominee of the Depository Trust Company ("DTC"), Brooklyn, New York, which will act as Securities Depository. The certificate will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interest in the Notes on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $5,000 or any integral multiple of $1,000 in excess thereof (including any necessary odd denominations) through book-entries made on the books and the records of DTC and its participants. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interest in the Notes, but each book-entry Note owner will receive a credit balance of the books of its nominee.

The Notes mature as stated above with interest payable at maturity, calculated on the basis of a 30-day month, 360-day year. Principal of and interest on the Notes will be paid by the Borough to DTC. The Notes are not subject to redemption prior to maturity.

Book-Entry-Only System[1]

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Notes, payment of principal and interest, and other payments on the Notes to DTC Participants or Beneficial Owners defined below, continuation and transfer of beneficial ownership interests in the Notes and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Borough. Accordingly, the Borough does not make any representations concerning these matters.

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 Bond certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest 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 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 and www.dtc.org.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in tum to be recorded on the Direct Participants' 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 Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Notes are to be accomplished by entries made on the books of Direct Participants 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.

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[1] **Source: The Depository Trust Company.**

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in tum to be recorded on the Direct Participants' 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 Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Notes are to be accomplished by entries made on the books of Direct Participants 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct Participants or 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 Notes unless authorized by a Direct Participant in accordance with DTC's 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).

Redemption proceeds and 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 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 in 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, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments 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, 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 Participants 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. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

Discontinuance of Book-Entry-Only System[1]

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Notes, the following provisions apply: (i) the Notes may be exchanged for an equal aggregate principal amount of Notes in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Borough/Paying Agent; (ii) the transfer of any Notes may be registered on the books maintained by the Borough/Paying Agent for such purposes only upon the surrender thereof to the Borough/Paying Agent together with the duly executed assignment in form satisfactory to the Borough/Paying Agent; and (iii) for every exchange or registration of transfer of Notes, the Borough/Paying Agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Notes. Interest on the Notes will be payable by check or draft, mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the fifteenth (15th) day, whether or not a business day, of the calendar month next preceding an Interest Payment Date.

SECURITY FOR THE NOTES

The full faith, credit and taxing power of the Borough are available for the payment of the principal of the Notes and the interest thereon. The Notes will be valid and binding obligations of the Borough and, unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the Borough without limitation as to rate or amount. The enforceability of rights or remedies with respect to such Notes may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

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

The Local Bond Law governs the issuance of bonds 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 subject to a number of exceptions. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough for municipal purposes is limited by statute, subject to the exceptions noted below, to.an amount equal to 3-1/2% of its average equalized valuation basis. The Borough has not exceeded its statutory debt limit.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit, including school bonds that do not exceed the school bond borrowing margin and certain debt that may be deemed self-liquidating.

[1] **Source: The Depository Trust Company.**

The Borough may exceed its debt limit with the approval of the Local Finance Board, a State regulatory agency, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or if it makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the Borough 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).

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 a subsequent resolution so provides. A local unit's bond anticipation notes must mature within one year, but may be renewed or rolled over. Bond anticipation notes, including renewals, must mature and be paid no 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. For bond ordinances adopted on or after February 3, 2003, notes may only be renewed beyond the third anniversary date of the original notes if a minimum payment equal to the first year's required principal payment on the bonds is paid to retire a portion of the notes on or before each subsequent anniversary date from funds other than the proceeds of bonds or notes. For bond ordinances adopted prior to February 3, 2003, the governing body may elect to make such minimum principal payment only when the notes are renewed beyond the third and fourth anniversary dates.

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. The Borough, which operates on a calendar year (January 1 to December 31), must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the director of the Division (the "Director") prior to final adoption. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

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

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

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

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

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

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

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

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, 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. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may also 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 internal review and approval. In a "CAP" budget, no transfers may be made from excluded from "CAPS" appropriations to within "CAPS" appropriations nor can transfers be made between excluded from "CAPS" appropriations.

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

Additionally, legislation constituting P.L. 2007, c. 62, effective April 3, 2007, imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit included increases required to be raised for debt service and certain lease payments to county improvement authorities, increases to replace certain lost State aid, increases in certain pension contributions, increases in the reserve for uncollected taxes required for municipalities, and certain increases in health care costs over 4%. The Local Finance Board was able to approve waivers for certain extraordinary costs identified by the statute, and voters could approve. increases above 4% not otherwise permitted by a vote of 60% of the voters voting on a public question.

This legislation has now been amended by P.L.2010, c. 44, approved July 13, 2010, and applicable to the next local budget year following enactment to limit tax levy increases for those local units to 2% with exceptions only for capital expenditures including debt service, increases in pension contributions and accrued liability for pension contributions in excess of2%, certain healthcare increases, extraordinary costs directly related to a declared emergency and amounts approved by a simple majority of voters voting at a special election. Chapter 44 eliminates the process for obtaining waivers for additional spending under the tax levy limitation.

Neither the tax levy limitation nor the "Cap Law" limits, including the provisions of the recent legislation, would limit the obligation of the Borough to levy ad valorem taxes upon all taxable property within the Borough to pay debt service on its bonds or notes.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income, where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners, but it often results in a divergence of the assessment ratio to true value. Because of the changes in property resale values, annual adjustments could not keep pace with the changing values.

Upon the filing of certified adopted budgets by the Borough's Local School District and the County, the tax rate is struck by the Monmouth County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June by the Borough's Tax Collector. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current calendar year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of 8% per annum on the first $1,500.00 of the delinquency and 18% per annum on any amount in excess of$1,500.00. These interest and penalties are the highest permitted under New Jersey statutes. If a delinquency is in excess of $10,000.00 and remains in arrears after December 31st, an additional penalty of 6% shall be charged. Delinquent taxes open for one year or more are annually included in a tax sale in accordance with New Jersey Statutes.

Tax Appeals

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

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

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

An independent examination of each local unit accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its submission.

LITIGATION

Upon delivery of the Notes, the Borough shall furnish an opinion of its Borough Attorney, Andrew Bayer, Esquire 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 the levy or collection of any taxes to pay the principal and the interest on 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 or in any manner questioning the authority or the proceedings for the issuance of the Notes or for 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. In addition, such opinion 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 and adverse impact on the financial condition of the Borough or adversely affect the power to levy, collect and enforce the collection of taxes and other revenues for the payment of its Notes, which has not been disclosed in this Official Statement.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met at and subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded from gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The Borough has covenanted to comply with the provisions of the Code applicable to the Notes, and has covenanted not to take any action or permit any action that would cause the interest on the Notes to be included in gross income under Section 103 of the Code or cause interest on the Notes to be treated as an item of tax preference for purposes of the alternative minimum tax imposed by the Code on individuals. Dilworth Paxson LLP, Freehold, New Jersey ("Bond Counsel"), will not independently verify the accuracy of those certifications and representations.

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

State Taxes

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

Certain Federal Tax Considerations

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

Original Issue Premium

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

Backup Withholding

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

Changes in Law and Post-Issuance Events

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

Section 265 Qualification

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

The Borough **will** be designating the Notes as qualified for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations under Section 265 of the Code.

General

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

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

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

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

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and 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 bonds of the Borough, including the Notes, and such Notes are authorized security for any and all public deposits.

MUNICIPAL BANKRUPTCY

The undertakings of the Borough should be considered with reference to 11 U.S.C. 401, et seq., as amended and supplemented (the "Bankruptcy Code") and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants certain priority to debt owed for services or material; and provides that the plan must be accepted in writing by or on behalf of classes of creditors holding at least two-thirds in amount and more than one half in number of the allowed claims of such class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a municipality must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, any such lien, other than municipal betterment assessments, shall be subject to the necessary operating expenses of such project or system. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may not be avoided pursuant to certain preferential transfer provisions set forth in such Bankruptcy Code.

Reference should also be made to N.J.S.A. 52:27-40 et seq., which provides that a local unit has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Municipal Finance Commission must be obtained. The powers of the Municipal Finance Commission have been vested in the Local Finance Board.

Reference to the Bankruptcy Code or the State statute should not create any implication that the Borough expect to utilize the benefits of their provisions.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incidental to the authorization, issuance, sale and delivery of the Notes are subject to the approval of Dilworth Paxson LLP, Freehold, New Jersey, Bond Counsel, whose approving legal opinion will be delivered with the Notes substantially in the form set forth as Appendix "D". Certain legal matters will be passed on for the Borough by its Borough Attorney, Andrew Bayer, Esquire.

UNDERWRITING

The Notes are being purchased from the Borough by __________________ (the "Underwriter") at a purchase price of $__________. The Underwriter is obligated to purchase all of the Notes if any Notes are purchased.

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

MUNICIPAL ADVISOR

NW Financial Group, LLC, Bloomfield, New Jersey, has served as Municipal Advisor to the Borough with respect to the issuance of the Notes ("Financial Advisor"). The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

CONTINUING DISCLOSURE

The Borough has agreed, for the benefit of the holders and beneficial owners of the Notes, to provide certain financial information and operating data relating to the Borough and certain demographic information relating to the Borough by not later than October 1 following the end of the Borough's fiscal year (currently December 31) ("Annual Report"), commencing with the report for the 2026 fiscal year, and to provide notices of the occurrence of certain enumerated events, as described in Appendix "E" - the form of Continuing Disclosure Certificate. The Annual Report will be filed by the Borough with the State Repository, if any, and the Municipal Securities Rulemaking Board ("MSRB") established pursuant to Section 1 S(b)1 of the Securities Exchange Act of 1934 ("Act") as the same may be amended from time to time, through the Electronic Municipal Market Access system ("EMMA") or any other public or private repository or entity that shall hereafter be designated by the Security and Exchange Commission ("SEC") as a repository for purposes of Rule 15c2-12(b)(5) under the Act (the "Rule"), as may be amended from time to time. The notices of certain enumerated events will be filed by the Borough with the MSRB and with the State Depository, if any. The specific nature of the information to be contained in the Annual Report or the notices of certain enumerated events is set forth in Appendix "E" - the Form of Continuing Disclosure Certificate. These covenants have been made in order to assist the Underwriters in complying with the Rule.

The Borough has entered into prior continuing disclosure undertakings for certain outstanding issuances of debt by conduit issuers in which the Borough is an obligated borrower. The Borough has engaged NW Financial Group, LLC, Bloomfield, New Jersey to serve as continuing disclosure agent to assist in the filing of certain information on EMMA as required under its prior secondary market disclosure undertakings.

DEFAULT

There is no record of default in the payment of the principal of or interest on the bonds or notes of the Borough.

AUDITOR

The Borough's Auditor, Oliwa & Company, Freehold, New Jersey, licensed by the State of New Jersey, takes responsibility for the portions of the Borough's audited financial statements for the year ended December 31, 2024, included in Appendix "B" hereto, to the extent specified in the Independent Auditor's Report. Oliwa & Company has not verified the accuracy, completeness or fairness of the information contained herein (except for Appendix "B") and, accordingly, assumes no responsibility therefore.

INFECTIONS DISEASE OUTBREAK - COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020, and has since issued multiple Executive Orders regarding the Pandemic. The Borough expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, Governor Murphy signed into law P.L. 2020, c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for this new purpose). Upon approval by the Director of the Division of Local Government Services in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Borough cannot predict how the outbreak will impact the financial condition or operations of the Borough, or if there will be any impact on the assessed values of property within the Borough or deferral of tax payments to municipalities. The Borough cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on the State's websites, including https://covid19.nj.gov/ or nj.gov/health. The Borough has not incorporated by reference the information on such websites and the Borough does not assume any responsibility for the accuracy of the information on such websites.

PREPARATION OF OFFICIAL STATEMENT

The Borough hereby states that the descriptions and statements herein, including financial statements, are true and correct in all material respects and it will confirm to the Underwriter of the Notes, by a certificate signed by the Chief Financial Officer that, to his knowledge, such descriptions and statements, as of the date of the Official Statement and as of the date of closing, are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

The Municipal Advisor assisted in the preparation of information from the Borough and other sources which the Borough considers to be reliable, but the Borough makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information contained herein.

Dilworth Paxson LLP has not verified the accuracy, completeness or fairness of the information contained herein (except under the heading "TAX MATTERS") and, accordingly, assumes no responsibility therefore and will express no opinion with respect thereto.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement may be directed to Dena Amodea, Chief Financial Officer. The Borough's email is damodea@eatontownnj.com.

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract or agreement with the owners of the Notes.

All quotations from and summaries and explanations of provisions of laws of the State herein do not purport to be complete and are qualified in their entirety by reference to the official compilation thereof.

This Official Statement has been duly executed and delivered by the Borough.

BOROUGH OF EATONTOWN,
IN THE COUNTY OF MONMOUTH, NEW JERSEY

By:______________________________
Dena Amodea
Chief Financial Officer

Dated: July __, 2026

APPENDIX A

GENERAL INFORMATION REGARDING THE BOROUGH

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GENERAL INFORMATION ON THE BOROUGH

Overview

The Borough of Eatontown (THE "Borough") is located in central Monmouth County, New Jersey, approximately 50 miles south of New York City and 70 miles northeast of Philadelphia. The Borough encompasses approximately 5.8 square miles and is strategically situated near major transportation corridors, including State Highways 35 and 36, Route 18, and the Garden State Parkway, providing convenient access to regional employment centers and commercial markets. Eatontown was originally incorporated as a borough by an act of the New Jersey Legislature on April 4, 1873, from portions of Ocean Township, and was reincorporated on March 26, 1926. The Borough has evolved from a primarily agricultural community into a diverse suburban municipality featuring residential neighborhoods, commercial development, and light industrial uses.

Government Structure

The Borough of Eatontown operates under the Borough form of government pursuant to New Jersey law. The governing body consists of a Mayor and a six-member Borough Council, all elected at-large by the voters. The Mayor is elected to a four-year term, while Council members serve staggered three-year terms, with two Council seats subject to election each year. Under the Borough form, the Council serves as the legislative body of the municipality and is responsible for the adoption of ordinances, resolutions, and the annual budget. The Mayor presides at meetings of the Borough Council, votes only in the event of a tie, and may exercise veto power over ordinances, subject to override by a two-thirds vote of the Council. The Borough Administrator, appointed by the Mayor and Council, is responsible for the day-to-day administration of municipal operations and the implementation of policies established by the governing body.

Business Management

The Borough's day-to-day operations are administered under the direction of the Borough Administrator, who is responsible for coordinating municipal departments and implementing the policies and directives established by the Mayor and Borough Council. The Borough Administrator oversees the administration of municipal services, personnel management, purchasing activities, and other operational functions of the Borough.

The Borough's financial operations are managed by the Chief Financial Officer, who is responsible for maintaining the Borough's financial records, preparing financial reports, overseeing budget administration, debt management, cash management, and ensuring compliance with applicable State statutes and regulations. The Borough's annual budget is prepared under the direction of the Chief Financial Officer and Borough Administrator and is subject to review and adoption by the Mayor and Borough Council.

Employee Relations

The Borough employs both full-time and part-time personnel to provide municipal services and conduct governmental operations. Municipal employees are represented by various collective bargaining units, where applicable, and are compensated in accordance with negotiated labor agreements, individual employment agreements, and applicable personnel policies. The Borough endeavors to maintain positive working relationships with its employees and employee organizations. Labor contracts are negotiated periodically in accordance with applicable State laws and regulations governing public sector employment and collective bargaining. The Borough believes that its relations with employees and recognized bargaining units are satisfactory.

Fire Protection and Emergency Services

Fire protection services in the Borough of Eatontown are provided by the Eatontown Fire Department, which serves the Borough's residential, commercial, industrial, and institutional properties. The Department is responsible for fire suppression, fire prevention, public fire safety education, emergency response, and related rescue operations. Fire protection services are delivered through trained firefighting personnel utilizing firefighting apparatus, equipment, and facilities strategically located within the Borough to provide prompt emergency response.

The Borough's fire protection services are supplemented by county and regional emergency management resources and are integrated with local law enforcement, emergency medical services, and other public safety agencies to provide coordinated emergency response throughout the community.

Police

Police protection services in the Borough of Eatontown are provided by the Eatontown Police Department, a full-service municipal law enforcement agency responsible for preserving public safety, protecting life and property, enforcing State and local laws, investigating criminal activity, and responding to emergency incidents throughout the Borough. The Department serves a residential population of approximately 14,000 residents, as well as the Borough's commercial, industrial, and institutional areas.

The Department is staffed by approximately 40 sworn officers and 10 civilian employees and operates on a 24-hour basis. The organization is headed by the Chief of Police and includes patrol, investigations, traffic safety, communications, records, community services, and administrative functions. The Patrol Division serves as the Department's largest operating unit and provides around-the-clock police services throughout the Borough. The Investigations Division is responsible for criminal investigations and related law enforcement activities.

Public Works

The Borough's Department of Public Works is responsible for the maintenance and operation of municipal infrastructure and the delivery of a variety of essential public services. Operating from its facility located on Pinebrook Road, the Department oversees the maintenance of Borough streets, rights-of-way, public buildings and grounds, stormwater infrastructure, and other municipal facilities. The Department also administers solid waste and recycling collection programs and operates the Borough's recycling yard.

Parks and Recreation

The Borough maintains and supports a variety of recreational facilities, parks, athletic fields, playgrounds, and open space areas for the enjoyment of residents and visitors. Recreational opportunities include organized youth and adult athletic programs, community events, passive recreation areas, and seasonal activities. The Borough's recreation programs are administered through municipal departments and organizations dedicated to promoting community engagement, physical fitness, and quality-of-life initiatives. Residents also benefit from recreational amenities located throughout Monmouth County and along the nearby Jersey Shore.

Transportation

The Borough of Eatontown is strategically located within Monmouth County and is served by an extensive transportation network providing access to regional employment centers and commercial markets. Major transportation routes serving the Borough include State Highway Route 35, Route 36, Route 18, and the Garden State Parkway. The Borough's location provides convenient access to the New Jersey Turnpike, Interstate 195, and other regional highways.

Public transportation services are available through regional bus and rail systems serving Monmouth County. Nearby rail stations provide commuter access to Newark, New York City, and other destinations throughout New Jersey. The Borough is also located within reasonable proximity to major airports, including Newark Liberty International Airport, and to the passenger ferry services operating from the northern Monmouth County area.

Health Care Facilities

Residents of the Borough have access to a broad range of healthcare services through hospitals, medical centers, urgent care facilities, physician practices, and other healthcare providers located within Eatontown and the surrounding Monmouth County region. Major healthcare facilities in the area provide emergency care, inpatient and outpatient services, specialized medical treatment, diagnostic services, and other healthcare resources. Additional healthcare services are available through numerous private and public providers located throughout central New Jersey.

Utilities

Electric service within the Borough is provided by regional utility companies serving Monmouth County. Natural gas service is available throughout most developed areas of the Borough. Public water and sanitary sewer services are provided through regional utility systems and infrastructure serving the Borough and surrounding communities. Telecommunications, cable television, and broadband internet services are available from a variety of private providers. Utility services are generally adequate to meet the residential, commercial, industrial, and institutional needs of the Borough.

Education

Public education for Borough residents is provided through the Eatontown Public School District for students in pre-kindergarten through eighth grade. Students in grades nine through twelve attend regional secondary schools pursuant to established sending-receiving relationships. The Borough's educational facilities and programs are administered by their respective boards of education in accordance with New Jersey law. In addition to public educational opportunities, residents have access to private and parochial schools, vocational and technical education programs, community colleges, and institutions of higher education located throughout Monmouth County and central New Jersey.

Business and Industry

The Borough of Eatontown serves as an important commercial and employment center within Monmouth County. Its strategic location along State Highway Route 35 and in proximity to Route 36, Route 18, and the Garden State Parkway has contributed to the development of a diverse economic base consisting of retail, office, professional, healthcare, light industrial, hospitality, and service-oriented businesses.

Commercial activity within the Borough is concentrated along several major transportation corridors and within established retail and business districts. Eatontown is home to a variety of national and regional retailers, restaurants, financial institutions, healthcare providers, and professional service firms. The Borough also contains office and industrial facilities that support employment opportunities for residents and the surrounding region.

Eatontown benefits from its location within the broader Monmouth County economy, which includes significant employment in healthcare, education, professional and business services, retail trade, government, tourism, and technology-related industries. The Borough's transportation accessibility, established infrastructure, and proximity to major population centers in New Jersey and the New York metropolitan area continue to support economic activity and commercial development.

The Borough's ratable base consists of a mix of residential, commercial, industrial, and institutional properties, providing a diversified source of property tax revenue and contributing to the overall economic stability of the community.

Redevelopment

The Borough has experienced redevelopment and investment activity associated with the former Fort Monmouth military installation, portions of which are located within Eatontown and neighboring municipalities. Redevelopment initiatives have created opportunities for new commercial, residential, office, educational, and research-related uses, contributing to the continued diversification of the local economy.

Fort Monmouth Redevelopment - Netflix Studios

A significant portion of the former Fort Monmouth military installation located within the Borough of Eatontown and the Borough of Oceanport is being redeveloped by Netflix, Inc. as a major film and television production campus known as Netflix Studios Fort Monmouth. The project involves the redevelopment of approximately 292 acres of the former military base and represents a planned investment of approximately $1 billion. The development is intended to serve as Netflix's principal East Coast production facility.

Upon completion, the campus is expected to include 12 soundstages totaling approximately 500,000 square feet, together with production support facilities, office space, workshops, utility infrastructure, parking areas, and related amenities. The project is being developed in phases and is expected to be substantially completed by 2028, subject to construction schedules and regulatory approvals.

Netflix acquired the property as part of the ongoing redevelopment efforts at Fort Monmouth following the closure of the military installation in 2011. State, county, and local officials have identified the project as a catalyst for economic development within Monmouth County and the surrounding region. Public statements by Netflix and State officials indicate that the project is anticipated to generate approximately 1,500 permanent production-related jobs and approximately 3,500 to 4,000 construction-related jobs during development.

Construction activities commenced in 2025, with initial phases focused on site preparation, demolition, infrastructure improvements, and the construction of the first soundstages and production facilities. As of 2026, construction of the initial phase is underway and the project continues to advance toward its anticipated opening schedule.

Monmouth Square Redevelopment (Former Monmouth Mall)

The former Monmouth Mall property, located along Route 35 in the Borough of Eatontown, is undergoing a significant mixed-use redevelopment known as Monmouth Square. The project is being undertaken by Kushner Companies and represents an investment estimated at approximately $500 million. The redevelopment is intended to transform the former enclosed regional shopping mall into a modern, open-air mixed-use destination incorporating retail, residential, medical office, dining, entertainment, and public gathering spaces.

The redevelopment plan includes the demolition of portions of the existing mall and a reduction in the overall retail footprint from approximately 1.5 million square feet to approximately 900,000 square feet. Upon completion, the project is expected to include approximately 1,000 multifamily residential units, a grocery-anchored retail center, restaurants, entertainment venues, medical office space, pedestrian-oriented streetscapes, and public open space designed to create a walkable town-center environment.

Major existing and planned tenants include retail, entertainment, and grocery uses intended to serve both local residents and the surrounding Monmouth County market. Construction commenced in 2024 and is being completed in phases while portions of the property remain operational. The redevelopment is expected to enhance economic activity within the Borough, expand housing opportunities, support employment growth, and contribute to the continued revitalization of one of the Borough's most significant commercial corridors.

The Monmouth Square project represents one of the largest private redevelopment initiatives currently underway in Monmouth County and is anticipated to remain an important component of the Borough's commercial and economic base for years to come.

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FINANCIAL AND DEMOGRAPHIC INFORMATION ON THE BOROUGH

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT

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

Borough	Total Labor Force	Employed Labor Force	Total Unemployed	Unemployment Rate
2025	7,128	6,768	360	5.1%
2024	7,114	6,792	322	4.5%
2023	7,182	6,867	315	4.4%
2022	7,142	6,840	302	4.%
2021	7,093	6,609	484	6.8%
County				
2025	335,789	320,024	15,765	4.7%
2024	335,219	321,135	14,084	4.2%
2023	337,600	324,255	13,345	4.0%
2022	334,779	322,697	12,082	3.6%
2021	330,691	310,549	20,142	6.1%
State				
2025	4,905,633	4,648,499	257,134	5.2%
2024	4,899,384	4,672,089	227,295	4.6%
2023	4,879,285	4,668,296	210,989	4.3%
2022	4,771,781	4,586,675	185,106	3.9%
2021	4,674,518	4,361,147	313,371	6.7%

Source: New Jersey Department of Labor, Division of Labor Market and Demographic Research

TAX COLLECTION HISTORY

Year	Tax Levy	Cash Collections	% of Collections
2025*	61,279,640	60,405,763	98.57%
2024	58,631,021	58,033,735	98.98%
2023	58,759,588	58,373,569	99.34%
2022	56,290,686	55,596,045	98.77%
2021	54,803,352	54,331,205	99.14%

* Unaudited

COMPONENTS OF TAX RATE

	2025	2024	2023	2022	2021
Tax Rate:	1.758	1.872	1.971	2.171	2.30
Municipal	.500	.558	.664	.768	.826
Local School	.641	.652	.628	.703	.747
Regional	.367	.403	.408	.424	.425
County	.250	.259	.271	.276	.302

ASSESSED VALUATIONS AND TAX RATES

Year	Tax Rate Per $100 of Assessed Valuation	Assessed Valuation of Real Property	Average Ratio of Assessed to Tax Value of Real Property	Assessed Valuation of Business Personal Property
2025	1.758	3,468,760,700	100	8,077,151
2024	1.872	3,108,497,000	100	8,037,391
2023	1.971	2,962,077,900	100	8,109,511
2022	2.171	2,559,242,700	100	7,546,692
2021	2.300	2,363,546,300	100	7,624,430

TEN LARGEST TAXPAYERS CURRENT YEAR

	Owner of Record	Aggregate Assessed Value	As a Percentage of Assessed Value of Real Property
1.	Country Club Associated(Apt.)	52,690,000	1.51
2.	East Coast Eatoncrest Apt	38,861,300	1.11
3.	Eatontown Monmouth Mall LLC	38,020,500	1.09
4.	NE Light Industrial LLC	34,829,200	1.00
5.	Stony Hill Apt Associates LP	32,189,700	.92
6.	Eatontown Cooperative Corp	31,337,700	.90
7.	Eatontown Properties, LLC	31,228,500	.90
8.	Eatontown 36 LLC	28,983,500	.83
9.	Southbrook Gardens NJ LP (Apt.)	25,537,800	.73
10.	Antish Realty Holdings, LLD	24,511,900	.70

GENERAL TAX RATE AND TOTAL NET DEBT

Year	General Tax Rate	Total Net Debt	Net Debt as a Percentage of Equalized Tax Valuation Basis
2025	1.758	20,243,109	0.550%
2024	1.872	17,520,000	0.523%
2023	1.971	16,257,722	0.515%
2022	2.171	20,726,650	0.728%
2021	2.300	21,062,277	0.832%

COMPARATIVE AGGREGATE EQUALIZED VALUATION

2025	2024	2023	2022	2021
3,753,634,542	3,840,483,452	3,478,616,717	3,308,943,364	2,705,428,676

COMPARATIVE POPULATION

2025	2020	2010	2000	1990
13,607	13,597	12,709	14,008	13,800

ASSESSED VALUATION OF REAL AND BUSINESS PERSONAL PROPERTY BY CLASSIFICATION

Year	Vacant Land (# of Parcels)	Taxable Value	Residential (# of Parcels)	Taxable Value	Apartments (# of Parcels)	Taxable Value	Commercial (# of Parcels)	Taxable Value
2025	145	25,982,200	3087	2,003,718,500	24	274,240,500	218	891,956,300
2024	167	26,431,000	3070	1,729,697,400	24	270,171,400	213	825,283,800
2023	178	20,324,300	3060	1,542,140,900	24	239,883,400	216	927,624,800
2022	194	21,332,600	3049	1,301,090,800	24	190,814,300	216	828,589,900
2021	148	25,897,100	3032	1,129,645,200	24	194,023,000	204	803,675,500

Year	Industrial (# of Parcels)	Taxable Value	Farm (# of Parcels)	Taxable Value	Total Real Property	Personal Property
2025	46	272,224,600	8	638,600	3,468,760,700	8,077,151
2024	46	256,315,100	8	598,300	3,108,497,000	8,037,391
2023	46	231,546,600	8	557,900	2,962,077,900	8,109,511
2022	45	216,927,000	8	488,100	2,559,242,700	7,546,692
2021	45	209,852,700	8	452,800	2,363,546,300	7,624,430

DEBT SUMMARY

Borough Indebtedness as of December 31, 2025

General Purpose Debt	
Serial Bonds	$15,760,000.00
Bond Anticipation Notes	0.00
Bonds and Notes Authorized but Not Issued	4,483,109.00
Other Bonds, Notes, and Loans	1,335,866.64
Total:	$21,578,975.64
Local School District Debt	
Serial Bonds	$12,105,000.00
Bonds and Notes Authorized but Not Issued	0.00
Total:	$12,105,000.00
Regional School District Debt	
Serial Bonds	$11,632,873.36
Bonds and Notes Authorized but Not Issued	0.00
Total:	$11,632,873.36
Total Gross Debt	**$45,316,849.00**
Less: Statutory Deductions	
General Purpose Debt	$1,335,866.64
Local School District Debt	12,105,000.00
Regional School District Debt	11,632,873.36
Total:	$25,073,109.00
TOTAL NET DEBT	**$20,243,109.00**

SUMMARY OF DEBT RATIOS:

	Per Capita [1]	Ratio to Assessed Value [2]	Ratio to Equalized Value [3]
Net Debt	$1,488.79	0.582%	0.550%

BOROUGH BORROWING CAPACITY:

3.5% of Averaged (2023-2025) Equalized Valuation of Real Property including Improvements ($3,682,836,886)	$128,899,291
Net Debt	20,243,109
Remaining Borrowing Capacity	$108,656,182

(1) 2020 U.S. Census of the Population is 13,597
(2) Municipal Assessed value is $ 3,476,837,851
(3) Municipal 3 yr. Average equalized value is $3,682,836,886

APPENDIX B

FINANCIAL STATEMENT OF THE BOROUGH

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Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Borough Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2024 and 2023, the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements listed as financial statement exhibits in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund and the Payroll Fund of the Borough as of December 31, 2024 and 2023, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis for the year ended December 31, 2024 and the statement of expenditures - regulatory basis for the year ended December 31, 2024 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the General Fixed Assets Account Group of the Borough as of December 31, 2024 and 2023 in accordance with the financial reporting provisions of the Division as described in Note 1.

In our opinion, except for the effects of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheet - regulatory basis of the Trust Fund of the Borough as of December 31, 2024 and 2023 in accordance with the financial reporting provisions of the Division as described in Note 1.

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Opinions (continued)

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2024 and 2023, or the results its operations and the changes in fund balance for the years then ended.

Basis for Unmodified, Qualified and Adverse Opinions

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

Matter Giving Rise to Qualified Opinions on Regulatory Basis of Accounting

The Borough does not comply with the general fixed assets capitalization policies as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost. It was not practicable to determine the effects of capitalizing all fixed assets acquired after December 31, 1985 at actual cost.

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 11.33% and 10.17% of the assets, and the liabilities and reserves of the Borough's Trust Fund as of December 31, 2024 and 2023, respectively.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statements

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

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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Borough's basic financial statements. The supplementary schedules as listed in the table of contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the LOSAP Fund and General Fixed Assets Account Group supplementary schedules, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2026 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
January 28, 2026

Oliwa & Company

Certified Public Accountants

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

To the Honorable Mayor and
Members of the Borough Council
Borough of Eatontown
County of Monmouth
Eatontown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2024, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated January 28, 2026, in which we expressed an adverse opinion on the conformity of the regulatory basis financial statements with accounting principles generally accepted in the United States of America, due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund and the Payroll Fund as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial statements of the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and a qualified opinion on the regulatory basis financial basis financial statements of the Trust Fund because the Length of Service Award Program Fund was not audited.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Borough's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

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Report on Internal Control over Financial Reporting (continued)

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

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

Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
January 28, 2026

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	Ref.	2024	2023
Assets			
Cash and Cash Equivalents:			
Cash - Treasurer	A-4	$17,931,446	$16,379,421
Change Funds		300	300
		17,931,746	16,379,721
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-6	437,924	288,461
Tax Title Liens Receivable	A-7	394,194	378,765
Demolition Receivable		15,600	15,600
Property Acquired for Taxes - Assessed Valuation		201,300	201,300
Revenue Accounts Receivable	A-8	13,109	12,861
Due from General Capital Fund			13,191
Due from Animal Control Fund		10,369	16,256
	A	1,072,496	926,434
		19,004,242	17,306,155
Federal and State Grant Fund:			
Grants Receivable	A-13	457,832	395,423
Due from Current Fund		424,158	662,836
		881,990	1,058,259
		$19,886,232	$18,364,414

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	Ref.	2024	2023
Liabilities, Reserves and Fund Balance			
Appropriation Reserves	A-3:A-9	$2,982,004	$3,713,399
Reserve for Encumbrances	A-12	715,442	562,427
Reserve for Tax Appeals		199,916	149,916
Reserve for FEMA		4,555	4,555
Reserve for Municipal Relief Fund Aid			152,768
Reserve for Easement		25,000	25,000
Reserve for Business Insurance Registrations		400	200
Accounts Payable		48,092	41,339
Regional High School Tax Payable	A-11	1	1
Prepaid Taxes		389,260	222,491
Tax Overpayments		144,226	12,807
Due to Other Trust Fund		465	153,338
Due to Federal and State Grant Fund		424,158	662,836
Due to General Capital Fund		2,123	
Due County for Added and Omitted Taxes		40,021	29,784
Marriage License Fees Payable		400	
DCA Fees Payable		17,031	
Due to State of New Jersey (PL 1971, Ch.20)		38,823	38,696
		5,031,917	5,769,557
Reserves for Receivables and Other Assets	A	1,072,496	926,434
Fund Balance	A-1	12,899,829	10,610,164
		19,004,242	17,306,155
Federal and State Grant Fund:			
Appropriated Reserves	A-14	548,560	429,287
Encumbrances Payable	A-14	301,771	64,339
Unappropriated Reserves	A-15	31,659	564,633
		881,990	1,058,259
		$19,886,232	$18,364,414

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2024 and 2023

	Ref.	2024	2023
Revenue and Other Income Realized			
Fund Balance Anticipated	A-2	$5,600,000	$5,800,000
Miscellaneous Revenue Anticipated	A-2	10,699,381	6,027,165
Receipts from Delinquent Taxes	A-2	284,516	553,716
Receipts from Current Taxes	A-2	58,033,735	58,373,569
Non-Budget Revenues	A-2	776,249	738,598
Unexpended Balance of Appropriation Reserves	A-9	3,585,690	2,673,094
Other Credits to Income:			
Interfunds Returned		24,350	21,480
Total Revenue		79,003,921	74,187,622
Expenditures			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	13,357,448	12,961,370
Other Expenses	A-3	12,237,099	11,598,370
Capital Improvements	A-3	168,450	193,995
Municipal Debt Service	A-3	2,240,030	2,616,536
Deferred Charges and Statutory Expenditures	A-3	3,252,426	2,990,156
County Taxes		8,110,185	8,102,930
Local District School Tax	A-10	19,413,576	18,323,284
Regional High School Tax	A-11	12,335,042	11,491,662
Other Trust Fund Reimbursement			94,815
Interfunds Advanced			13,191
Total Expenditures		71,114,256	68,386,309

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
Years Ended Decembers 31, 2024 and 2023

	Ref.	2024	2023
Excess in Revenue		$7,889,665	$5,801,313
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year		-	-
Statutory Excess to Fund Balance		7,889,665	5,801,313
Fund Balance January 1	A	10,610,164	10,608,851
		18,499,829	16,410,164
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	5,600,000	5,800,000
Fund Balance December 31	A	$12,899,829	$10,610,164

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

	Ref.	Anticipated Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$5,600,000		$5,600,000	
Miscellaneous Revenues:					
Alcoholic Beverage Licenses	A-8	40,900		40,688	($212)
Other Licenses	A-8	20,300		19,310	(990)
Fees and Permits	A-8	256,300		204,746	(51,554)
Municipal Court Fines and Costs	A-8	170,500		190,087	19,587
Interest and Costs on Taxes	A-8	139,500		85,729	(53,771)
Interest on Investments	A-8	565,300		1,360,047	794,747
Energy Receipts Tax	A-8	1,482,080		1,482,080	
Municipal Relief Fund Aid	A-8	152,768		152,768	
Uniform Construction Code Fees	A-8	494,400		748,101	253,701
Mechanical Garage - Eatontown Board of Education	A-8	4,000		12,876	8,876
Drunk Driving Enforcement	A-13	22,140		22,140	
Clean Communities Program	A-13		$36,586	36,586	
Municipal Alliance on Alcoholism and Drug Abuse	A-13	11,955		11,955	
Safe and Secure Communities Program	A-13	45,150		45,150	
Body Armor Fund	A-13	3,379	3,520	6,899	
Distracted Driving Crackdown	A-13		30,240	30,240	
Pedestrian Safety	A-13	10,080		10,080	
Coronavirus Local Fiscal Recovery Fund - Downtown Greenway Project	A-13	47,071		47,071	
DCA/REC Individuals with Disabilities	A-13	15,000		15,000	
Recycling Tonnage	A-13	55,630		55,630	
National Opioid Settlement	A-13	4,472	69,857	74,329	
Highway Safety	A-13		4,200	4,200	
NJDEP - Stormwater Assistance	A-13	10,000		10,000	
American Rescue Plan - Defibrillator	A-13		12,831	12,831	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

	Ref.	Anticipated Budget	Anticipated Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (continued):					
American Rescue Plan - Forensic Enclosure Block	A-13		$2,890	$2,890	
American Rescue Plan - Bulletproof Vest	A-13		9,828	9,828	
American Rescue Plan - File Server	A-13		19,659	19,659	
American Rescue Plan - Police Vehicles	A-13		199,152	199,152	
American Rescue Plan - Police Laptop	A-13		3,223	3,223	
American Rescue Plan - Fire Pagers and Wiring in Bays	A-13		3,113	3,113	
Senior Citizens Housing (In Lieu of Taxes)	A-8	$202,000		202,000	
Borough Community Center Programs	A-8	456,300		435,057	($21,243)
Uniform Fire Safety Act	A-8	92,100		110,952	18,852
Hotel Tax	A-8	531,800		549,631	17,831
Cell Tower Agreements	A-8	308,300		325,268	16,968
American Rescue Plan Act - Revenue Loss	A-8	261,766		261,766	
CATV Franchise Fees	A-8	90,400		89,702	(698)
Redevelopment Agreement Payment	A-8	3,581,292		3,630,970	49,678
Contribution from Sewerage Authority	A-8	177,627		177,627	
	A-1	9,252,510	395,099	10,699,381	1,051,772
Receipts from Delinquent Taxes	A-1:A-2	323,823		284,516	(39,307)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2:A-6	17,376,116		18,728,260	1,352,144
Budget Totals		32,552,449	395,099	35,312,157	$2,364,609
Non-Budget Revenues	A-2			776,249	
		$32,552,449	$395,099	$36,088,406	
	Ref.	A-3	A-3		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

	Ref.	
Analysis of Realized Revenues		
Allocation of Current Tax Collections:		
Revenue from Collections	A-1:A-6	$58,033,735
Allocated to School and County Taxes		40,996,975
Balance for Support of Municipal Budget Appropriations		17,036,760
Add:		
Appropriation "Reserve for Uncollected Taxes"	A-3	1,691,500
Amount for Support of Municipal Budget Appropriations	A-2	$18,728,260
Receipts from Delinquent Taxes		
Delinquent Tax Collections	A-6	$284,516
Tax Title Lien Collections		-
	A-2	$284,516

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF REVENUES
REGULATORY BASIS
Year Ended December 31, 2024

Analysis of Non-Budget Revenues

Cannabis Taxes	$391,175
Recreation Fees	83,390
Police Outside Employment Administrative Fees	45,434
Other Police Fees	44,464
Pilot Application Fee	38,000
Recycling	36,430
Sale of Assets	31,166
Board of Education Fuel Reimbursement	28,606
Trailer Tax	25,724
Unemployment Reimbursements	14,008
Shrewsbury Fire Prevention Fees	12,245
Senior Citizen Trips	7,700
Other Refunds and Reimbursements	6,541
Insurance Reimbursements	4,000
Zoning Application Fees	3,500
Community Garden	2,370
Senior Citizens and Veterans Administrative Fee	1,053
Copies	303
Returned Check Fees	140
	$776,249
Ref.	A-1:A-2:A-4

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		
	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Canceled
Operations Within "CAPS"					
General Government:					
Administrative and Executive:					
Salaries and Wages	$245,500	$245,500	$210,924	$34,576	
Other Expenses	115,000	80,500	27,496	53,004	
Other Expenses - American Rescue Plan	39,250	39,250	39,250		
Labor Attorney:					
Other Expenses	20,000	20,000		20,000	
Mayor and Council:					
Salaries and Wages	70,000	70,000	70,000		
Other Expenses	9,000	9,000	37	8,963	
Advertising:					
Other Expenses	24,000	24,000	16,341	7,659	
Beautify Eatontown	3,570	3,570	1,306	2,264	
Complete Streets	1,000	1,000	75	925	
Elections:					
Other Expenses	6,000	6,000	5,508	492	
Municipal Clerk:					
Salaries and Wages	218,000	218,000	209,960	8,040	
Other Expenses	30,000	30,000	20,223	9,777	
Information Technology:					
Other Expenses	178,000	208,000	196,736	11,264	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Purchasing Department:					
Salaries and Wages	$54,200	$54,200	$54,148	$52	
Other Expenses	34,000	34,000	22,248	11,752	
Historical Association:					
Other Expenses	3,000	3,000	2,943	57	
Financial Administration:					
Salaries and Wages	240,500	240,500	240,062	438	
Other Expenses	40,500	30,500	10,361	20,139	
Bond Registration Fees	5,000	5,000	2,450	2,550	
Audit Services	48,000	48,000	5,900	42,100	
Assessment of Taxes:					
Salaries and Wages	107,440	107,440	107,346	94	
Other Expenses	65,400	65,400	40,408	24,992	
Collection of Taxes:					
Salaries and Wages	95,000	95,000	94,945	55	
Other Expenses	17,250	17,250	10,308	6,942	
Legal Services and Costs:					
Other Expenses	250,000	250,000	177,096	72,904	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Shop Local					
Other Expenses	$10,000	$10,000		$10,000	
Municipal Prosecutor					
Salaries and Wages	50,000	50,000	$36,000	14,000	
Engineering Service and Costs:					
Miscellaneous Other Expenses	95,000	95,000	91,876	3,124	
Public Buildings and Grounds:					
Salaries and Wages	185,529	185,529	166,892	18,637	
Other Expenses	171,500	171,500	151,416	20,084	
Planning Board:					
Other Expenses	38,450	38,450	21,592	16,858	
Board of Adjustment:					
Other Expenses	20,750	20,750	5,658	15,092	
Zoning Officer:					
Salaries and Wages	262,175	262,175	262,173	2	
Other Expenses	22,990	22,990	10,179	12,811	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Environmental Program:					
Other Expenses	$3,285	$3,285	$470	$2,815	
Green Team	3,000	3,000		3,000	
Community Garden	6,200	6,200	1,399	4,801	
Fire:					
Salaries and Wages	6,625	6,625	6,625		
Fire Hydrant Service	200,000	204,500	185,373	19,127	
Miscellaneous Other Expenses	116,737	116,737	107,433	9,304	
Insurance:					
Group Insurance	4,018,000	4,018,000	3,583,890	434,110	
Health Benefit Waiver	40,000	40,000	37,015	2,985	
Other Insurance	552,000	552,000	487,151	64,849	
Workman's Compensation	465,000	465,000	453,481	11,519	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Uniform Fire Safety Act (P.L. 1983, Ch. 383):					
Salaries and Wages	$149,900	$149,900	$146,075	$3,825	
Other Expenses	19,595	19,595	19,587	8	
Police:					
Salaries and Wages	7,627,850	7,627,850	7,373,776	254,074	
Other Expenses	426,650	426,650	378,340	48,310	
First Aid Organization Contribution:					
Salaries and Wages	6,625	6,625	6,625		
Other Expenses	59,500	59,500	19,550	39,950	
Emergency Management Services:					
Salaries and Wages	3,650	3,650	3,650		
Other Expenses	18,850	18,850	971	17,879	
Road Repair and Maintenance:					
Salaries and Wages	2,063,968	2,063,968	1,851,128	212,840	
Salaries and Wages - American Rescue Plan	132,516	132,516	132,516		
Other Expenses	1,311,000	1,311,000	824,333	486,667	
Other Expenses - American Rescue Plan	80,000	80,000	80,000		
Snow Removal					
Other Expenses	13,500	13,500	13,500		
Municipal Court:					
Salaries and Wages	55,000	55,000	54,500	500	
Other Expenses	38,000	38,000	28,429	9,571	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Public Defender:					
Salaries and Wages	$60,000	$60,000	$60,000		
Street Lighting	170,000	170,000	130,738	$39,262	
Monmouth County Reclamation Fees	500,000	500,000	494,123	5,877	
Recycling - Contractual:					
Sanitation - Apartment Collection	1,155,520	1,155,520	1,024,832	130,688	
Health and Welfare:					
Monmouth County Health Department					
Salaries and Wages	1,640	1,640		1,640	
Other Expenses	5,000	5,000	400	4,600	
Housing Inspection:					
Salaries and Wages	110,930	110,930	103,683	7,247	
Other Expenses	2,600	2,600	671	1,929	
Animal Control:					
Other Expenses	23,000	23,000	22,383	617	
Recreation:					
Salaries and Wages	234,500	234,500	198,545	35,955	
Other Expenses	78,295	78,295	72,438	5,857	
Celebration of Public Events:					
Other Expenses	41,900	41,900	36,892	5,008	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Borough Community Center:					
Salaries and Wages	$324,000	$324,000	$289,224	$34,776	
Other Expenses	37,100	37,100	25,352	11,748	
Miscellaneous Other Expenses:					
Youth Committee	2,250	2,250	337	1,913	
Senior Citizen Programs:					
Salaries and Wages	60,000	60,000	43,334	16,666	
Other Expenses	18,600	18,600	17,168	1,432	
Inspection of Buildings:					
Salaries and Wages	593,200	593,200	447,131	146,069	
Other Expenses	34,000	34,000	27,479	6,521	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS"					
Unclassified:					
Salaries and Wages - Adjustment Program	$20,000	$20,000		$20,000	
Tuition Reimbursement	50,500	40,500		40,500	
Employee Sick Time Buy - Back	75,000	75,000	$49,783	25,217	
Accumulated Absences	150,000	140,000	80,000	60,000	
Electricity	170,000	170,000	111,288	58,712	
Telephone	201,200	201,200	147,558	53,642	
Water	45,000	45,000	25,097	19,903	
Natural Gas	70,000	70,000	53,917	16,083	
Total Operations within "CAPS"	24,427,690	24,397,690	21,570,047	2,827,643	
Contingent	4,000	4,000	1,050	2,950	
Total Operations Including Contingent within "CAPS"	24,431,690	24,401,690	21,571,097	2,830,593	
Detail:					
Salaries and Wages	12,978,748	12,978,748	12,169,262	809,486	
Other Expenses (Including Contingent)	11,452,942	11,422,942	9,401,835	2,021,107	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Deferred Charges and Statutory Expenditures Within "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System of N.J.	$694,477	$694,477	$694,477		
Social Security System (O.A.S.I.)	530,450	530,450	522,333	$8,117	
Police and Firemen's Retirement System of N.J.	1,903,585	1,903,585	1,903,585		
Defined Contribution Retirement Program	35,000	35,000	28,539	6,461	
Early Retirement Incentive Program	23,914	23,914	23,914		
Unemployment Compensation Insurance	35,000	65,000	46,696	18,304	
Total Deferred Charges and Statutory Expenditures Within "CAPS"	3,222,426	3,252,426	3,219,544	32,882	
Total General Appropriations for Municipal Purposes Within "CAPS"	27,654,116	27,654,116	24,790,641	2,863,475	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Excluded from "CAPS"					
Aid to Privately Owned Library 40:54-35:					
Salaries and Wages	$87,700	$87,700	$72,367	$15,333	
Other Expenses	13,203	13,203	4,957	8,246	
9-1-1 System (40A:4-45.3cc)					
Other Expenses	25,000	25,000		25,000	
Tax Appeal Reserve	50,000	50,000	50,000		
NJDEP/Storm Water Mgt. (40A:4-45.3cc)	10,000	10,000		10,000	
Length of Service Award Program - Fire	50,000	50,000	31,050	18,950	
Length of Service Award Program - First Aid	20,000	20,000		20,000	
Total Other Operations Excluded from "CAPS"	255,903	255,903	158,374	97,529	

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Excluded from "CAPS"					
Shared Service Agreements:					
Mechanical Garage - Eatontown					
Board of Education:					
Salaries and Wages	$4,000	$4,000		$4,000	
Municipal Court - Tinton Falls					
Salaries and Wages	287,000	287,000	$287,000		
Total Shared Service Agreements	291,000	291,000	287,000	4,000	
Public and Private Programs Offset by Revenues:					
Clean Communities Program (40A:4-87, $36,586+)		36,586	36,586		
Drunk Driving Enforcement Fund	22,140	22,140	22,140		
Distracted Driving Crackdown (40A:4-87, $30,240+)		30,240	30,240		
Body Armor Fund (40A:4-87, $3,520+)	3,379	6,899	6,899		
Safe and Secure Communities Program	45,150	45,150	45,150		
National Opioid Settlement (40A:4-87, $69,857+)	4,472	74,329	74,329		
NJDEP - Stormwater Assistance	10,000	10,000	10,000		
Municipal Alliance on Alcoholism and Drug Abuse	17,933	17,933	17,933		
DCA/REC Individuals with Disabilities	15,000	15,000	15,000		
Recycling Tonnage	55,630	55,630	55,630		
Highway Safety (40A:4-87, $4,200+)		4,200	4,200		
Pedestrian Safety	10,080	10,080	10,080		
American Rescue Plan - Downtown Greenway	47,071	47,071	47,071		
American Rescue Plan - Defibrillator (40A:4-87, $12,831+)		12,831	12,831		

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Excluded from "CAPS"					
Public and Private Programs Offset by Revenues (Continued):					
American Rescue Plan - Forensic Enclosure Block (40A:4-87, $2,890+)		$2,890	$2,890		
American Rescue Plan - Bulletproof Vest (40A:4-87, $9,828+)		9,828	9,828		
American Rescue Plan - File Server (40A:4-87, $19,659+)		19,659	19,659		
American Rescue Plan - Police Vehicles (40A:4-87, $199,152+)		199,152	199,152		
American Rescue Plan - Police Laptop (40A:4-87, $3,223+)		3,223	3,223		
American Rescue Plan - Fire Pagers and Wiring in Bays (40A:4-87, $3,113+)		3,113	3,113		
Matching Funds for Grants	$20,000	20,000	3,000	$17,000	
Total Public and Private Programs Offset by Revenues	250,855	645,954	628,954	17,000	
Total Operations Excluded from "CAPS"	797,758	1,192,857	1,074,328	118,529	
Detail:					
Salaries and Wages	378,700	378,700	359,367	19,333	
Other Expenses	419,058	814,157	714,961	99,196	

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	APPROPRIATIONS		EXPENDED		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Capital Improvements Excluded from "CAPS"					
Capital Improvement Fund	$168,450	$168,450	$168,450		
Total Capital Improvements Excluded from "CAPS"	168,450	168,450	168,450		
Municipal Debt Service Excluded from "CAPS"					
Payment of Bond Principal	1,450,000	1,450,000	1,450,000		
Interest on Bonds	726,475	726,475	726,469		$6
Interest on Notes	19,000	19,000	18,411		589
Capital Lease Obligations -					
Principal	43,000	43,000	43,000		
Interest	2,150	2,150	2,150		
Total Municipal Debt Service Excluded from "CAPS"	2,240,625	2,240,625	2,240,030		595

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

		APPROPRIATIONS		EXPENDED		Unexpended
		Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		$3,206,833	$3,601,932	$3,482,808	$118,529	$595
Subtotal General Appropriations		30,860,949	31,256,048	28,273,449	2,982,004	595
Reserve for Uncollected Taxes		1,691,500	1,691,500	1,691,500		
Total General Appropriations		$32,552,449	$32,947,548	$29,964,949	$2,982,004	$595
	Ref.	A-2		A-1	A:A-1	
Budget	A-3		$32,552,449			
Appropriation by 40A:4-87	A-2		395,099			
			$32,947,548			

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
Year Ended December 31, 2024

	Ref.	Paid or Charged
Reserve for Uncollected Taxes	A-2	$1,691,500
Disbursed	A-4	26,879,053
Reserve for Encumbrances	A-12	715,442
Reserve for Grants Appropriated	A-14	628,954
Reserve for Tax Appeals		50,000
		$29,964,949

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	Ref.	2024	2023
Assets			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	$22,541	$29,197
Other Trust Fund:			
Cash and Cash Equivalents	B-1	6,735,184	6,611,284
Due from Current Fund		465	153,338
		6,735,649	6,764,622
Length of Service Award Program Fund: (LOSAP) - Unaudited			
Investments	B-4	863,718	769,363
		$7,621,908	$7,563,182

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	Ref.	2024	2023
Liabilities and Reserves			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	$9,231	$10,199
Due to Current Fund		10,369	16,256
Prepaid Licenses		2,885	2,691
Due to State of New Jersey		56	51
		22,541	29,197
Other Trust Fund:			
Reserve for Other Trust Fund Deposits	B-3	6,735,649	6,764,622
Length of Service Award Program Fund: (LOSAP) - Unaudited			
Reserve for Length of Service Award Program Fund	B-5	863,718	769,363
		$7,621,908	$7,563,182

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	Ref.	2024	2023
Assets			
Cash and Cash Equivalents	C-2	$13,304,099	$9,025,225
Deferred Charges to Future Taxation:			
Funded	C-9	17,520,000	14,855,000
Unfunded	C-10		1,402,722
Grants Receivable	C-11	2,226,976	2,568,139
Due from Current Fund		2,123	
Leased Assets under Capital Lease			43,000
		$33,053,198	$27,894,086
Liabilities, Reserves and Fund Balance			
General Serial Bonds	C-6	$17,520,000	$14,855,000
Bond Anticipation Notes	C-7	1,400,000	1,402,722
Improvement Authorizations:			
Funded	C-5	10,188,575	6,556,055
Unfunded	C-5		1,402,722
Lease Obligations Payable	C-8		43,000
Reserve for Encumbrances	C-5	3,706,796	3,457,479
Reserve for Asset Acquisitions		27,500	27,500
Due to Current Fund			13,191
Capital Improvement Fund	C-4	134,217	136,217
Fund Balance	C-1	76,110	200
		$33,053,198	$27,894,086

On December 31, 2024 and 2023 there were no bonds and notes authorized but not issued.

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE
REGULATORY BASIS
Years Ended December 31, 2024 and 2023

	Ref.	2024	2023
Balance, January 1	C	$200	$159,200
Increased by:			
Premium on Sale of Bonds	C-2	68,736	-
Premium on Sale of Notes	C-2	7,174	-
		76,110	-
Decreased by:			
Payment to Current Fund as Anticipated Revenue		-	159,000
Balance, December 31	C	$76,110	$200

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	Ref.	2024	2023
Assets			
General Fixed Assets:			
Land, Buildings and Improvements		$11,641,487	$11,563,124
Machinery and Equipment		20,674,426	19,909,974
Total General Fixed Assets		$32,315,913	$31,473,098
Liabilities and Reserves			
Investment in General Fixed Assets	D-1	$32,315,913	$31,473,098

See Accompanying Notes

BOROUGH OF EATONTOWN
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PAYROLL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS
December 31, 2024 and 2023

	2024	2023
Assets		
Cash and Cash Equivalents	$109,200	$16,245
Reserves		
Reserve for Expenditures	$109,200	$16,245

See Accompanying Notes

BOROUGH OF EATONTOWN

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of the Borough of Eatontown, County of Monmouth, State of New Jersey (the "Borough"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the school boards, first aid squad, volunteer fire department or the Eatontown Sewerage Authority (a component unit of the Borough), which are subject to separate audits.

The Governmental Accounting Standards Board ("GASB") established criteria to be used to determine if component units should be included in the financial statements of the oversight entity. These criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements.

B. Description of Funds

The GASB is the recognized standard setting body for establishing governmental accounting and financial reporting principles generally accepted in the United States of America. The GASB codification establishes certain fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division. 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 this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

Current Fund - used to record revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Fund - used to record animal license revenues and expenditures.

Payroll Fund - used to record payroll related transactions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Description of Funds (continued)

Other Trust Fund - used to record assets held by the Borough in a trustee capacity or as an agent for individuals and other governmental agencies.

Length of Service Award Program Fund - used to record Borough contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund - used to record resources, including federal and state grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

General Fixed Assets Account Group - used to record fixed assets utilized in general government operations.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. A modified accrual basis of accounting is followed with minor exceptions. The more significant differences are as follows:

Property Taxes and Other Revenues - Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

Expenditures - Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Encumbrances - Contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Until lapsed at the close of the succeeding year, appropriation reserves are available 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.

Deferred Charges - The regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

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 Current Fund and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

Sale of Municipal Assets - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period when the terms of the sales contract become legally enforceable.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

Interfunds - Advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough is required to develop a fixed assets accounting and reporting system.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

For fixed assets acquired through December 31, 1985, valuation is required at historical cost or estimated historical cost if actual historical cost is not available. For assets acquired beginning on January 1, 1986, the required basis for valuation is historical cost. Depreciation is not required. GAAP requires fixed assets to be valued at cost and be depreciated. The Borough has not valued all fixed assets acquired after December 31, 1985 at actual cost.

D. Financial Statements

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

E. 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 Division in accordance with applicable statutes.

F. Impact of Recently Issued GASB Accounting Pronouncements

Management has determined that recently issued GASB accounting pronouncements, effective for the year ended December 31, 2024, would not have a significant impact upon the Borough's 2024 regulatory basis financial statements.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include cash on hand, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The Governmental Unit Deposit Protection Act ("GUDPA") is a supplemental insurance program set forth by the New Jersey Legislature to protect deposits of municipalities and local government agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. GUDPA requires public depositories to pledge collateral for deposit of public funds that exceed insurance limits. GUDPA requires that the market value of the collateral must equal five percent of the average daily balance of public funds; or if the public funds deposited exceed seventy five percent of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent of the amount exceeding seventy five percent. All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Custodial Credit Risk - The custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Although the Borough does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2024 and 2023 the Borough's bank balances were exposed to custodial credit risk as follows:

	December 31, 2024	December 31, 2023
Uninsured and Uncollateralized	$3,959,965	$4,047,988
GUDPA Insured and Collateralized with Securities Held by Pledging Financial Institutions	31,693,653	25,743,403
	$35,653,618	$29,791,391

In addition, as of December 31, 2024 and 2023, the Borough had $2,125,130 and $2,018,782 respectively, on deposit in the New Jersey Cash Management Fund (the "Fund"). These deposits are subject to custodial credit risk as described in this section. The operations of this Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments for the Fund.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered, in the name of the Borough:

(1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
(2) Government money market mutual funds.
(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
(4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.
(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
(6) Local Government investment pools, subject to certain requirements.
(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; or
(8) Agreements for the repurchase of fully collateralized securities, if:

    (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this section;

    (b) the custody of collateral is transferred to a third party;

    (c) the maturity of the agreement is not more than 30 days;

    (d) the underlying securities are purchased through a GUDPA bank;

    (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

Custodial Credit Risk - The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Borough does not have a formal investment policy for custodial credit risk for investments. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value and book value of the Borough's Length of Service Award Program Fund investments at December 31, 2024 and 2023 were $863,718 and $769,363, respectively.

Credit Risk - State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2024 and 2023 no such investments were held by the Borough.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Borough does not have a formal investment policy for interest rate risk.

3. DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes (the "notes") are issued to temporarily finance capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All notes, including renewals, 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. No notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which the notes are issued, is paid and retired on or before each subsequent anniversary date beyond which such notes are renewed from funds other than the proceeds of obligations. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

3. DEBT (continued)

Long-Term Debt

The Borough's long-term bonded debt is summarized as follows:

Purpose	Date of Issue	Original Issue	Interest Rate(s)	Balance Dec. 31, 2024
General Improvement	3/2/16	$2,325,000	5.00%	$655,000
General Improvement	1/9/18	3,640,000	5.00%	2,035,000
General Improvement	12/23/19	6,425,000	5.00%	4,310,000
General Improvement	12/22/22	7,030,000	3.00% - 5.00%	6,405,000
General Improvement	12/19/24	4,115,000	5.00%	4,115,000
				$17,520,000

Long-term bonded debt service requirements are as follows:

Year	Principal	Interest	Total
2025	$1,760,000	$849,063	$2,609,063
2026	1,840,000	770,975	2,610,975
2027	1,780,000	678,600	2,458,600
2028	1,950,000	586,100	2,536,100
2029	1,980,000	488,600	2,468,600
2030-2034	4,675,000	1,510,850	6,185,850
2035-2039	3,535,000	474,500	4,009,500
	$17,520,000	$5,358,688	$22,878,688

Long-term debt transactions for the years ended December 31, 2024 and 2023 are summarized as follows:

	Balance Dec. 31, 2023	Additions	Deductions	Balance Dec. 31, 2024
General Capital Fund:				
General Serial Bonds	$14,855,000	$4,115,000	$1,450,000	$17,520,000

	Balance Dec. 31, 2022	Additions	Deductions	Balance Dec. 31, 2023
General Capital Fund:				
General Serial Bonds	$16,630,000	-	$1,775,000	$14,855,000

3. DEBT (continued)

Short-Term Debt

As of December 31, 2024 and 2023, outstanding bond anticipation notes were as follows:

Purpose	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2024
Various Capital Improvements	3/14/24	3/14/25	4.00%	$1,400,000

Purpose	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2023
Various Capital Improvements	11/30/23	3/15/24	4.50%	$1,402,722

Bond anticipation note transactions for the years ended December 31, 2024 and 2023 are summarized as follows:

	Balance Dec. 31, 2023	Additions	Deductions	Balance Dec. 31, 2024
General Capital Fund: Bond Anticipation Notes	$1,402,722	$1,400,000	$1,402,722	$1,400,000

	Balance Dec. 31, 2022	Additions	Deductions	Balance Dec. 31, 2023
General Capital Fund: Bond Anticipation Notes	-	$1,402,722	-	$1,402,722

Bonds and Notes Authorized but not Issued

As of December 31, 2024 and 2023, there were no bonds and notes authorized but not issued.

Borrowing Power

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. As of December 31, 2024 and 2023, the Borough's net debt, expressed as a percentage of the equalized valuation basis, was 0.523% and 0.515%, respectively. As of December 31, 2024 and 2023, the Borough's net debt was $17,520,000 and $16,257,722, respectively, and the Borough's remaining borrowing power was $99,825,537 and $94,222,206, respectively.

BOROUGH OF EATONTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

4. FUND BALANCES APPROPRIATED

Fund balances at December 31, 2024 and 2023, which were appropriated and included as anticipated revenue in the current fund budget for the years ended December 31, 2025 and 2024 were as follows:

For the year ended December 31, 2025,	
Current Fund	$7,150,000
General Capital Fund	-
For the year ended December 31, 2024,	
Current Fund	$5,600,000
General Capital Fund	-

5. TAXES COLLECTED IN ADVANCE

Taxes collected in advance and set forth as cash liabilities in the financial statements were as follows:

	Balance December 31,	
	2024	2023
Prepaid Taxes	$389,260	$222,491

6. SCHOOL TAXES

Regulations provide for the deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2024 and 2023 as follows:

	Local District School Tax		Regional High School Tax	
	2024	2023	2024	2023
Balance of Tax	$9,599,922	$8,694,304	$6,283,798	$6,051,245
Deferred	9,599,922	8,694,304	6,283,797	6,051,244
Tax Payable	$0	$0	$1	$1

7. ACCRUED UNPAID SICK AND VACATION BENEFITS - UNAUDITED

As discussed in Note 1 and in accordance with accounting principles prescribed by the Division, the cash basis of accounting is followed for recording the Borough's liability related to unused sick and vacation pay. The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current costs of such unpaid compensation at December 31, 2024 and 2023 were $1,253,501 and $1,062,995 respectively. In accordance with accounting principles and practices prescribed by the Division, this amount is not reported as an expenditure or liability in the accompanying financial statements.

8. ASSESSMENT AND COLLECTION OF PROPERTY TAXES

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, School Districts and County, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 20, with a completed duplicate of the tax rolls to be delivered to the Borough tax collector on or before June 3. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

The Borough is responsible for remitting one hundred percent of school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the Borough and not the school districts or county.

9. FIXED ASSETS

Fixed assets activity for the years ended December 31, 2024 and 2023 was as follows:

	Balance Dec. 31, 2023	Additions	Dispositions	Balance Dec. 31, 2024
Land, Buildings and Improvements	$11,563,124	$78,363		$11,641,487
Machinery and Equipment	19,909,974	764,452		20,674,426
	$31,473,098	$842,815	-	$32,315,913

	Balance Dec. 31, 2022	Additions	Adjustments/ Dispositions	Balance Dec. 31, 2023
Land, Buildings and Improvements	$11,525,492	$37,632		$11,563,124
Machinery and Equipment	18,980,589	929,385		19,909,974
	$30,506,081	$967,017	-	$31,473,098

10. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft and damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Borough is a member of the Monmouth Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation, and is sustained through member premiums. In addition, the Fund participates in the Municipal Excess Liability Program Joint Insurance Fund, which has a contract for excess liability insurance for property. There were no settlements in excess of insurance coverage in the past three years.

11. UNEMPLOYMENT COMPENSATION INSURANCE

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et. seq.). The Borough has elected to fund a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. The reserve for unemployment compensation insurance on December 31, 2024, 2023 and 2022 was $43,213.

12. PENSION PLANS

Description of Systems

The Borough contributes to the Public Employees' Retirement System ("PERS"), and the Police and Firemen's Retirement System ("PFRS"), cost-sharing multiple employer defined benefit pension plans administered by the Division of Pensions and Benefits in the Department of the Treasury, State of New Jersey. The plans provide retirement, death, disability benefits and medical benefits to certain qualifying members and beneficiaries. PERS was established on January 1, 1955 under the provisions of N.J.S.A. 43:15A. PFRS was established on July 1, 1944, under the provisions of N.J.S.A. 43:16A. PERS and PFRS issue publicly available financial reports that include financial statements and required supplementary information. These reports may be obtained by writing to the State of New Jersey, Division of Pensions and Benefits.

Funding Policy

PERS employee contributions were 7.50% of base wages. PERS prosecutor employee contributions were 10.00% of base wages. PFRS employee contributions were 10.00% of base wages. The Division of Pensions actuarially determines employer's contributions annually.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program ("DCRP") is a cost-sharing multiple employer defined contribution pension fund which was established in 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. DCRP provides eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Employee contributions to DCRP are five and one-half percent (5.50%) of base wages. Member contributions are matched by a three percent (3.00%) employer contribution.

Unfunded Pension Liability

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2024.

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of $7,076,902 for the Borough's proportionate share of the total net pension liability. 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 Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Borough's proportion was 0.052081821 percent, which was an increase of 0.0001205912 percent from its proportion measured as of June 30, 2023. The pension expense recognized in the Borough's financial statements based on the April 1, 2024 billing was $718,391.

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 rolled forward to June 30, 2024. The actuarial valuation used the following assumptions:

	June 30, 2024
Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75% - 6.55%
Investment Rate of Return	7.00%

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

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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 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:

	June 30, 2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets 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%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective 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		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Borough's proportionate share of the pension liability	$9,403,462	$7,076,902	$5,097,011

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System.

12. PENSION PLANS (continued)

Public Employees Retirement System (PERS) (Continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

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

	June 30, 2024	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	$18,841	$141,763
Changes of assumptions	80,519	8,792
Net difference between projected and actual earnings on pension plan investments	328,137	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	44,187	482,609
	$471,684	$633,164

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of $161,480, will be amortized in pension expense in future years.

12. PENSION PLANS (continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the State reported a net pension liability of $14,514,267 for the Borough's proportionate share of the total PFRS net pension liability. 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 Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Borough's proportion was 0.142055224 percent, which was a decrease of 0.00244531 percent from its proportion measured as of June 30, 2023.

The pension expense recognized in the Borough's financial statements based on the April 1, 2024 billing was $1,903,585.

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 rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

	June 30, 2024
Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	
Through all future years	3.25% - 16.25%
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scaled MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality table (sex-specific), projected generationally from 2010 with Scale MP-2021 morality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100.% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

12. PENSION PLANS (continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% 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 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:

	June 30, 2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Non-U.S. Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Large-Cap Equity	6.00%	9.60%
Emerging Markets Small Cap Equity	1.50%	9.60%
U.S. Treasury Bond	7.00%	4.10%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Cash	2.00%	3.40%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Debt/Credit	8.00%	9.10%
Private Equity	10.00%	10.10%
	100.00%	

12. PENSION PLANS (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective 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		
	1% Decrease 6.00%	At Current Discount Rate 7.00%	1% Increase 8.00%
Borough's proportionate share of the pension liability	$20,737,658	$14,514,267	$9,331,546

12. PENSION PLANS (continued)

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

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2024, the State reported deferred inflows of resources and deferred outflows of resources related to PFRS from the following sources:

	June 30, 2024	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	$496,887	$914,388
Changes of assumptions	426,260	22,944
Net difference between projected and actual earnings on pension plan investments	113,600	
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	267,647	700,584
	$1,304,394	$1,637,916

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of $333,522 will be recognized in pension expense by the Borough in future years.

12. PENSION PLANS (continued)

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

Special Funding Situation

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

At June 30, 2024, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $2,861,457.

Borough's Proportionate Share of Net Pension Liability	$14,514,267
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	2,861,457
	$17,375,724

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System.

13. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost 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 non-funding of the authorized cost of capital projects. In accordance with New Jersey Statutes 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 the particular year in the current budget. As funds are raised, the deferred charges are reduced.

14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As of December 31, 2024 and 2023, there were no deferred charges reflected on the balance sheets of the various funds of the Borough.

15. INTERFUND BALANCES

The balances of interfund receivables and payables at December 31, 2024 and 2023 are presented below:

	December 31, 2024	December 31, 2023
Receivables		
Current Fund	$10,369	$29,447
Federal and State Grant Fund	424,158	662,836
General Capital Fund	2,123	
Other Trust Fund	465	153,338
	$437,115	$845,621
Payables		
Current Fund	$426,746	$816,174
General Capital Fund		13,191
Animal Control Fund	10,369	16,256
	$437,115	$845,621

Interfund balances resulted either from the time lag between the dates that reimbursable expenditures occurred, revenues/receipts were collected or when payments were made between funds.

16. LENGTH OF SERVICE AWARD PROGRAM

The Borough has established a Length of Service Award Program to recruit and retain the Borough's volunteer fire department and first aid squad members. The Length of Service Award Program has been established under the laws of the State of New Jersey with the intent that it meets requirements under Section 457(e)(11)(B) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria shall not exceed $1,350 annually.

Appropriations - Appropriations for the purpose of funding the Borough's Length of Service Award Program are included as a separate line item in the Borough's budget.

17. DEFERRED COMPENSATION

The Borough has adopted a Deferred Compensation Plan (the "Plan") in accordance with Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the statutes of the State of New Jersey.

The Plan enables the Borough's employees to voluntarily authorize a portion of their salary to be withheld and invested in certain investments permitted under applicable regulations.

18. POSTEMPLOYMENT BENEFITS

Plan Description

The Borough participates in the State Health Benefit Local Government Retired Employees Plan (the "Plan"), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

18. POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for paid health benefit coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

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 level of coverage.

18. POSTEMPLOYMENT BENEFITS (continued)

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighters 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. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation, However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

For additional information, please refer to the State of New Jersey, Division of Pensions and Benefits' Comprehensive Annual Financial Report, which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

18. POSTEMPLOYMENT BENEFITS (continued)

Net OPEB Liability and Total OPEB Expense

As of June 30, 2024, the Plan reported a net OPEB liability of $32,033,021 as the Borough's proportionate share of the collective total of the net OPEB liability of participating employers in the Plan. As of June 30, 2024, the Borough's proportionate share of the total net OPEB liability was 0.178901%. The Borough's net OPEB liability as of June 30, 2024, was determined by an actuarial valuation of the total OPEB liability amount as of July 1, 2023, as rolled forward to June 30, 2024, less the amount of the Borough's proportionate share of the Plan's Fiduciary Net Position. As reported by the Plan, the Borough's total OPEB expense for the year ended June 30, 2024 was $570,700.

Employer Contributions to the Plan

The Plan's annual required employer contribution amount is based on a pay-as-you-go basis, rather than an annual contribution amount that is actuarially determined. The Borough's contributions to the Plan for the years ended December 31, 2024 and 2023 were $1,307,942 and $1,062,995, respectively, which equaled the Borough's required contribution amount for each year.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	June 30, 2024
Salary Increases*:	
PERS	
Rate for all future years	2.75% - 6.55%
PFRS	
Rate for all future years	3.25% - 16.25%

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

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

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

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

18. POSTEMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate for June 30, 2024 was 3.93%. This represents the municipal bond 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 than the discount rate is set at the municipal bond rate.

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

The following presents the net OPEB liability of the Borough, as well as what the Borough's total 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 discount rate:

	June 30, 2024		
	1% Decrease 2.93%	At Current Discount Rate 3.93%	1% Increase 4.93%
Net OPEB Liability	$37,315,017	$32,033,021	$27,802,612

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Borough, as well as what the Borough's net OPEB liability would be if they were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	June 30, 2024		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$27,093,397	$32,033,021	$38,383,989

18. POSTEMPLOYMENT BENEFITS (continued)

Deferred Inflows of Resources and Deferred Outflows of Resources

At June 30, 2024, the State reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

	June 30, 2024	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	$5,427,496	$1,622,246
Changes of assumptions	5,317,279	5,355,315
Net difference between projected and actual earnings on OPEB plan investments	14,500	-
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	2,552,211	8,949,630
	$13,311,486	$15,927,191

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to OPEB, in the amount of $2,615,705, will be amortized in OPEB expense.

19. COMMITMENTS AND CONTINGENCIES

Grant Financial Assistance

The Borough receives certain financial assistance in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. The Borough's administration anticipates that no material liabilities will result from such audits.

Tax Appeals

There are tax appeal cases pending against the Borough before the New Jersey Tax Court. The Borough intends to vigorously defend its assessments in each case. Under accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize liability, if any, until a case has been adjudicated.

Legal Proceedings

The Borough is party to certain legal proceedings, the resolution and impact of which, individually or in the aggregate, in the opinion of the Borough's administration, are not likely to have a material adverse impact on the Borough's financial position or adversely affect the Borough's ability to levy, collect, and enforce the collection of taxes or other revenue for the repayment of its bonds or other obligations.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring after December 31, 2024 and through January 28, 2026, which is the date the financial statements were available to be issued.

Authorization of Bonds and Notes

On September 25, 2025, the Borough adopted an ordinance to authorize the issuance of bonds and notes of $4,318,109 to finance a portion of the costs providing for various capital improvements and the acquisition of various capital equipment.

Redevelopment Area Bonds

On October 22, 2025, the Borough adopted an ordinance approving a long term tax exemption and authorizing the execution of a financial agreement between the Borough and Netflix Eatontown Urban Renewal, LLC (the "LLC"). On December 17, 2025, the Borough authorized the issuance and sale of redevelopment area bonds in an aggregate principal amount not to exceed $55,000,000. As security for the redevelopment area bonds, the financial agreement stipulates that an annual service charge from the LLC will be pledged and assigned to the repayment of the redevelopment area bonds.

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APPENDIX C

FORM OF BOND COUNSEL OPINION

Dilworth
Paxson LLP

An opinion in substantially the following form
will be delivered at Closing assuming no
material changes in facts or law.

August __, 2026

Mayor and Borough Council of the
Borough of Eatontown, in the
County of Monmouth, New Jersey

RE: Borough of Eatontown, County of Monmouth, New Jersey
$__________ Bond Anticipation Notes, Series 2026A

Dear Mayor and Members of the Borough Council:

We have examined a record of the proceedings relating to the issuance of $__________ Bond Anticipation Notes, Series 2026A (the "Notes") of the Borough of Eatontown, in the County of Monmouth, a municipal corporation of the State of New Jersey (the "Borough"). The Notes are dated August __, 2026, mature March __, 2027, and bear interest at the rate of ____% per annum payable at maturity. The Notes [are initially registered in the name of, and held by, Cede & Co., as nominee for The Depository Trust Company, Brooklyn, New York, in book-entry-only form] and are not subject to redemption prior to maturity.

The Notes are issued pursuant to the Local Bond Law of the State of New Jersey (Chapter 2 of Title 40A of the New Jersey Statutes, as amended), and in anticipation of the issuance of bonds and are authorized by virtue of the bond ordinances described in the Certificate of Determination and Award dated the date hereof (the "Bond Ordinances"). The Notes are being issued to (i) temporarily finance the cost of various general capital improvements and acquisitions to be undertaken in and by the Borough; and (ii) pay costs associated with the issuance of the Notes (collectively, the "Project").

In forming our opinion, we have examined certified copies of the Bond Ordinances and the unexecuted notes. We also have 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, including the Non-Arbitrage and Use of Proceeds Certificate of the Borough dated the date of the Notes (the "Non-Arbitrage Certificate") for the purpose of the opinions rendered below. In such examination, we have assumed the genuineness of all

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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 executed by the Mayor, Clerk, and Chief Financial Officer. We have not reviewed and are not passing upon any statistical or financial data or other information or offering materials relating to the Borough, the Project or the Notes, which may have been provided to any purchaser or prospective purchaser of the Notes or disclosed in any preliminary or final Official Statement distributed in connection with the offering of the Notes. Therefore, we express no opinion herein as to the adequacy or accuracy of such information or any such Official Statement.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest thereon will be and will remain excluded from gross income pursuant to Section 103 of the Code. The Borough has provided the Non-Arbitrage Certificate which contains provisions and procedures regarding compliance with the requirements of the Code. In executing the Non-Arbitrage Certificate, the Borough has certified to the effect that it expects to be able to, and will, comply with the provisions and procedures set forth therein and that to the extent authorized by law will do and perform all acts and things necessary or desirable to assure that interest paid on the Notes is not includable in gross income under Section 103 of the Code. In rendering this opinion, we have assumed compliance by the Borough with the covenants contained in the Bond Ordinances, the Notes and the statements contained in the Non-Arbitrage Certificate that are intended to comply with the provisions of the Code relating to actions to be taken by the Borough in respect of the Notes after the issuance thereof to the extent necessary to effect or maintain the federal tax-exempt status of the interest on the Notes. These covenants and statements relate to, *inter alia*, the use of proceeds of the Notes and the property financed or refinanced thereby and the rebating to the United States Treasury of specified arbitrage earnings, if required. We have assumed that the Borough will comply with the provisions of the Bond Ordinances and the Non-Arbitrage Certificate. Furthermore, we take no responsibility for the continuing review or verification as to the satisfaction of the requirements under the Code, or any similar or related legislation when enacted or amended, for compliance by the Borough therewith.

The Borough has taken the actions necessary for the Notes to be designated or deemed designated as “qualified tax-exempt obligations,” as defined in and for purposes of Section 265(b)(3) of the Code, and has made certain representations and covenants necessary to cause the Notes to continue to be obligations described in such Section of the Code during the period in which the Notes are outstanding.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Notes are valid and legally binding obligations of the Borough and the Borough has the power and is obligated to levy *ad valorem* taxes upon all the taxable property within the Borough for the payment of the principal of the Notes and the interest thereon, without limitation as to rate or amount. The enforceability of rights or remedies with respect to the Notes may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting the enforcement of creditors' or other equitable rights in general.

2. Interest on the Notes and any gain from the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

3. Assuming the Borough observes its covenants with respect to compliance with the Code, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Notes, interest on the Notes is excluded from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. In addition, interest on the Notes is not treated as a preference item in calculating the alternative minimum tax imposed by the Code, however, interest on the Notes is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

Other than as set forth in Paragraphs 2 and 3 hereof, we express no opinion regarding other federal and state tax consequences arising with respect to the Notes.

The opinions set forth herein are given solely for the benefit of the original purchaser of the Notes and the addressee hereof and may not be relied on by any other person or entity without our express prior written consent. This opinion is rendered on the basis of federal law and the laws of the State of New Jersey as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs above, including, without limitation, with respect to, and assume no responsibility for, the accuracy, adequacy or completeness of any financial or other information relating to the Borough furnished in connection with the sale of the Notes and make no representation that we have independently verified any such information. The opinions set forth herein are given solely as of the date hereof, and we do not undertake to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

DILWORTH PAXSON LLP

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Borough of Eatontown, in the County of Monmouth, New Jersey (the "Issuer") in connection with the issuance by the Issuer of its Bond Anticipation Notes, Series 2026A, in the aggregate principal amount of $_________ (the "Notes"). The Notes are being issued pursuant to various bond ordinances duly adopted by the Issuer. The Issuer covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

"State" shall mean the State of New Jersey.

SECTION 3. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on the debt service reserves reflecting financial difficulties;

4. unscheduled draws on the credit enhancements reflecting financial difficulties;

5. substitution of the credit or liquidity providers or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax-exempt status of the Notes;

7. modifications to rights of Noteholders, if material;

8. Note calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the Notes, if material;

11. rating changes;

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

13. the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee or the change of name of a trustee, if material;

15. incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect 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 Issuer, any of which reflect financial difficulties.

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

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

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

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

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

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

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

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

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

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

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

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

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

Date: August __, 2026

BOROUGH OF EATONTOWN, IN THE
COUNTY OF MONMOUTH, NEW JERSEY

By:____________________________________
DENA AMODEA,
Chief Financial Officer

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