BOROUGH OF PENNS GROVE

COUNTY OF SALEM

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

19400

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PART 1

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Penns Grove
Penns Grove, New Jersey 08069

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds of the Borough of Penns Grove, in the County of Salem, State of New Jersey ("Borough"), as of December 31, 2024, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, 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 as listed in the table of contents.

Qualified and Unmodified Opinions on Regulatory Basis of Accounting

Qualified Opinion on General Fixed Asset Group of Accounts

In our opinion, as a result of the effects of the matter described in the *Basis for Qualified and Unmodified Opinions on Regulatory Basis of Accounting* paragraph, the general fixed asset group of accounts - regulatory basis of the Borough is not presented fairly, in all material respects, for the year ended December 31, 2024, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), as described in Note 1.

Unmodified Opinions on Current Fund, Trust Funds, and General Capital Fund

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the various funds of the Borough, as of December 31, 2024, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis, and expenditures - regulatory basis of the various funds, for the year ended December 31, 2024, in conformity with accounting principles and practices prescribed by the Division, as described in Note 1.

Basis for Qualified and Unmodified Opinions on Regulatory Basis of Accounting

Matter Giving Rise to the Qualified Opinion on the General Fixed Asset Group of Accounts

Management has not included the General Fixed Asset Group of Accounts in the Borough's financial statements. Accounting principles and practices prescribed by the Division require the General Fixed Asset Group of Accounts to be presented.

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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 in compliance with audit requirements prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. Our responsibilities under those standards and requirements are further described in the *Auditors' 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 qualified and unmodified audit opinions.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

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

Report on December 31, 2023, Financial Statements

The financial statements of the Borough of Penns Grove as of December 31, 2023, were audited by Bowman & Company LLP, whose owners became partners with PKF O'Connor Davies, LLP, and whose report dated March 3, 2025, expressed an adverse opinion on accounting principles generally accepted in the United States of America, a qualified opinion on the General Fixed Asset Group of Accounts - regulatory basis, and unmodified opinions on the Current Fund, Trust Funds, and General Capital Fund – regulatory basis.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the year ended December 31, 2024, the Borough adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 101*, Compensated Absences.* The adoption of this new accounting principle resulted in an updated measurement of compensated absences in accordance with the Statement (Note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only impacted financial statement disclosures. Our opinions are not modified with respect to this matter.

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. 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.

Responsibilities of Management for the Financial Statements (Cont'd)

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.

Auditors' 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 auditors' 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 auditing standards generally accepted in the United States of America, requirements prescribed by the Division and *Government 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 auditing standards generally accepted in the United States of America, requirements prescribed by the Division and *Government 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division, and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental statements and 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 March 9, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Woodbury, New Jersey
March 9, 2026

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

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

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Borough Council
Borough of Penns Grove
Penns Grove, New Jersey 08069

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the regulatory basis financial statements of the Borough of Penns Grove ("Borough") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated March 9, 2026. That report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division. In our report, our opinion was modified because the financial statements did not include the general fixed asset group of accounts as required by the New Jersey Administrative Code. Also, our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings and Recommendations,* we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying *Schedule of Findings and Recommendations* as *Finding No. 2024-003,* that we consider to be a material weakness.

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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. We consider the deficiencies described in the accompanying *Schedule of Findings and Recommendations* as *Finding No. 2024-001, Finding No. 2024-006, Finding No. 2024-007, Finding No. 2024-009 and Finding No. 2024-010* to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division, and which are described in the accompanying *Schedule of Findings and Recommendations* as items *Finding No. 2024-002, Finding No. 2024-004, Finding No. 2024-005, Finding No. 2024-008 and Finding No. 2024-011.*

The Borough of Penns Grove's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Borough's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Recommendations*. The Borough's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Woodbury, New Jersey
March 9, 2026

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Registered Municipal Accountant

BOROUGH OF PENNS GROVE
CURRENT FUND
Balance Sheets -- Regulatory Basis
As of December 31, 2024 and 2023

	Ref.	2024	2023
ASSETS:			
Regular Fund:			
Cash - CFO	SA-1	$ 2,744,625.45	$ 4,152,545.59
Cash - Tax Collector	SA-1	787,088.78	319,533.74
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	SA-4	1,385.44	1,563.52
		3,533,099.67	4,473,642.85
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-2	878,557.63	576,241.22
Tax Title Liens	SA-3	1,785,449.93	1,520,926.19
Property Acquired for Taxes -- Assessed Valuation	SA-11	1,427,300.00	1,671,800.00
Due from Trust -- Animal Control Fund	SB-4	3,421.94	2,609.14
Due from Trust -- Other Funds	SB-5	17,360.23	27,364.23
		4,112,089.73	3,798,940.78
Total Regular Fund		7,645,189.40	8,272,583.63
Federal and State Grant Fund:			
Cash	SA-1	218,792.84	218,792.84
Due from Current Fund	SA-12	604,064.54	1,055,162.25
Loans Receivable	A	24,273.22	24,273.22
Federal and State Grants Receivable	SA-13	1,093,875.17	1,663,194.18
Total Federal and State Grant Fund		1,941,005.77	2,961,422.49
		$ 9,586,195.17	$ 11,234,006.12

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Balance Sheets -- Regulatory Basis
As of December 31, 2024 and 2023

	Ref.	2024	2023
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-7	$ 351,825.47	$ 260,476.17
Reserve for Encumbrances	A-3, SA-7	50,298.86	49,374.42
Accounts Payable	SA-1, SA-7	42,748.87	36,610.31
Tax Overpayments	SA-5	16,957.41	26,564.95
Prepaid Taxes	SA-10	96,606.18	85,167.95
Due County of Salem	SA-8	8,522.66	22,020.26
Regional School District Tax Payable	SA-9	29,578.00	267,971.00
Due to Federal and State Grant Fund	SA-12	604,064.54	1,055,162.25
Due to General Capital Fund	SC-7	532,680.33	447,683.72
Due to Penns Grove Sewer Authority	SA-1	157,276.95	
Reserve for Emergency Medical Services	SA-1	43,200.00	
Reserve for Municipal Relief Fund Aid	A-2		191,385.42
Reserve for Master Plan Update	SA-1		50,003.75
Reserve for Revaluation	A	246,094.00	246,094.00
		2,179,853.27	2,738,514.20
Reserves for Receivables and Other Assets	A	4,112,089.73	3,798,940.78
Fund Balance	A-1	1,353,246.40	1,735,128.65
Total Regular Fund		7,645,189.40	8,272,583.63
Federal and State Grant Fund:			
Appropriated Reserves	SA-14	1,744,747.06	1,764,539.57
Unappropriated Reserves	SA-15	835.61	1,001,459.82
Reserve for Receivables	A	24,273.22	24,273.22
Reserve for Program Income	A	171,149.88	171,149.88
Total Federal and State Grant Fund		1,941,005.77	2,961,422.49
		$ 9,586,195.17	$ 11,234,006.12

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

BOROUGH OF PENNS GROVE
CURRENT FUND
Statements of Operations and Changes in Fund Balance -- Regulatory Basis
For the Years Ended December 31, 2024 and 2023

	Ref.	2024	2023
Revenue and Other Income Realized:			
Fund Balance Anticipated	A-2	$ 851,000.00	$ 650,950.00
Miscellaneous Revenues Anticipated	A-2	4,195,917.27	4,379,958.96
Receipts from Delinquent Taxes and Tax Title Liens	A-2a	640,007.47	616,344.82
Receipts from Current Taxes	A-2a	6,457,481.54	6,510,987.35
Non-Budget Revenue	A-2a	262,015.89	432,878.87
Other Credits to Income:			
Interfunds Liquidated	A	9,191.20	
Statutory Excess Animal Control Fund	A	812.80	
Unexpended Balance of Appropriation Reserves	SA-7	50,768.20	294,638.23
Total Income		12,467,194.37	12,885,758.23
Expenditures:			
Budget Appropriations:			
Within "CAPS":			
Operations:			
Salaries and Wages	A-3	2,427,785.00	2,327,929.84
Other Expenses	A-3	3,366,808.00	3,078,607.00
Deferred Charges and Statutory Expenditures	A-3	488,592.00	481,150.00
Excluded from "CAPS":			
Operations:			
Other Expenses	A-3	1,322,240.60	1,056,890.63
Capital Improvements	A-3	150,000.00	30,000.00
Municipal Debt Service	A-3	123,189.00	686,284.72
Deferred Charges	A-3		68,000.00
Transferred to Board of Education for Use of Local Schools	A-3	13,103.00	13,734.00
County Taxes	SA-8	2,186,977.02	1,960,234.26
Regional School District Tax	SA-9	1,918,132.00	1,957,202.00
Refund of Prior Year Revenue			7,500.00
Prior Year Disallowed Senior Citizen Deductions	SA-4	1,250.00	750.00
Creation of Interfund Receivable			27,650.32
Total Expenditures		11,998,076.62	11,695,932.77
Excess in Revenue		469,117.75	1,189,825.46
Fund Balance January 1	A	1,735,128.65	1,196,253.19
		2,204,246.40	2,386,078.65
Decreased by:			
Utilization as Anticipated Revenue	A-2	851,000.00	650,950.00
Fund Balance December 31	A	$ 1,353,246.40	$ 1,735,128.65

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

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

	Anticipated Budget	Special NJSA 40A: 4-87	Realized	Excess or (Deficit)
Surplus Anticipated	$ 851,000.00		$ 851,000.00	
Miscellaneous Revenues				
Fees and Permits	28,750.00		27,061.06	$ (1,688.94)
Fines and Costs - Municipal Court	17,850.00		17,723.77	(126.23)
Interest and Costs on Taxes	105,000.00		125,562.22	20,562.22
Payment in Lieu of Taxes:				
Penns Grove Gardens	182,117.00		216,000.00	33,883.00
Penn Village	42,500.00		42,500.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,856,733.00		1,856,733.38	0.38
Transitional Aid	550,000.00		550,000.00	
Public and Private Revenues Offset				
Body Armor Replacement Program	1,459.82		1,459.82	
Clean Communities	12,460.99		12,460.99	
Supplemental Transitional Aid - 2023	1,000,000.00		1,000,000.00	
NJ EDA		$ 62,789.00	62,789.00	
Firefighters Grant	41,207.61		41,207.61	
Penns Grove Sewerage Authority	51,034.00		51,034.00	
Reserve for Municipal Relief Fund Reserve	191,385.42		191,385.42	
Total Miscellaneous Revenues	4,080,497.84	62,789.00	4,195,917.27	52,630.43
Receipts from Delinquent Taxes	500,000.00		640,007.47	140,007.47
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes including Reserve for Uncollected Taxes	3,447,432.78		3,402,332.54	(45,100.24)
Budget Totals	8,878,930.62	62,789.00	9,089,257.28	147,537.66
Non-Budget Revenue			262,015.89	262,015.89
	$ 8,878,930.62	$ 62,789.00	$ 9,351,273.17	$ 409,553.55

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Revenues -- Regulatory Basis
For the Year Ended December 31, 2024

Analysis of Realized Revenue		
Allocation of Current Tax Collections:		
Revenue from Collections	$	6,457,481.54
Allocated to:		
County and School Taxes		4,105,109.02
Amount for Support of Municipal Budget Appropriations		2,352,372.52
Add: Appropriation "Reserve for Uncollected Taxes"		1,049,960.02
Amount for Support of Municipal Budget Appropriations	$	3,402,332.54
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	$	549,078.53
Tax Title Lien Collections		90,928.94
	$	640,007.47
Fees and Permits:		
Street Opening Permits	$	2,000.00
Planning		2,309.00
Registrar Fees		7,807.00
Zoning Board of Adjustments		2,568.00
Housing		2,775.00
Cat Licenses		132.00
Police Clerk Fees		497.00
Cable Fees		8,973.06
	$	27,061.06
Analysis of Non-Budget Revenues		
Miscellaneous Revenue not Anticipated:		
Vacant Property Registration Fee	$	8,160.00
Trash Collection		4,893.00
Clerk's Fees		2,888.41
Clerk's Miscellaneous		250.00
Interest on Investments and Deposits - Current Fund Account		48,153.64
Penns Grove Housing Authority PILOT		46,164.81
Deposit on Sale of Property		21,500.00
Sale of Property		119,635.00
Miscellaneous		9,143.26
Total CFO -- Cash Collections		260,788.12
Tax Collector - Miscellaneous		1,227.77
Total Tax Collector -- Cash Collections		1,227.77
Total Non-Budget Revenues	$	262,015.89

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

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS"						
General Government Functions						
General Administration:						
Salaries and Wages	$ 129,000.00	$ 101,500.00	$ 100,436.44		$ 1,063.56	
Other Expenses	15,000.00	15,000.00	8,743.00	$ 465.00	5,792.00	
Mayor and Council:						
Salaries and Wages	27,060.00	27,060.00	27,009.56		50.44	
Other Expenses	10,000.00	10,000.00	4,884.32		5,115.68	
Municipal Clerk:						
Salaries and Wages	121,000.00	124,000.00	123,486.56		513.44	
Other Expenses	35,000.00	35,000.00	22,254.06	1,541.31	11,204.63	
Financial Administration:						
Salaries and Wages	141,220.00	142,920.00	142,510.22	387.01	22.77	
Other Expenses	35,600.00	37,600.00	35,114.49	340.77	2,144.74	
Audit Services:						
Other Expenses	27,000.00	27,000.00	4,000.00		23,000.00	
Revenue Administration:						
Salaries and Wages	76,868.00	66,868.00	61,976.49		4,891.51	
Other Expenses	12,000.00	14,000.00	11,965.01	74.99	1,960.00	
Tax Assessment Administration:						
Salaries and Wages	20,000.00	20,000.00	19,995.88		4.12	
Other Expenses	2,175.00	2,175.00	2,038.23		136.77	
Legal Services and Costs:						
Other Expenses	155,000.00	170,000.00	161,855.51	1.00	8,143.49	
Liquidation of Tax Title Liens and Foreclosed Property	25,000.00	20,000.00	19,142.50		857.50	
Engineering Services and Costs:						
Other Expenses	63,000.00	94,000.00	93,611.46		388.54	
Economic Development Agencies:						
Other Expenses	54,825.00	54,325.00	44,393.25	3,850.00	6,081.75	
Land Use Administration						
Planning Board:						
Salaries and Wages	3,000.00	3,000.00	2,400.00		600.00	
Other Expenses	57,220.00	64,220.00	61,887.91		2,332.09	
Insurance						
General Liability	150,941.00	150,941.00	150,749.00		192.00	
Workers Compensation	248,253.00	248,253.00	248,253.00			
Employee Group Health	1,082,442.00	1,022,242.00	1,012,131.32	3,792.11	6,318.57	
Health Insurance Waiver	20,000.00	24,500.00	23,869.21		630.79	
Unemployment Insurance	8,300.00	8,300.00			8,300.00	

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Safety Functions						
Police:						
Salaries and Wages	$ 1,581,579.00	$ 1,625,579.00	$ 1,579,981.00		$ 45,598.00	
Other Expenses	84,000.00	84,000.00	72,713.42	$ 8,082.86	3,203.72	
Office of Emergency Management:						
Salaries and Wages	7,500.00	7,500.00	6,098.52		1,401.48	
Other Expenses	500.00	500.00			500.00	
Aid to Volunteer Ambulance Companies:						
Other Expenses	30,360.00	30,360.00	27,764.68	431.94	2,163.38	
Fire:						
Fire Hydrant Service	49,575.00	49,575.00	49,547.55		27.45	
Other Expenses	35,200.00	35,200.00	21,098.34	11,390.63	2,711.03	
Municipal Prosecutor:						
Other Expenses	17,500.00	17,500.00	10,207.75		7,292.25	
Municipal Court						
Municipal Court:						
Salaries and Wages	125,000.00	110,000.00	105,534.70		4,465.30	
Other Expenses	14,500.00	14,500.00	9,206.85	425.12	4,868.03	
Public Defender:						
Other Expenses	8,870.00	8,870.00	7,309.80		1,560.20	
Public Works Functions						
Shade Tree Commission:						
Other Expenses	3,800.00	3,800.00	1,034.56		2,765.44	
Public Buildings and Grounds:						
Salaries and Wages	15,000.00	12,000.00	7,821.36		4,178.64	
Other Expenses	86,000.00	89,000.00	84,519.45	1,151.29	3,329.26	
Solid Waste Collection						
Other Expenses	387,090.00	387,090.00	367,590.87	1,072.89	18,426.24	
Public Works						
Salaries and Wages	89,408.00	89,408.00	76,597.31		12,810.69	
Other Expenses	47,000.00	47,000.00	39,751.80	3,253.50	3,994.70	
Vehicle Maintenance:						
Other Expenses	48,000.00	48,000.00	41,194.41	3,416.06	3,389.53	

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Health and Human Services						
Board of Health:						
Salaries and Wages	$ 3,150.00	$ 3,150.00	$ 3,121.20		$ 28.80	
Other Expenses	6,825.00	6,825.00	5,480.47		1,344.53	
Safety Coordinator:						
Salaries and Wages	3,300.00	3,300.00	3,289.73		10.27	
Other Expenses	1,000.00	1,000.00			1,000.00	
Animal Control:						
Other Expenses	44,032.00	44,032.00	37,688.05		6,343.95	
Recreation and Education						
Recreation Services and Programs:						
Other Expenses	20,000.00	20,000.00	11,193.72		8,806.28	
Utility Expenses and Bulk Purchases						
Electricity and Natural Gas	190,000.00	190,000.00	171,902.70	$ 57.54	18,039.76	
Telecommunications	86,000.00	111,000.00	106,917.97	4,077.73	4.30	
Water	4,500.00	4,500.00	4,276.02		223.98	
Petroleum Products	48,000.00	48,000.00	40,030.88		7,969.12	
Sewage Processing & Disposal	4,000.00	4,000.00	1,921.78		2,078.22	
Landfill/Solid Waste Disposal Costs						
Penns Grove Gardens Apartments	15,000.00	15,000.00	15,000.00			
Other Expenses	128,000.00	128,000.00	105,706.41		22,293.59	
Code Enforcement and Administration						
Other Code Enforcement Functions:						
Salaries and Wages	74,000.00	57,000.00	54,472.22		2,527.78	
Other Expenses	6,000.00	6,000.00	4,867.76		1,132.24	
Unclassified						
Accumulated Leave Compensation	10,000.00	10,000.00	10,000.00			
Total Operations -- Within "CAPS"	5,794,593.00	5,794,593.00	5,466,548.70	43,811.75	284,232.55	-
Detail:						
Salaries and Wages	2,447,085.00	2,427,785.00	2,348,600.40	387.01	78,797.59	-
Other Expenses	3,347,508.00	3,366,808.00	3,117,948.30	43,424.74	205,434.96	-

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
DEFERRED CHARGES AND STATUTORY EXPENDITURES -- WITHIN "CAPS"						
Statutory Expenditures						
Contribution to:						
Public Employees' Retirement System	$ 77,813.00	$ 77,813.00	$ 77,813.00			
Social Security System (O.A.S.I.)	90,000.00	90,000.00	71,189.08		$ 18,810.92	
Police and Firemen's Retirement System of NJ	316,779.00	316,779.00	316,779.00			
Defined Contribution Retirement Program	4,000.00	4,000.00			4,000.00	
Total Deferred Charges and Statutory Expenditures -- Municipal -- Within "CAPS"	488,592.00	488,592.00	465,781.08	-	22,810.92	-
Total General Appropriations for Municipal Purposes Within -- "CAPS"	6,283,185.00	6,283,185.00	5,932,329.78	$ 43,811.75	307,043.47	-
OPERATIONS -- EXCLUDED FROM "CAPS"						
Length of Service Award Program (LOSAP)	10,200.00	10,200.00			10,200.00	
Tax Appeal Settlement	11,390.90	11,390.90	11,390.90			
Liability Insurance	30,038.00	30,038.00	29,014.00		1,024.00	
Workers Compensation Insurance	1,730.00	1,730.00	1,730.00			
Employee Group Insurance	33,558.00	33,558.00			33,558.00	
Solid Waste Collection	28,590.00	28,590.00	28,590.00			
Total Other Operations	115,506.90	115,506.90	70,724.90	-	44,782.00	-
Interlocal Municipal Service Agreements						
Police Dispatch Services						
Other Expenses	88,816.28	88,816.28	88,816.28			
Total Interlocal Municipal Service Agreements	88,816.28	88,816.28	88,816.28	-	-	-
Public and Private Programs Offset by Revenues						
Body Armor Replacement Program	1,459.82	1,459.82	1,459.82			
Clean Communities	12,460.99	12,460.99	12,460.99			
Supplemental Transitional Aid - 2023	1,000,000.00	1,000,000.00	1,000,000.00			
NJ EDA (NJSA 40A:4-87 $62,789.00)		62,789.00	62,789.00			
Firefighters Grant	41,207.61	41,207.61	41,207.61			
Total Public and Private Programs Offset by Revenues	1,055,128.42	1,117,917.42	1,117,917.42	-	-	-

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Expenditures -- Regulatory Basis
For the Year Ended December 31, 2024

	Appropriations		Expended			Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS -- EXCLUDED FROM "CAPS" (CONT'D)						
Total Operations -- Excluded from "CAPS"	$ 1,259,451.60	$ 1,322,240.60	$ 1,277,458.60		$ 44,782.00	
Salaries and Wages	-	-	-	-	-	-
Other Expenses	1,259,451.60	1,322,240.60	1,277,458.60	-	44,782.00	-
CAPITAL IMPROVEMENTS -- EXCLUDED FROM "CAPS"						
Capital Improvement Fund	30,000.00	30,000.00	30,000.00			
Capital Penns Street Phase III	60,000.00	60,000.00	60,000.00			
Improvements to Borough Owned Properties	60,000.00	60,000.00	60,000.00			
Total Capital Improvements -- Excluded from "CAPS"	150,000.00	150,000.00	150,000.00	-	-	-
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes	71,000.00	71,000.00	71,000.00			
Interest on Notes	14,651.00	14,651.00	14,610.30			$ 40.70
Green Trust Loan Program -						
Loan Repayments for Principal & Interest	37,580.00	37,580.00	31,091.59	$ 6,487.11		1.30
Total Municipal Debt Service -- Excluded from "CAPS"	123,231.00	123,231.00	116,701.89	6,487.11	-	42.00
Transferred to Board of Education for Use of Local Schools	13,103.00	13,103.00	13,103.00		-	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	1,545,785.60	1,608,574.60	1,557,263.49	6,487.11	44,782.00	42.00
Subtotal General Appropriations	7,828,970.60	7,891,759.60	7,489,593.27	50,298.86	351,825.47	42.00
Reserve for Uncollected Taxes	1,049,960.02	1,049,960.02	1,049,960.02			
Total	$ 8,878,930.62	$ 8,941,719.62	$ 8,539,553.29	$ 50,298.86	$ 351,825.47	$ 42.00

Budget	$ 8,878,930.62	
Appropriated by NJSA 40A:4-87	62,789.00	
Reserve for Federal and State Grant Fund--Appropriated		$ 1,117,917.42
Due to General Capital Fund		150,000.00
Transferred to School Taxes Payable		13,103.00
Reserve for Uncollected Taxes		1,049,960.02
Cash Disbursed		6,208,572.85
	$ 8,941,719.62	$ 8,539,553.29

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

BOROUGH OF PENNS GROVE
TRUST FUNDS
Balance Sheets -- Regulatory Basis
As of December 31, 2024 and 2023

	Ref.	2024	2023
ASSETS:			
Animal Control Fund:			
Cash	SB-1	$ 5,741.03	$ 4,637.03
Total Animal Control Fund		5,741.03	4,637.03
Other Funds:			
Cash	SB-1	665,084.61	361,561.12
Due from Trust -- Animal Control Fund	B	360.09	360.09
Total Other Funds		665,444.70	361,921.21
Length of Service Awards Program:			
Investments	SB-2	192,015.04	179,802.36
Total Length of Service Awards Program		192,015.04	179,802.36
		$ 863,200.77	$ 546,360.60

(Continued)

BOROUGH OF PENNS GROVE
TRUST FUNDS
Balance Sheets -- Regulatory Basis
As of December 31, 2024 and 2023

	Ref.	2024	2023
LIABILITIES, RESERVES AND FUND BALANCE:			
Animal Control Fund:			
Due to Current Fund	SB-4	$ 3,421.94	$ 2,609.14
Due to Trust -- Others Funds	B	360.09	360.09
Due to State of New Jersey Board of Health	SB-5	1,092.00	883.80
Reserve for Animal Control Fund Expenditures	SB-3	867.00	784.00
Total Animal Control Fund		5,741.03	4,637.03
Other Funds:			
Due to Current Fund	SB-6	17,360.23	27,364.23
Reserve for:			
Dedicated Uniform Fire Fees	SB-7	2,912.00	2,912.00
Forfeiture	SB-7	294.10	294.10
Builder Deposits	SB-7	128,618.84	62,528.12
Payroll	SB-7	14,786.60	45,433.97
Public Defender Fees	SB-7	12,574.81	12,574.81
POAA	SB-7	554.00	550.00
Outside Employment of Officers	SB-7	5,854.55	5,854.55
Tax Title Lien Redemptions	SB-7	246,589.55	80,609.41
Tax Sale Premium	SB-7	224,500.00	122,100.00
Accumulated Absences	SB-7	10,000.00	
Recreation	SB-7	1,400.02	1,700.02
Total Other Funds		665,444.70	361,921.21
Length of Service Awards Program:			
Reserve for Length of Service Awards Program	SB-2	192,015.04	179,802.36
Total Length of Service Awards Program		192,015.04	179,802.36
		$ 863,200.77	$ 546,360.60

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

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Balance Sheets -- Regulatory Basis
As of December 31, 2024 and 2023

	Ref.	2024	2023
ASSETS:			
Cash	SC-1	$ 446,744.92	$ 517,744.92
Grants Receivable	SC-3	75,678.19	75,678.19
Due from Current Fund	SC-7	532,680.33	447,683.72
Deferred Charges to Future Taxation:			
Funded	SC-4	120,337.54	151,963.54
Unfunded	SC-5	228,884.00	299,884.00
		$ 1,404,324.98	$ 1,492,954.37
LIABILITIES, RESERVES AND FUND BALANCE:			
Capital Improvement Fund	SC-6	$ 188,610.56	$ 158,610.56
Green Trust Loan Payable	SC-9	120,337.54	151,963.54
Bond Anticipation Notes	SC-10	228,000.00	299,000.00
Improvement Authorizations:			
Funded	SC-8	118,618.80	119,995.32
Unfunded	SC-8	941.68	2,216.28
Reserve for Stormwater E. Pitman	SC-2	5,500.00	11,500.00
Reserve for Penns Street Phase III (24 Budget)	SC-2	23,894.00	
Reserve for Improvements to Borough Owned Properties (24 Budget)	SC-2	66,788.94	
Reserve for Supplemental Transitional Aid 2022	SC-11	650,886.59	748,921.80
Reserve for Payment of Debt	C	746.87	746.87
		$ 1,404,324.98	$ 1,492,954.37
Bonds and Notes Authorized But Not Issued	SC-12	$ 884.00	$ 884.00

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

BOROUGH OF PENNS GROVE
Notes to Financial Statements
For the Year Ended December 31, 2024

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Borough of Penns Grove (hereafter referred to as the "Borough") was incorporated as a borough by an act of the New Jersey legislature on March 8, 1894. The Borough, located in Salem County, New Jersey, is along the Delaware River approximately twenty miles southeast of the City of Philadelphia. The Borough borders the Township of Carneys Point. The population according to the 2020 census is 4,837.

The Borough is governed under the Mayor-Council form of government, with a Mayor and six-member Council. The Mayor and Council are elected directly by the voters in partisan elections, the Mayor serves a four-year term in office and the Council serves three-year terms in office on a staggered basis, with two seats coming up for election each year. Executive and administrative responsibility rests with the Mayor, who is assisted by the Borough Clerk. Legislative responsibility is vested with the Council.

Component Units - The financial statements of the component unit of the Borough is not presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended. If the provisions of the aforementioned GASB Statement, as amended had been complied with, the financial statements of the following component unit would have been either blended or discretely presented with the financial statements of the Borough, the primary government:

Penns Grove Sewerage Authority
81 Beach Avenue
Penns Grove, New Jersey 08069

Annual financial reports may be inspected directly at the office of this component units during regular business hours.

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

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting and Financial Statement Presentation - (Cont'd)

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Borough's length of service awards program, however, are stated at fair value.

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of $5,000.00, the maximum amount allowed by the Uniform Guidance. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

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

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balance - Fund balance included in the current fund represents an amount available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Salem and the Penns Grove Carney's Point Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Borough is responsible for levying, collecting and remitting school taxes for the Penns Grove Carney's Point Regional School District. Operations is charged for the full amount required to be raised from taxation to operate the school district for the period from January 1 to December 31.

County Taxes – The Borough is responsible for levying, collecting and remitting county taxes for the County of Salem. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

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

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

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund. Where an improvement is a "local Improvement," i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for paid time off (PTO), sick leave, vacation leave, compensatory time, and certain types of sabbatical leave, and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

The Borough implemented the following GASB Statement for the year ended December 31, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting previously described in Note 1, the implementation of this Statement only impacted financial statement disclosures. There exists no impact on the financial statements of the Borough.

Because of the implementation of GASB Statement No. 101, the Borough has updated the measurement of compensated absences in accordance with the Statement (Note 9).

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding 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 the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). 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. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2024, the Borough's bank balances of $5,193,358.06, were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	$ 4,925,605.70
Uninsured and Uncollateralized	267,752.36
Total	$ 5,193,358.06

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	Year Ended				
	2024	2023	2022	2021	2020
Tax Rate	$ 5.546	$ 5.360	$ 5.167	$ 4.944	$ 5.009
Apportionment of Tax Rate:					
Municipal	$ 2.534	$ 2.479	$ 2.426	$ 2.363	$ 2.294
County	1.574	1.410	1.258	1.095	1.148
County Open Space	.028	.024	.021	.019	.020
Local School	1.410	1.447	1.462	1.467	1.547

Assessed Valuation

Year	Amount
2024	$ 136,028,550.00
2023	135,239,350.00
2022	134,190,500.00
2021	134,468,500.00
2020	136,737,800.00

Comparison of Tax Levies and Collections

Year	Tax Levy	Collections	Percentage of Collections
2024	$ 7,574,027.70	$ 6,457,481.54	85.26%
2023	7,331,592.41	6,510,987.35	88.81%
2022	6,989,648.29	6,164,655.09	88.20%
2021	6,679,738.17	6,001,298.58	89.84%
2020	6,852,944.65	5,936,395.57	86.63%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2024	$ 1,785,449.93	$ 878,557.63	$ 2,664,007.56	35.17%
2023	1,520,926.19	576,241.22	2,097,167.41	28.60%
2022	1,316,811.84	589,705.35	1,906,517.19	27.28%
2021	1,104,018.66	450,463.55	1,554,482.21	23.27%
2020	1,050,736.47	558,998.85	1,609,735.32	23.49%

Note 3: PROPERTY TAXES (CONT'D)

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

Year	Number
2024	89
2023	79
2022	81
2021	68
2020	74

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

Year	Amount
2024	$ 1,427,300.00
2023	1,671,800.00
2022	1,999,400.00
2021	2,721,100.00
2020	2,893,900.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2024	$ 1,353,246.40	$ 1,017,464.83	75.19%
2023	1,735,128.65	851,000.00	49.05%
2022	1,196,253.19	650,950.00	54.42%
2021	839,212.07	578,150.00	68.89%
2020	699,525.77	570,000.00	81.48%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

Fund	Interfunds Receivable	Interfunds Payable
Current	$ 20,782.17	$ 1,136,744.87
Federal and State Grant	604,064.54	
Trust - Animal Control		3,782.03
Trust - Other	360.09	17,360.23
General Capital	532,680.33	
	$ 1,157,887.13	$ 1,157,887.13

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2025, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 7: PENSION PLANS

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Borough employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. As a local participation employer of these pension plans, the Borough is referred to as "Employer" throughout this note. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plans' fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
https://www.state.nj.us/treasury/pensions/financial-reports.shtml

General Information about the Pension Plans

Plan Descriptions

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Employer, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Plan Descriptions (Cont'd)

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, and disability benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Employer. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are state or local officials who are elected or appointed on or after July 1, 2007; employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least $5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

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

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

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Vesting and Benefit Provisions (Cont'd)

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Special Funding Situation Component - Under N.J.S.A. 43:15A, 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. One of such legislations, which legally obligate the State, is Chapter 133, P.L. 2001. This legislation increased the accrual rate from 1/60 to 1/55. In addition, it lowered the age required for a veteran benefit equal to 1/55 of highest 12-month compensation for each year of service from 60 to 55. Chapter 133, P.L. 2001 also established the Benefit Enhancement Fund (BEF) to fund the additional annual employer normal contribution due to the State's increased benefits. If the assets in the BEF are insufficient to cover the normal contribution for the increased benefits for a valuation period, the State will pay such amount for both the State and local employers.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Public Employees' Retirement System (Cont'd) - *Special Funding Situation Component (Cont'd) -*

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 18.77% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is $82,467.00, and is payable by April 1, 2025. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was $73,276.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were $33,704.89.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, under Chapter 133, P.L. 2001, for the year ended December 31, 2024 was .60% of the Employer's covered payroll.

Based on the most recent PERS measurement date of June 30, 2024, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $2,655.00. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, under Chapter 133, P.L. 2001, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was $2,477.00.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System - The contribution policy for PFRS is set by N.J.S.A 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 10.0% of base salary. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability.

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

The Employer's contractually required contribution rate for the year ended December 31, 2024 was 34.62% of the Employer's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2024, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2024 is $345,423.00, and is payable by April 1, 2025. Due to the basis of accounting described in Note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2023, the Employer's contractually required contribution to the pension plan for the year ended December 31, 2023 was $298,248.00, which was paid on April 1, 2024.

Employee contributions to the Plan for the year ended December 31, 2024 were $102,352.02.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Employer, for the year ended December 31, 2024 was 5.86% of the Employer's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2024, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2024 was $58,487.00, and is payable by April 1, 2025. For the prior year measurement date of June 30, 2023, the State's contractually required contribution, on-behalf of the Employer, to the pension plan for the year ended December 31, 2023 was $52,163.00, which was paid on April 1, 2024.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Employer contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2024, employee contributions totaled $0.00, and the Employer's contributions were $0.00. There were no forfeitures during the year.

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

Public Employees' Retirement System

Pension Liability - As of December 31, 2024, there is no net pension liability associated with the special funding situation under Chapter 133, P.L. 2001, as there was no accumulated difference between the annual additional normal cost and the actual State contribution through the valuation date. The Employer's proportionate share of the PERS net pension liability was $823,509.00. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0060605394%, which was an increase of .0005779726% from its proportion measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was $87,552.00. This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PERS was $73,276.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PERS pension (benefit) expense, associated with the Employer, under Chapter 133, P.L. 2001, calculated by the Plan as of the June 30, 2024 measurement date, was $2,655.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Police and Firemen's Retirement System

Pension Liability - As of December 31, 2024, the Employer's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Proportionate Share of Net Pension Liability	$ 2,578,762.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Employer	508,397.00
	$ 3,087,159.00

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. The Employer's proportion of the net pension liability was based on a projection of the Employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2024 measurement date, the Employer's proportion was .0249720300%, which was an increase of .0025676000% from its proportion measured as of June 30, 2023. Likewise, at June 30, 2024, the State of New Jersey's proportion, on-behalf of the Employer, was .0249720300%, which was an increase of .0025676200% from its proportion, on-behalf of the Employer, measured as of June 30, 2023.

Pension (Benefit) Expense - For the year ended December 31, 2024, the Employer's proportionate share of the PFRS pension (benefit) expense, calculated by the Plan as of the June 30, 2024 measurement date was $(11,454.00). This (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1; however, as previously mentioned, for the year ended December 31, 2024, the Employer's contribution to PFRS was $298,248.00, and was paid on April 1, 2024.

For the year ended December 31, 2024, the State's proportionate share of the PFRS pension (benefit) expense, associated with the Employer, calculated by the Plan as of the June 30, 2024 measurement date, was $58,487.00. This on-behalf (benefit) expense is not recognized by the Employer because of the regulatory basis of accounting as described in Note 1.

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2024, the Employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	$ 16,496.00	$ 162,460.00	$ 178,956.00	$ 2,192.00	$ 88,282.00	$ 90,474.00
Changes of Assumptions	1,023.00	4,077.00	5,100.00	9,370.00	75,734.00	85,104.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	38,184.00	20,183.00	58,367.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	192,396.00	290,881.00	483,277.00	5,196.00	611,883.00	617,079.00
Contributions Subsequent to the Measurement Date	41,234.00	172,712.00	213,946.00	-	-	-
	$ 251,149.00	$ 630,130.00	$ 881,279.00	$ 54,942.00	$ 796,082.00	$ 851,024.00

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amounts of $41,234.00 and $172,712.00 for PERS and PFRS, respectively, will be included as a reduction of the net pension liability during the year ending December 31, 2025. These amounts were based on an estimated April 1, 2026 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2024 to the Employer's year end of December 31, 2024.

The Employer will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	-	-	5.92
June 30, 2020	5.16	-	5.90	-
June 30, 2021	-	5.13	-	6.17
June 30, 2022	-	5.04	6.22	-
June 30, 2023	5.08	-	6.16	-
June 30, 2024	5.08	-	6.09	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2019	-	5.21	-	5.92
June 30, 2020	-	5.16	-	5.90
June 30, 2021	5.13	-	6.17	-
June 30, 2022	-	5.04	-	6.22
Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2020	5.00	-	5.00	-
June 30, 2021	-	5.00	-	5.00
June 30, 2022	5.00	-	5.00	-
June 30, 2023	-	5.00	-	5.00
June 30, 2024	-	5.00	-	5.00
Changes in Proportion				
Year of Pension Plan Deferral:				
June 30, 2019	5.21	5.21	5.92	5.92
June 30, 2020	5.16	5.16	5.90	5.90
June 30, 2021	5.13	5.13	6.17	6.17
June 30, 2022	5.04	5.04	6.22	6.22
June 30, 2023	5.08	5.08	6.16	6.16
June 30, 2024	5.08	5.08	6.09	6.09

Note 7: PENSION PLANS (CONT'D)

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2025	$ 23,820.00	$ (238,464.00)	$ (214,644.00)
2026	89,466.00	(18,822.00)	70,644.00
2027	29,610.00	(122,733.00)	(93,123.00)
2028	10,462.00	(21,304.00)	(10,842.00)
2029	1,615.00	57,087.00	58,702.00
Thereafter	-	5,572.00	5,572.00
	$ 154,973.00	$ (338,664.00)	$ (183,691.00)

Actuarial Assumptions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:	2.75% - 6.55% Based on Years of Service	3.25% - 16.25% Based on Years of Service
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021	July 1, 2018 - June 30, 2021

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Public Employees' Retirement System

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.

Police and Firemen's Retirement System

Employee mortality rates were based on the Pub-2010 Safety Employee amount-weighted mortality table (sex-specific) projected generationally from 2010 with Scale 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 mortality 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.

For both PERS and PFRS, 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' and PFRS' target asset allocation as of June 30, 2024 are summarized in the table that follows:

PERS			PFRS		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%	U.S. Large-Cap Equity	24.00%	6.90%
Non-US Developed Markets Equity	12.75%	8.85%	U.S. Small/Mid Cap Equity	4.00%	7.40%
International Small Cap Equity	1.25%	8.85%	Non-U.S. Developed Large-Cap Equity	9.50%	6.70%
Emerging Market Equity	5.50%	10.66%	Non-U.S. Developed Small-Cap Equity	2.00%	7.50%
Private Equity	13.00%	12.40%	Emerging Markets Large-Cap Equity	6.00%	9.60%
Real Estate	8.00%	10.95%	Emerging Markets Small-Cap Equity	1.50%	9.60%
Real Assets	3.00%	8.20%	U.S. Treasury Bond	7.00%	4.10%
High Yield	4.50%	6.74%	U.S. Corporate Bond	5.00%	5.90%
Private Credit	8.00%	8.90%	U.S. Mortgage-Backed Securities	5.00%	4.40%
Investment Grade Credit	7.00%	5.37%	Global Multisector Fixed Income	6.00%	6.50%
Cash Equivalents	2.00%	3.57%	Cash	2.00%	3.40%
U.S. Treasuries	4.00%	3.57%	Real Estate Core	3.00%	5.10%
Risk Mitigation Strategies	3.00%	7.10%	Real Estate Non-Core	4.00%	6.50%
			Infrastructure	3.00%	7.00%
	100.00%		Private Debt/Credit	8.00%	9.10%
			Private Equity	10.00%	10.10%
				100.00%	

Note 7: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate

For both PERS and PFRS, 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 would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Employer's proportionate share of the net pension liability as of the June 30, 2024 measurement date, calculated using a discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 1,094,241.00	$ 823,509.00	$ 593,117.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Employer's annual required contribution. As such, the net pension liability as of the June 30, 2024 measurement date, for the Employer and the State of New Jersey, calculated using a discount rate of 7.00%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate Share of the Net Pension Liability	$ 3,684,476.00	$ 2,578,762.00	$ 1,657,943.00
State of New Jersey's Proportionate Share of Net Pension Liability	726,387.00	508,397.00	326,860.00
	$ 4,410,863.00	$ 3,087,159.00	$ 1,984,803.00

Pension Plan Fiduciary Net Position

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

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS pension plans. These schedules are presented to illustrate the requirements to show information for 10 years.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
Proportion of the Net Pension Liability	0.0060605394%	0.0054825668%	0.0046549377%	0.0041626099%	0.0042707636%
Proportionate Share of the Net Pension Liability	$ 823,509.00	$ 794,115.00	$ 702,494.00	$ 493,124.00	$ 696,450.00
Covered Payroll (Plan Measurement Period)	$ 469,320.00	$ 369,548.00	$ 296,400.00	$ 290,440.00	$ 309,048.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	175.47%	214.89%	237.01%	169.79%	225.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22%	65.23%	62.91%	70.33%	58.32%

	Measurement Date Ended June 30,				
	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.0042172068%	0.0032470845%	0.0057050289%	0.0055179861%	0.0064591073%
Proportionate Share of the Net Pension Liability	$ 759,877.00	$ 639,335.00	$ 1,328,040.00	$ 1,634,269.00	$ 1,449,940.00
Covered Payroll (Plan Measurement Period)	$ 299,688.00	$ 231,200.00	$ 398,888.00	$ 383,280.00	$ 447,200.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	253.56%	276.53%	332.94%	426.39%	324.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Ten Years)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Contractually Required Contribution	$ 82,467.00	$ 73,276.00	$ 58,701.00	$ 48,749.00	$ 46,720.00
Contribution in Relation to the Contractually Required Contribution	(82,467.00)	(73,276.00)	(58,701.00)	(48,749.00)	(46,720.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 439,372.00	$ 480,176.00	$ 381,219.00	$ 321,690.00	$ 300,819.00
Contributions as a Percentage of Covered Payroll	18.77%	15.26%	15.40%	15.15%	15.53%

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 41,021.00	$ 32,298.00	$ 52,851.00	$ 49,021.00	$ 55,531.00
Contribution in Relation to the Contractually Required Contribution	(41,021.00)	(32,298.00)	(52,851.00)	(49,021.00)	(55,531.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 304,175.00	$ 274,922.00	$ 225,622.00	$ 357,711.00	$ 393,644.00
Contributions as a Percentage of Covered Payroll	13.49%	11.75%	23.42%	13.70%	14.11%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Ten Plan Years)

	Measurement Date Ended June 30,				
	2024	2023	2022	2021	2020
Proportion of the Net Pension Liability	0.0249720300%	0.0224044300%	0.0241128900%	0.0280791952%	0.0317280028%
Proportionate Share of the Net Pension Liability	$ 2,578,762.00	$ 2,475,417.00	$ 2,760,047.00	$ 2,052,351.00	$ 4,099,676.00
State's Proportionate Share of the Net Pension Liability	508,397.00	456,124.00	491,208.00	577,223.00	636,251.00
Total	$ 3,087,159.00	$ 2,931,541.00	$ 3,251,255.00	$ 2,629,574.00	$ 4,735,927.00
Covered Payroll (Plan Measurement Period)	$ 933,528.00	$ 816,220.00	$ 859,276.00	$ 972,180.00	$ 1,082,632.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	276.24%	303.28%	321.21%	211.11%	378.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.66%	70.16%	68.33%	77.26%	63.52%

	Measurement Date Ended June 30,				
	2019	2018	2017	2016	2015
Proportion of the Net Pension Liability	0.0297014011%	0.0310378794%	0.0341988348%	0.0363319332%	0.0333886594%
Proportionate Share of the Net Pension Liability	$ 3,634,804.00	$ 4,199,937.00	$ 5,279,639.00	$ 6,940,329.00	$ 5,561,387.00
State's Proportionate Share of the Net Pension Liability	573,942.00	570,492.00	591,364.00	582,815.00	487,715.00
Total	$ 4,208,746.00	$ 4,770,429.00	$ 5,871,003.00	$ 7,523,144.00	$ 6,049,102.00
Covered Payroll (Plan Measurement Period)	$ 955,344.00	$ 1,029,696.00	$ 1,201,064.00	$ 1,147,732.00	$ 1,057,356.00
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	380.47%	407.88%	439.58%	604.70%	525.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.48%	58.60%	52.01%	56.31%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Schedule of Contributions - Police and Firemen's Retirement System (PFRS) (Last Ten Years)

	Year Ended December 31,				
	2024	2023	2022	2021	2020
Contractually Required Contribution	$ 345,423.00	$ 298,248.00	$ 313,601.00	$ 327,253.00	$ 354,456.00
Contribution in Relation to the Contractually Required Contribution	(345,423.00)	(298,248.00)	(313,601.00)	(327,253.00)	(354,456.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 997,817.00	$ 1,014,457.00	$ 791,036.00	$ 861,583.00	$ 962,696.00
Contributions as a Percentage of Covered Payroll	34.62%	29.40%	39.64%	37.98%	36.82%

	Year Ended December 31,				
	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 300,017.00	$ 303,441.00	$ 302,666.00	$ 296,229.00	$ 271,400.00
Contribution in Relation to the Contractually Required Contribution	(300,017.00)	(303,441.00)	(302,666.00)	(296,229.00)	(271,400.00)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll (Calendar Year)	$ 1,072,488.00	$ 977,581.00	$ 1,015,502.00	$ 1,125,689.00	$ 1,147,734.00
Contributions as a Percentage of Covered Payroll	27.97%	31.04%	29.80%	26.32%	23.65%

Note 7: PENSION PLANS (CONT'D)

Supplementary Pension Information (Cont'd)

Other Notes to Supplementary Pension Information

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

Chapter 249, P.L. 2023 extends provisions of Chapter 498, P.L. 2021 for calendar years 2023 or 2024 to allow for a temporary return to employment by a former employee of the Legislature after retirement from PERS.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2024	7.00%	2019	6.28%	2024	7.00%	2019	7.00%
2023	7.00%	2018	5.66%	2023	7.00%	2018	7.00%
2022	7.00%	2017	5.00%	2022	7.00%	2017	7.00%
2021	7.00%	2016	3.98%	2021	7.00%	2016	7.65%
2020	7.00%	2015	4.90%	2020	7.00%	2015	7.90%

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate and long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
Year	Rate	Year	Rate	Year	Rate	Year	Rate
2024	7.00%	2019	6.85%	2024	7.00%	2019	7.00%
2023	7.00%	2018	6.51%	2023	7.00%	2018	7.00%
2022	7.00%	2017	6.14%	2022	7.00%	2017	7.00%
2021	7.00%	2016	5.55%	2021	7.00%	2016	7.65%
2020	7.00%	2015	5.79%	2020	7.00%	2015	7.90%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A. BOROUGH OF PENNS GROVE HEALTH BENEFITS PLAN

Plan Description and Benefits Provided – The Borough provides postretirement health care benefits through a health plan for retirees, which includes a medical, dental, and prescription plan. The Borough provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: allows police officers retiring with twenty-five (25) or more years of service with the Borough, and police officers retiring on an accidental disability pension, to receive fully paid health, prescription, dental and vision benefits, for them and their dependents. The Plan is administered by the Borough; therefore, premium payments are made directly to the insurance carriers.

Employees Covered by Benefit Terms - As of December 31, 2024 , the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	19
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	10
	29

Total OPEB Liability

The Employer's total OPEB liability of $12,832,131.00 was measured as of December 31, 2024 and was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Mortality	RP-2014 Mortality Table projected with Scale MP 18
Discount Rate	4.28% based upon the S&P Municipal Bond 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years as of December 2024
Turnover	The State of New Jersey PERS Local Government turnover/withdrawal experience
Age at Retirement	Active participants, on average, will receive their benefits when eligible but no earlier than age 55
Spousal Coverage	Married employees will remain marrried
Prior Service	No prior service for active employees
Healthcare Cost Inflation	Healthcare gross costs will increase an annual rate of 7.0% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits
Administration Expenses	Approximately 2%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. BOROUGH OF PENNS GROVE HEALTH BENEFITS PLAN (CONT'D)

Changes in Total OPEB Liability

Balance at December 31, 2023		$ 11,618,354.00
Changes for the Year:		
Service Cost	$ 209,427.00	
Interest Cost	452,861.00	
Benefit Payments	(593,635.00)	
Changes in Assumptions	(515,068.00)	
Difference between Expected and Actual Experience	1,660,192.00	
Net Changes		1,213,777.00
Balance at December 31, 2024		$ 12,832,131.00

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at December 31, 2023 to 4.28% at December 31, 2024.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Employer, as well as what the Employer's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (3.28%)	Current Discount Rate (4.28%)	1.00% Increase (5.28%)
Total OPEB Liability	$ 14,832,702.00	$ 12,832,131.00	$ 11,230,742.00

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

	1.00% Decrease	Healthcare Cost Trend Rates	1.00% Increase
Total OPEB Liability	$ 11,184,627.00	$ 12,832,131.00	$ 14,874,400.00

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. BOROUGH OF PENNS GROVE HEALTH BENEFITS PLAN (CONT'D)

OPEB (Benefit) Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2024, the Employer recognized OPEB (benefit) expense of $217,894.00. As of December 31, 2024, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ 2,540,692.00	$ -
Difference Between Expected and Actual Experience	-	4,812,806.00
	$ 2,540,692.00	$ 4,812,806.00

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB (benefit) expense as follows:

Year Ending Dec 31,	
2025	$ (355,036.00)
2026	(678,596.00)
2027	(900,847.00)
2028	(650,716.00)
2029	313,081.00
Thereafter	-
	$ (2,272,114.00)

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. BOROUGH OF PENNS GROVE HEALTH BENEFITS PLAN (CONT'D)

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios (Last Seven Years):

Supplementary OPEB Information

In accordance with GASB No. 75, the following information is also presented for the Employer's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

	Plan Measurement Date December 31,			
	2024	2023	2022	2021
Total OPEB Liability				
Service Cost	$ 209,427.00	$ 190,391.00	$ 435,272.00	$ 498,416.00
Interest Cost	452,861.00	446,042.00	376,409.00	344,799.00
Benefit Payments	(593,635.00)	(445,345.00)	(445,345.00)	(385,397.00)
Changes in Assumptions	(515,068.00)	855,582.00	(4,016,608.00)	(1,750,879.00)
Difference Between Expected and Actual Experience	1,660,192.00	-	(2,729,997.00)	-
Net Change in Total OPEB Liability	1,213,777.00	1,046,670.00	(6,380,269.00)	(1,293,061.00)
Total OPEB Liability - Beginning of Fiscal Year	11,618,354.00	10,571,684.00	16,951,953.00	18,245,014.00
Total OPEB Liability - End of Fiscal Year	$ 12,832,131.00	$ 11,618,354.00	$ 10,571,684.00	$ 16,951,953.00
Covered-Employee Payroll	$ 2,460,747.40	$ 2,400,729.17	$ 2,084,737.31	$ 1,937,140.97
Total OPEB Liability as a Percentage of Covered Payroll	521.47%	483.95%	507.10%	875.10%

	Plan Measurement Date December 31,		
	2020	2019	2018
Total OPEB Liability			
Service Cost	$ 355,285.00	$ 263,755.00	$ 310,797.00
Interest Cost	401,515.00	339,924.00	504,726.00
Benefit Payments	(385,397.00)	(404,578.00)	(404,578.00)
Changes in Assumptions	2,281,083.00	2,264,878.00	(625,500.00)
Difference Between Expected and Actual Experience	(725,289.00)	-	-
Net Change in Total OPEB Liability	1,927,197.00	2,463,979.00	(214,555.00)
Total OPEB Liability - Beginning of Fiscal Year	16,317,817.00	13,853,838.00	14,068,393.00
Total OPEB Liability - End of Fiscal Year	$ 18,245,014.00	$ 16,317,817.00	$ 13,853,838.00
Covered-Employee Payroll	$ 1,757,367.01	$ 1,952,519.24	$ 1,842,806.75
Total OPEB Liability as a Percentage of Covered Payroll	1038.20%	835.73%	751.78%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

A. BOROUGH OF PENNS GROVE HEALTH BENEFITS PLAN (CONT'D)

Other Notes to Supplementary OPEB Information

Changes of Benefit Terms

None.

Changes in Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

Year	Percentage	Year	Percentage
2024	4.28%	2020	1.91%
2023	4.00%	2019	2.49%
2022	4.31%	2018	3.64%
2021	2.25%		

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided – In addition to the Borough provided postemployment benefits to its retirees, the State of New Jersey ('the State") provides these benefits to certain Borough retirees and their dependents under a special funding situation as described below.

The State, on-behalf of the Borough contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); 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") annual financial statements, which can be found at https://www.state.nj.us/treasury/pensions/financial-reports.shtml. As a local participating employer of the Plan, the Borough is referred to as "Employer" throughout this note.

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

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)

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

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

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB Plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% 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. The participating employer is required to disclose in their respective notes to the financial statements, an expense and corresponding revenue, and their proportionate share of the OPEB expense allocated to the State under the special funding situation.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Employer, is not known; however, under the special funding situation, the State's OPEB expense, on-behalf of the Employer, is $(275,839.00) for the year ended December 31, 2024, representing -27.64% of the Employer's covered payroll.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

OPEB Liability

OPEB Liability - At December 31, 2024, the State's proportionate share of the net OPEB liability associated with the Employer was $2,847,132.00. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

The State's proportion of the net OPEB liability, associated with the Employer, was based on the ratio of the Plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2023 through June 30, 2024. For the June 30, 2024 measurement date, the State's proportion on-behalf of the Employer was .058383%, which was an increase of .002511% from its proportion measured as of the June 30, 2023 measurement date.

Actuarial Assumptions

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases *	
PFRS – Rates for all future years	3.25% to 16.25% based on years of service
Mortality	
Pre-Retirement Healthy – PFRS	PUB-2010 "Safety" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Post-Retirement Healthy – Chapter 330 Retirees	
Disabled Retiree – PFRS Future Retirees	
Disabled Retiree – Chapter 330 Retirees	

* salary increases are based on years of service within the respective Plan.

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

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

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools.* The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of $1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Actuarial Assumptions (Cont'd)

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2024 was 3.93%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

The health care trend assumptions used is as follows:

	Annual Rate of Increase					
	Medical Trend			Prescription Drug Trend		
Fiscal Year Ending	Pre-65	PPO Post-65	HMO Post-65	Pre-65	Post-65	EGWP
2025	7.50%	2.42%	2.25%	12.75%	12.25%	21.78%
2026	7.00%	19.38%	20.15%	12.25%	11.75%	10.92%
2027	6.50%	22.62%	23.58%	11.25%	10.75%	8.19%
2028	6.00%	14.93%	15.47%	10.00%	9.75%	9.79%
2029	5.50%	12.87%	13.31%	9.00%	9.00%	8.92%
2030	5.25%	11.35%	11.71%	8.00%	8.00%	5.74%
2031	5.00%	10.16%	10.46%	7.00%	7.00%	4.87%
2032	4.75%	9.18%	9.44%	6.00%	6.00%	6.00%
2023	4.50%	6.54%	6.65%	5.00%	5.00%	5.00%
2034 and Later	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

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

The net OPEB liability, calculated using a discount rate of 3.93%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 3,316,602.00	$ 2,847,132.00	$ 2,471,128.00

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

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Employer	$ 2,408,093.00	$ 2,847,132.00	$ 3,411,613.00

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Supplementary OPEB Information

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the Employer (Last Eight Plan Years)

	Measurement Date Ended June 30,			
	2024	2023	2022	2021 (a)
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	$ -	$ -	$ -	$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	2,847,132.00	1,949,426.00	2,462,645.00	3,004,600.00
Total	$ 2,847,132.00	$ 1,949,426.00	$ 2,462,645.00	$ 3,004,600.00
Covered Payroll (Plan Measurement Period)	$ 1,030,000.00	$ 883,487.00	$ 819,504.00	$ 921,873.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	276.42%	220.65%	300.50%	325.92%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	-0.89%	-0.79%	-0.36%	0.28%

	Measurement Date Ended June 30,			
	2020	2019	2018	2017
Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	100.00%	100.00%	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%
Proportionate Share of the Net OPEB Liability	$ -	$ -	$ -	$ -
State's Proportionate Share of the Net OPEB Liability Associated with the Employer	3,147,761.00	2,780,265.00	3,280,102.00	4,373,445.00
Total	$ 3,147,761.00	$ 2,780,265.00	$ 3,280,102.00	$ 4,373,445.00
Covered Payroll (Plan Measurement Period)	$ 1,026,436.00	$ 1,038,488.00	$ 982,568.00	$ 1,026,098.00
Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	306.67%	267.72%	333.83%	426.22%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%	1.98%	1.97%	1.03%

(a) The Proportionate Share of the June 30, 2021 Net OPEB Liability was adjusted within the June 30, 2022 Plan Audit.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

B. STATE HEALTH BENEFITS LOCAL GOVERNMENT RETIRED EMPLOYEES PLAN (CONT'D)

Supplementary OPEB Information (Cont'd)

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

Year	Rate	Year	Rate
2024	3.93%	2020	2.21%
2023	3.65%	2019	3.50%
2022	3.54%	2018	3.87%
2021	2.16%	2017	3.58%

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend update.

There were no changes to mortality projections.

Note 9: COMPENSATED ABSENCES

Employees of the Borough are entitled to paid vacation and sick days based on job description, collective bargaining agreements and other factors. Compensated absences estimated value per GASB 101 at December 31, 2024, were $267,295.41.

Note 10: DEFERRED COMPENSATION SALARY ACCOUNT

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full-time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 11: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Borough's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Borough's trust fund, was created by Borough Ordinance 1999-17 pursuant to Section 457(e)(11)(B) of the Internal Revenue Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.*

The voters of the Borough approved the adoption of the Plan at the general election held in November 1999, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2000. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the volunteer fire department and the first aid organization come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Borough may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Borough, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Borough's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Borough's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Borough shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Borough may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Borough shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of $100.00 and a maximum contribution of $1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Borough elected to contribute $929.81 for the year ended December 31, 2024, per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2024, the Borough's total expenditure to the Plan was $6,508.67. There were no forfeitures during the year.

Note 11: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in an account maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Borough to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Borough. These funds, however, are not available for funding the operations of the Borough.

Vesting - The Borough, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

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

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2024, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

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

Note 12: CAPITAL DEBT

General Debt - New Jersey Green Acres Loans

In 2007, the Borough entered into a loan agreement with the New Jersey Department of Environmental Protection to provide $99,900.00, at an interest rate of 2.0%. The proceeds were used to fund the construction of the Borough's Riverwalk. Semiannual debt payments are due June 21st and December 21st to June 2026.

In addition, in 2008, the Borough entered into a second loan agreement with the New Jersey Department of Environmental Protection to provide $500,000.00, at an interest rate of 2.0%. The proceeds were used to fund the construction of the Borough's Riverwalk. Semiannual debt payments are due March 6th and September 6th to March 2028.

Note 12: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loans (Cont'd)

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

Year	Principal	Interest	Total
2025	$ 41,675.64	$ 2,390.18	$ 44,065.82
2026	32,941.95	1,393.23	34,335.18
2027	30,328.08	763.51	31,091.59
2028	15,391.87	153.92	15,545.79
	$ 120,337.54	$ 4,700.84	$ 125,038.38

The following schedule represents the Borough's summary of debt for the current and two previous years:

	2024	2023	2022
Issued			
General:			
Bonds, Loans and Notes	$ 348,337.54	$ 450,963.54	$ 1,113,116.35
Authorized but not Issued			
General:			
Bonds, Loans and Notes	884.00	884.00	884.00
Total Issued and Authorized but not Issued	349,221.54	451,847.54	1,114,000.35
Deductions			
General:			
Reserve for Payment of Bonds	746.87		
Net Debt	$ 348,474.67	$ 451,847.54	$ 1,114,000.35

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 0.190%.

	Gross Debt	Deductions	Net Debt
School Purposes	$ 655,155.55	$ 655,155.55	
General	349,221.54	746.87	$ 348,474.67
	$ 1,004,377.09	$ 655,902.42	$ 348,474.67

Net Debt $348,474.67 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, $183,255,380.33 equals 0.190%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	$ 6,413,938.31
Less: Net Debt	348,474.67
Remaining Borrowing Power	$ 6,065,463.64

Note 12: CAPITAL DEBT (CONT'D)

Bond Anticipation Notes

The Borough's Bond Anticipation Notes activity for 2024 and 2023 is as follows:

	Balance December 31, 2023	Additions	Reductions	Balance December 31, 2024
General Capital Fund				
Bond Anticipation Notes (Interest Rate 4.74%, Matures 4/15/25)	$ 299,000.00	$ -	$ 71,000.00	$ 228,000.00

	Balance December 31, 2022	Additions	Reductions	Balance December 31, 2023
General Capital Fund				
Bond Anticipation Notes (Interest Rate 4.90&, Matures 4/16/24)	$ 930,120.00	$ -	$ 631,120.00	$ 299,000.00

Note 13: RISK MANAGEMENT

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

Joint Insurance Pool - The Borough is a member of the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
General Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Automobile Liability and damage
Public Employees Blanket Bond

Contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

Coverage in excess of the Fund's self-insured retention limits is provided through the Fund's membership in the Municipal Excess Liability Joint Insurance Fund.

The Fund publishes its own financial report, which can be obtained from:

Gloucester, Salem, Cumberland Counties Municipal Insurance Fund
P.O. Box 490
Marlton, New Jersey 08053

Note 14: CONCENTRATIONS

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 15: TAX ABATEMENTS

The Borough has entered into various property tax abatement agreements under the Long-Term Tax Exemption Law N.J.S.A. 40A:20-1. Under this law, municipalities may grant property tax abatements for the clearance, replanning, development, and redevelopment of blighted areas. For the year ended December 31, 2024, the Borough abated approximately $288,353.85 in property taxes.

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

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

Tax Appeals – As of December 31, 2024, several tax appeals were on file against the Borough, if such appeals are not settled in favor of the Borough, the estimated impact of the tax refunds could be material.

In 2015, a State Tax Appeal was finalized on Block 57 Lot 1 in favor of the taxpayer for $397,794.55. $58,319.26 was a cancellation of 2015 taxes due and the remainder will be paid over twenty years. At December 31, 2024, the remaining balance is as follows:

Year	Amount
2025	$9,112.72
2026	7,290.18
2027	5,832.14
2028	4,665.71
2029	3,732.57
2030-2034	10,037.93
2035	978.47
Total	$ 41,649.72

SUPPLEMENTAL EXHIBITS

CURRENT FUND

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Current Cash
For the Year Ended December 31, 2024

	Regular Fund				Federal and State Grant Fund	
	CFO		Tax Collector			
Balance December 31, 2023		$ 4,152,545.59		$ 319,533.74		$ 218,792.84
Increased by Receipts:						
From Tax Collector	$ 7,158,009.68					
Taxes Receivable			$ 6,878,505.25			
Tax Title Liens			90,928.94			
Prepaid Taxes			96,606.18			
Tax Overpayments			16,957.41			
Miscellaneous Revenue Anticipated	2,502,552.21		384,062.22			
Miscellaneous Revenue Not Anticipated	260,788.12		1,227.77			
Due Federal and State Grant Fund - Received for	686,612.22					
Senior Citizens' and Veterans' Deductions	15,250.00					
Reserve for Emergency Medical Services	49,200.00					
Due to Penns Grove Sewer Authority			157,276.95			
Due Trust - Other Fund - Received for	4.00					
Due General Capital Fund - Received from	71,000.00					
		10,743,416.23		7,625,564.72		-
		14,895,961.82		7,945,098.46		218,792.84
Decreased by Disbursements:						
To CFO			7,158,009.68			
Appropriations	6,208,572.85					
Appropriation Reserves	239,305.27					
Accounts Payable	3,638.56					
County Taxes	2,200,474.62					
Regional School District Tax	2,169,628.00					
Reserve for Master Plan Update	50,003.75					
Reserve for Emergency Medical Services	6,000.00					
Due Federal and State Grant Fund - Disbursed for	1,137,709.93					
Due General Capital Fund - Disbursed for	136,003.39					
		12,151,336.37		7,158,009.68		-
Balance December 31, 2024		$ 2,744,625.45		$ 787,088.78		$ 218,792.84

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2024

	Balance Dec. 31, 2023	Levy	Added / Omitted Taxes	Collected 2023	Collected 2024	Overpayments Applied	Due from State of New Jersey	Adjustments and Canceled	Transferred to Liens	Balance Dec. 31, 2024
2019	$ 1,127.99									$ 1,127.99
2020	3,035.45									3,035.45
2021	4,271.39								$ 1,275.33	2,996.06
2022	9,073.75				$ 2,874.66			$ (550.00)		6,749.09
2023	558,732.64				546,203.87		$ (1,250.00)			13,778.77
	576,241.22	-	-	-	549,078.53	-	(1,250.00)	(550.00)	1,275.33	27,687.36
2024		$ 7,544,143.50	$ 29,884.20	$ 85,167.95	6,329,426.72	$ 26,564.95	16,321.92	19,822.07	245,853.82	850,870.27
	$ 576,241.22	$ 7,544,143.50	$ 29,884.20	$ 85,167.95	$ 6,878,505.25	$ 26,564.95	$ 15,071.92	$ 19,272.07	$ 247,129.15	$ 878,557.63

Analysis of Property Tax Levy

Tax Yield:		
General Purpose		$ 7,544,143.50
Added / Omitted Taxes		29,884.20
		$ 7,574,027.70
Tax Levy:		
Regional School Tax		$ 1,918,132.00
County Taxes:		
County Tax	$ 2,140,477.00	
County Open Space Tax	37,977.36	
Due County for Added and Omitted Taxes	8,374.70	
Due County Open Space for Added and Omitted Taxes	147.96	
		2,186,977.02
Local Tax for Municipal Purposes	3,447,432.78	
Add: Rounding	124.36	
Add: Added / Omitted Taxes	21,361.54	
		3,468,918.68
		$ 7,574,027.70

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 1,520,926.19
Increased by:		
Interest and Costs / Adjustments	$ 108,323.53	
Transfers from Taxes Receivable	247,129.15	
		355,452.68
		1,876,378.87
Decreased by:		
Collections		90,928.94
Balance December 31, 2024		$ 1,785,449.93

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Due from State of New Jersey
Senior Citizens' and Veterans' Deductions
For the Year Ended December 31, 2024

Balance December 31, 2023			$ 1,563.52
Increased by:			
Levy -- Deductions per Tax Billing	$ 15,250.00		
Senior Citizens' and Veterans' Deductions Granted by Tax Collector	1,500.00		
		$ 16,750.00	
Senior Citizens' and Veteran's Deductions Disallowed by Tax Collector		(428.08)	
			16,321.92
			17,885.44
Decreased by:			
Cash Received		15,250.00	
Prior Year Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		1,250.00	
			16,500.00
Balance December 31, 2024			$ 1,385.44

Exhibit SA-5

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2024

Balance December 31, 2023	$ 26,564.95
Increased by:	
Cash Receipts	16,957.41
	43,522.36
Decreased by:	
Applied to Taxes Receivable	26,564.95
Balance December 31, 2024	$ 16,957.41

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2024

	Accrued	Collected/Applied
Fees and Permits	$ 27,061.06	$ 27,061.06
Fines and Costs - Municipal Court	17,723.77	17,723.77
Interest and Costs on Taxes	125,562.22	125,562.22
Payment in Lieu of Taxes		
Penns Grove Gardens	216,000.00	216,000.00
Penn Village	42,500.00	42,500.00
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,856,733.38	1,856,733.38
Transitional Aid	550,000.00	550,000.00
Grants	1,117,917.42	1,117,917.42
Penns Grove Sewerage Authority	51,034.00	51,034.00
Reserve for Municipal Relief Fund	191,385.42	191,385.42
	$ 4,195,917.27	$ 4,195,917.27
CFO Cash Receipts		$ 2,502,552.21
Applied		1,309,302.84
Tax Collector Cash Receipts		384,062.22
		$ 4,195,917.27

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2024

	Balance December 31, 2023		Balance After	Paid or	Lapsed to
	Encumbered	Reserved	Modification	Charged	Fund Balance
OPERATIONS -- WITHIN "CAPS"					
General Government Functions					
Mayor and Council:					
Salaries and Wages		$ 288.63	$ 288.63		$ 288.63
Other Expenses	$ 418.88	16.00	434.88	$ 418.88	16.00
General Administration:					
Salaries and Wages		11,809.63	309.63		309.63
Other Expenses		2.97	2.97		2.97
Municipal Clerk:					
Salaries and Wages		3,243.68	243.68		243.68
Other Expenses	1,076.00	6,454.00	5,155.00	5,155.00	
Financial Administration:					
Salaries and Wages		1,911.17	411.17		411.17
Other Expenses		1,253.49	1,253.49	1,202.64	50.85
Audit Services		27,000.00	27,000.00	27,000.00	
Revenue Administration:					
Salaries and Wages		0.08	0.08		0.08
Other Expenses	0.01	4,663.70	663.71	470.01	193.70
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expenses		7,795.00	1,095.00	625.50	469.50
Tax Assessment Administration:					
Salaries and Wages		0.02	0.02		0.02
Other Expenses		1,403.71	2,403.71		2,403.71
Legal Services and Costs:					
Other Expenses		920.87	11,920.87	11,912.00	8.87
Engineering Services and Costs:					
Other Expenses		16,208.50	36,208.50	35,897.13	311.37
Economic Development Agencies:					
Other Expenses		2,067.25	11,042.25	7,611.25	3,431.00
Land Use Administration					
Planning Board:					
Salaries and Wages		1,119.20	119.20		119.20
Other Expenses	2,700.00	431.75	12,131.75	12,088.50	43.25
Insurance					
Workers Compensation		1,695.00	95.00		95.00
Employee Group Health		4,047.26	4,047.26	3,988.89	58.37
Unemployment Insurance	8,300.00		8,300.00		8,300.00
Health Insurance Waiver		42.01	42.01		42.01
Public Safety Functions					
Police:					
Salaries and Wages		13,183.06	1,183.06	(7,050.70)	8,233.76
Other Expenses	7,255.06	7,460.11	8,715.17	8,640.85	74.32
Office of Emergency Management:					
Salaries and Wages		372.13	372.13		372.13
Other Expenses		445.00	445.00		445.00
Aid to Ambulance:					
Other Expenses		1,797.73	797.73	292.18	505.55
Fire:					
Miscellaneous Other Expenses		12,369.62	4,869.62	4,869.62	
Fire Hydrant Service		596.08	13,796.08	13,721.00	75.08
Municipal Prosecutor:					
Salaries and Wages		4,411.84	4,411.84	3,889.00	522.84
Municipal Court					
Municipal Court:					
Salaries and Wages		253.15	253.15		253.15
Other Expenses	259.00	586.94	1,045.94	964.88	81.06
Public Defender:					
Other Expenses		737.48	737.48	737.48	

(Continued)

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2024

	Balance December 31, 2023		Balance After	Paid or	Lapsed to
	Encumbered	Reserved	Modification	Charged	Fund Balance
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Public Works Functions					
Public Buildings and Grounds:					
Salaries and Wages	$ 168.00	$ 1,783.50	$ 1,951.50	$ 1,254.00	$ 697.50
Other Expenses		11,467.89	7,467.89	7,384.74	83.15
Solid Waste Collection					
Other Expenses		4,362.97	1,362.97		1,362.97
Shade Tree Commission:					
Other Expenses		3,185.93	2,185.93	2,000.00	185.93
Public Works					
Other Expenses	3,930.58	12,889.81	11,320.39	10,165.84	1,154.55
Vehicle Maintenance:					
Other Expenses	285.00	12,536.36	16,221.36	16,027.28	194.08
Health and Human Services					
Board of Health:					
Other Expenses		1,975.00	475.00		475.00
Safety Coordinator:					
Other Expenses		1,000.00			
Animal Control:					
Other Expenses		12,676.86	12,676.86	9,600.00	3,076.86
Recreation and Education					
Recreations Services and Programs:					
Other Expenses	450.00	3,994.08	4,444.08	2,547.87	1,896.21
Utility Expenses and Bulk Purchases					
Electricity and Natural Gas		15,117.03	16,117.03	16,113.02	4.01
Telecommunications	12.86	3,277.10	26,689.96	25,916.04	773.92
Water	259.16	2,287.62	2,546.78	936.67	1,610.11
Petroleum Products		8,034.22	8,034.22	6,189.23	1,844.99
Sewage Processing & Disposal		2,247.63	2,247.63		2,247.63
Landfill/Solid Waste Disposal Costs					
Other Expenses		25,669.52	9,669.52	9,525.92	143.60
Code Enforcement and Administration					
Other Code Enforcement Functions:					
Salaries and Wages		1,238.86	238.86		238.86
Other Expenses		806.49	806.49	750.00	56.49
Unclassified					
Accumulated Leave Compensation	10,000.00		10,000.00	10,000.00	
Statutory Expenditures					
Social Security System (O.A.S.I.)	59.87	1,338.24	1,398.11	799.19	598.92
Defined Contribution Retirement Program	4,000.00		4,000.00		4,000.00
OPERATIONS -- EXCLUDED FROM "CAPS"					
LOSAP	10,200.00		10,200.00	7,438.48	2,761.52
	$ 49,374.42	$ 260,476.17	$ 309,850.59	$ 259,082.39	$ 50,768.20

Cash Disbursed	$ 239,305.27
Due to Trust - Other Funds	10,000.00
Accounts Payable	9,777.12
	$ 259,082.39

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Due County Taxes
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 22,020.26
Increased by:		
County General Share of Levy	$ 2,140,477.00	
County Open Space Preservation Share of Levy	37,977.36	
County General Share of Added / Omitted Taxes	8,374.70	
County Open Space Preservation Share of Added / Omitted Taxes	147.96	
		2,186,977.02
		2,208,997.28
Decreased by:		
Disbursements		2,200,474.62
Balance December 31, 2024		$ 8,522.66

Exhibit SA-9

CURRENT FUND
Statement of Regional School District Tax
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 267,971.00
Increased by:		
From Current Fund Budget Appropriation	$ 13,103.00	
Calendar Year School Levy	1,918,132.00	
		1,931,235.00
		2,199,206.00
Decreased by:		
Disbursements		2,169,628.00
Balance December 31, 2024		$ 29,578.00

Exhibit SA-10

CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2024

Balance December 31, 2023	$ 85,167.95
Increased by:	
Receipts	96,606.18
	181,774.13
Decreased by:	
Applied	85,167.95
Balance December 31, 2024	$ 96,606.18

BOROUGH OF PENNS GROVE
CURRENT FUND
Statement of Property Acquired for Taxes -- Assessed Valuation
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 1,671,800.00
Decreased by:		
Sale of Property	$ 119,635.00	
Sales & Difference in Sale Price and Assessed Valuation	124,865.00	
		244,500.00
Balance December 31, 2024		$ 1,427,300.00

BOROUGH OF PENNS GROVE
FEDERAL AND STATE GRANT FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 1,055,162.25
Increased by:		
Collected by Current Fund:		
Federal & State Grants Receivable	$ 685,776.61	
Federal & State Grants Unappropriated	835.61	
		686,612.22
		1,741,774.47
Decreased by:		
Disbursed by Current Fund:		
Federal & State Grants Appropriated		1,137,709.93
Balance December 31, 2024		$ 604,064.54

BOROUGH OF PENNS GROVE
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2024

Program	Balance Dec. 31, 2023	Revenue Anticipated	Transferred from Unappropriated	Cash Receipts	Balance Dec. 31, 2024
Federal Grants:					
Drive Sober or Get Pulled Over	$ 2,410.00				$ 2,410.00
CDBG - Delaware Ave & Mill Street Pumping Station	400,000.00			$ 232,337.90	167,662.10
Small Cities - Infrastructure E. Pitman Street	400,000.00			374,479.77	25,520.23
Small Cities Block Grant Infrastructure Straughn Lane Pump Station	345,600.00				345,600.00
USDA Community Facilities Grant	52,800.00				52,800.00
Firefighters Grant		$ 41,207.61			41,207.61
Youth Initiative Grant Program	16,497.95			16,497.95	
Total Federal Grants Receivable	1,217,307.95	41,207.61	-	623,315.62	635,199.94
State Grants:					
Clean Communities		12,460.99		12,460.99	
Body Armor Replacement		1,459.82	$ 1,459.82		
New Jersey Department of Transportation Trumble Avenue	26,753.67				26,753.67
New Jersey Department of Transportation Pennstreet Phase I Additional	3,618.67				3,618.67
New Jersey Department of Transportation Pennstreet Phase III	45,213.00				45,213.00
New Jersey Department of Transportation Lanning Avenue	189,020.00				189,020.00
New Jersey Department of Transportation Pennstreet Phase IV & W. Harmony St	64,976.89				64,976.89
Body Worn Cameras	16,304.00				16,304.00
Clean Energy-Community Energy Grant	25,000.00			25,000.00	
Food Security Planning	50,000.00				50,000.00
2023 Supplemental Transitional Aid Award		1,000,000.00	1,000,000.00		
NJ EDA		62,789.00			62,789.00
New Jersey Activation Planning Grant	25,000.00			25,000.00	
Total State Grants Receivable	445,886.23	1,076,709.81	1,001,459.82	62,460.99	458,675.23
	$ 1,663,194.18	$ 1,117,917.42	$ 1,001,459.82	$ 685,776.61	$ 1,093,875.17

BOROUGH OF PENNS GROVE
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2024

	Appropriated Balance Dec. 31, 2023	Transferred from Budget Appropriation	Cash Disbursements	Appropriated Balance Dec. 31, 2024
Federal Grants:				
Drive Sober or Get Pulled Over	$ 4,645.00		$ 2,613.05	$ 2,031.95
CDBG - Delaware Ave & Mill Street Pumping Station	225,980.50		48,178.40	177,802.10
Small Cities - Infrastructure E. Pitman Street	381,967.50		362,071.91	19,895.59
Small Cities Block Grant Infrastructure Straughn Lane Pump Station	376,997.00		48,512.50	328,484.50
USDA Community Facilities Grant	52,800.00			52,800.00
Local Fiscal Recovery Fund Allocation	51,925.30		51,922.30	3.00
Firefighters Grant		$ 41,207.61		41,207.61
Youth Initiative Grant Program	22,687.95		22,112.86	575.09
Total Federal Grants	1,117,003.25	41,207.61	535,411.02	622,799.84
State Grants:				
Clean Communities	29,110.48	12,460.99	3,673.05	37,898.42
Recycling Tonnage	3,463.12			3,463.12
Body Armor Replacement	2,451.20	1,459.82	995.00	2,916.02
Municipal Alliance	1,805.00			1,805.00
Municipal Court Alcohol Education & Rehabilitation	1,750.17			1,750.17
Drunk Driving Enforcement	449.41			449.41
Hazardous Discharge Site - Tyrone Street	9,225.05			9,225.05
Hazardous Discharge Site - Broad Street School	8,792.23			8,792.23
Domestic Violence Training	1,475.35			1,475.35
New Jersey Department of Transportation Trumble Avenue	26,753.67			26,753.67
New Jersey Department of Transportation Pennstreet Phase I Additional	12,826.45			12,826.45
New Jersey Department of Transportation Pennstreet Phase II	6,989.98			6,989.98
New Jersey Department of Transportation Pennstreet Phase III	149,736.75		149,587.75	149.00
New Jersey Department of Transportation Lanning Avenue	189,020.00			189,020.00
New Jersey Department of Transportation Pennstreet Phase IV & W. Harmony St	28,528.44		20,757.70	7,770.74
Body Worn Cameras	16,304.00			16,304.00
Supplemental Transitional Aid	971.00			971.00
Clean Energy-Community Energy Grant	7,884.02		7,884.02	
Food Security Planning	100,000.00			100,000.00
2023 Supplemental Transitional Aid Award		1,000,000.00	394,483.89	605,516.11
NJ EDA		62,789.00		62,789.00
New Jersey Activation Planning Grant	50,000.00		24,917.50	25,082.50
Total State Grants	647,536.32	1,076,709.81	602,298.91	1,121,947.22
	$ 1,764,539.57	$ 1,117,917.42	$ 1,137,709.93	$ 1,744,747.06

BOROUGH OF PENNS GROVE
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2024

	Balance Dec. 31, 2023	Received	Realized as Miscellaneous Revenue in 2024 Budget	Balance Dec. 31, 2024
State Grants:				
Body Armor Replacement	$ 1,459.82	$ 835.61	$ 1,459.82	$ 835.61
Supplemental Transitional Aid - 2023	1,000,000.00		1,000,000.00	
Total State Grants	$ 1,001,459.82	$ 835.61	$ 1,001,459.82	$ 835.61

SUPPLEMENTAL EXHIBITS

TRUST FUND

BOROUGH OF PENNS GROVE
TRUST FUNDS
Statement of Trust Funds Cash
For the Year Ended December 31, 2024

	Animal Control		Other	
Balance December 31, 2023		$ 4,637.03		$ 361,561.12
Increased by Receipts:				
Animal Control Licenses	$ 1,104.00			
Due Current Fund				
Reserve for:				
Builder Deposits			$ 158,563.62	
Payroll			2,447,525.33	
Tax Title Lien Redemptions			483,451.87	
Tax Sale Premium			161,900.00	
		1,104.00		3,251,440.82
		5,741.03		3,613,001.94
Decreased by Disbursements:				
Reserve for:				
Builder Deposits			92,472.90	
Payroll			2,478,172.70	
Tax Title Lien Redemptions			317,471.73	
Tax Sale Premium			59,500.00	
Recreation			300.00	
		-		2,947,917.33
Balance December 31, 2024		$ 5,741.03		$ 665,084.61

BOROUGH OF PENNS GROVE
TRUST -- LENGTH OF SERVICE AWARDS PROGRAM
Statement of Investments - Length of Service Awards Program
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 179,802.36
Increased by:		
Borough Contributions	$ 6,508.67	
Unrealized Gain on Investments	29,046.36	
		35,555.03
		215,357.39
Decreased by:		
Withdrawals	22,917.35	
Administration Expenses	425.00	
		23,342.35
Balance December 31, 2024		$ 192,015.04

Schedule of Investments, December 31, 2024

Description	Amount
Mutual Funds	$ 192,015.04

BOROUGH OF PENNS GROVE
TRUST -- ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 784.00
Increased by:		
Dog License Fees Collected		1,104.00
		1,888.00
Decreased by:		
Due to State of New Jersey Board of Health	$ 208.20	
Excess Reserve - Due to Current Fund	812.80	
		1,021.00
Balance December 31, 2024		$ 867.00

License Fees Collected

Year	Amount
2023	$ -
2022	867.00
	$ 867.00

Exhibit SB-4

TRUST -- ANIMAL CONTROL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2024

Balance December 31, 2023	$ 2,609.14
Increased by:	
Excess Reserve - Due to Current Fund	812.80
Balance December 31, 2024	$ 3,421.94

BOROUGH OF PENNS GROVE
TRUST -- ANIMAL CONTROL FUND
Statement of Due to State of New Jersey Board of Health
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 883.80
Increased by:		
Transferred from Reserve for Animal Control Expenditures		208.20
Balance December 31, 2024		$ 1,092.00

Exhibit SB-6

TRUST -- OTHER FUNDS
Statement of Due Current Fund
For the Year Ended December 31, 2024

Balance December 31, 2023			$ 27,364.23
Decreased by:			
Collected by Current Fund	$ 4.00		
Due from Current Fund	10,000.00		
			10,004.00
Balance December 31, 2024			$ 17,360.23
Analysis of Balance Dec. 31, 2024			
Public Defender			$ 1,000.00
Accumulated Absences			(10,000.00)
Outside Employment of Officers			(2,487.81)
Payroll			63,508.73
Dedicated Uniform Fire Fees			(250.00)
POAA			(554.00)
Tax Title Lien Redemptions			(33,856.69)
			$ 17,360.23

BOROUGH OF PENNS GROVE
TRUST -- OTHER FUNDS
Statement of Changes in Reserves
For the Year Ended December 31, 2024

	Balance Dec. 31, 2023	Increases	Decreases	Balance Dec. 31, 2024
Reserve for:				
Dedicated Uniform Fire Fees	$ 2,912.00			$ 2,912.00
Forfeiture	294.10			294.10
Builder Deposits	62,528.12	$ 158,563.62	$ 92,472.90	128,618.84
Payroll	45,433.97	2,447,525.33	2,478,172.70	14,786.60
Public Defender Fees	12,574.81			12,574.81
POAA	550.00	4.00		554.00
Outside Employment of Officers	5,854.55			5,854.55
Tax Title Lien Redemptions	80,609.41	483,451.87	317,471.73	246,589.55
Tax Sale Premium	122,100.00	161,900.00	59,500.00	224,500.00
Accumulated Absences		10,000.00		10,000.00
Recreation	1,700.02		300.00	1,400.02
	$ 334,556.98	$ 3,261,444.82	$ 2,947,917.33	$ 648,084.47
Cash		$ 3,251,440.82	$ 2,947,917.33	
Due Current Fund		10,004.00		
		$ 3,261,444.82	$ 2,947,917.33	

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of General Capital Cash
For the Year Ended December 31, 2024

Balance December 31, 2023	$	517,744.92
Decreased by:		
Due Current Fund		71,000.00
Balance December 31, 2024	$	446,744.92

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Analysis of General Capital Cash
For the Year Ended December 31, 2024

	Balance (Deficit) Dec. 31, 2023	Receipts	Disbursements	Transfers To	Transfers From	Balance (Deficit) Dec. 31, 2024
Capital Improvement Fund	$ 158,610.56			$ 30,000.00		$ 188,610.56
Due Current Fund	(447,683.72)		$ 71,000.00	136,003.39	$ 150,000.00	(532,680.33)
Reserve for Stormwater E. Pitman	11,500.00				6,000.00	5,500.00
Reserve for Penns Street Phase III (24 Budget)				60,000.00	36,106.00	23,894.00
Reserve for Improvements to Borough Owned Properties (24 Budget)				90,715.58	23,926.64	66,788.94
Reserve for Supplemental Transitional Aid 2022	748,921.80				98,035.21	650,886.59
Reserve for Payment of Debt	746.87					746.87
Improvement Authorizations:						
Ordinance Number						
13-11	1,332.28				1,274.60	57.68
15-06	4,713.28					4,713.28
15-06	10,312.00					10,312.00
16-15	5,534.71					5,534.71
18-06	10,777.85					10,777.85
19-02	10,274.00					10,274.00
19-12	1,328.76					1,328.76
20-04	1,376.53				1,376.52	0.01
	$ 517,744.92	$ -	$ 71,000.00	$ 316,718.97	$ 316,718.97	$ 446,744.92

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Schedule of Grants Receivable
For the Year Ended December 31, 2024

Balance December 31, 2024 and 2023	$	75,678.19
Analysis of Balance		
Ordinance No.:		
16-15	$	8,219.13
18-06		17,459.06
19-02		50,000.00
	$	75,678.19

Exhibit SC-4

GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2024

Balance December 31, 2023	$	151,963.54
Decreased by:		
Budget Appropriation - Payment of Green Trust Loan Principal		31,626.00
Balance December 31, 2024	$	120,337.54

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2024

Ordinance Number	Improvement Description	Balance Dec. 31, 2023	Increased by: Authorizations	Decreased by	Balance Dec. 31, 2024	Analysis of Balance Dec. 31, 2024: Expenditures	Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
13-11, 19-12	Repair/Improvements Pump Stations	$ 33,000.00		$ 33,000.00				
15-06	Demolition and Removal of Condemned Properties	884.00			$ 884.00			$ 884.00
20-09	Sewerage Authority Capital Improvements	266,000.00		38,000.00	228,000.00		$ 228,000.00	
		$ 299,884.00	$ -	$ 71,000.00	$ 228,884.00	$ -	$ 228,000.00	$ 884.00
	Budget Appropriation - Payment of BANS			$ 71,000.00				
	Improvement Authorizations -- Unfunded							$ 941.68
	Less:							
	Unexpended Proceed of Bond Anticipation Notes Ordinance Number							
	13-11							57.68
								$ 884.00

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2024

Balance December 31, 2023	$ 158,610.56
Increased by:	
Budget Appropriation	30,000.00
Balance December 31, 2024	$ 188,610.56

GENERAL CAPITAL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2024

Balance December 31, 2023		$ 447,683.72
Increased by:		
Budget Appropriations	$ 150,000.00	
Reserve for Improvements to Borough Owned Properties (24 Budget)	30,715.58	
Disbursed to / for Current Fund	71,000.00	
		251,715.58
		699,399.30
Decreased by:		
Disbursements made by Current Fund:		
Reserve for Stormwater E. Pitman	6,000.00	
Reserve for Penns Street Phase III (24 Budget)	36,106.00	
Reserve for Improvements to Borough Owned Properties (24 Budget)	23,926.64	
Reserve for Supplemental Transitional Aid 2022	98,035.21	
Improvement Authorizations	2,651.12	
		166,718.97
Balance December 31, 2024		$ 532,680.33

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2024

Improvement Description	Ordinance Number	Ordinance Amount	Balance Dec. 31, 2023 Funded	Balance Dec. 31, 2023 Unfunded	Authorizations	Decreased by Due Current Fund	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded
Repair/Improvements Pump Stations	13-11	$ 239,100.00		$ 1,332.28		$ 1,274.60		$ 57.68
Mill Street Pump Station	15-06	415,000.00	$ 4,713.28				$ 4,713.28	
Demolition and Removal of Condemned Properties	15-06	150,000.00	10,312.00	884.00			10,312.00	884.00
Delaware Ave Pumping Station	16-15	420,000.00	13,753.84				13,753.84	
Infrastructure Improvements to Liberty Fire Station	18-06	440,574.00	28,236.91				28,236.91	
Aerial Ladder Fire Truck	19-02	984,600.00	60,274.00				60,274.00	
Ambulance Match	19-12	20,900.00	1,328.76				1,328.76	
Acquisition of Computers	20-04	24,000.00	1,376.53			1,376.52	0.01	
			$ 119,995.32	$ 2,216.28	$ -	$ 2,651.12	$ 118,618.80	$ 941.68

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Green Trust Loan Payable
For the Year Ended December 31, 2024

Purpose	Date of Issue	Amount of Original Issue	Maturities of Loans Outstanding December 31, 2024 Date	Amount	Interest Rate	Balance Dec. 31, 2023	Payments	Balance Dec. 31, 2024
Construction of Riverwalk	2007	$ 99,900.00	2025	$ 12,530.95				
			2026	3,211.45	2.00%	$ 18,797.98	$ 3,055.58	$ 15,742.40
Construction of Riverwalk	2008	500,000.00	2025	29,144.69				
			2026	29,730.50				
			2027	30,328.08				
			2028	15,391.87	2.00%	133,165.56	28,570.42	104,595.14
						$ 151,963.54	$ 31,626.00	$ 120,337.54

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2024

Ordinance Number	Improvement Description	Original Date of Issue	Date of Issue	Date of Maturity	Rate of Interest	Balance Dec. 31, 2023	Increase	Decrease	Balance Dec. 31, 2024
13-11, 19-12	Repair/Improvements Pump Stations	5/8/14	4/20/23	4/16/24	4.90%	$ 33,000.00		$ 33,000.00	
20-09	Sewerage Authority Capital Improvements	11/19/20	4/20/23	4/16/24	4.90%	266,000.00		266,000.00	
			4/15/24	4/14/25	4.74%		$ 228,000.00		$ 228,000.00
						$ 299,000.00	$ 228,000.00	$ 299,000.00	$ 228,000.00
	Paid by Budget Appropriations							$ 71,000.00	
	Renewals						$ 228,000.00	228,000.00	
							$ 228,000.00	$ 299,000.00	

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Reserve for Supplemental Transitional Aid 2022
For the Year Ended December 31, 2024

Improvement Description	Amount	Balance Dec. 31, 2023	Decreased by	Balance Dec. 31, 2024	Encumbered	Available
Public Safety Equipment	$ 300,000.00	$ 290,445.70	$ 67,279.69	$ 223,166.01	$ 3,415.98	$ 219,750.03
Recreation Enhancement Program	175,000.00	126,014.24	4,825.00	121,189.24		121,189.24
Purchase of Ambulance	225,000.00	225,000.00		225,000.00	218,565.80	6,434.20
Waterfront Pump Station	129,700.00	107,461.86	25,930.52	81,531.34	771.25	80,760.09
Total	829,700.00	$ 748,921.80	$ 98,035.21	$ 650,886.59	$ 222,753.03	$ 428,133.56
Police Vehicles	100,000.00					
Master Plan	100,000.00					
Payment of Notes						
Revaluation Note	136,000.00					
Ordinance 15-09	54,284.00					
Ordinance 19-02	330,000.00					
Ordinance 15-06, 20-16	200,016.00					
Total Supplemental Transitional Aid 2022	$ 1,750,000.00					

BOROUGH OF PENNS GROVE
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2024

Ordinance Number		Balance Dec. 31, 2023	Authorizations	Notes Issued	Balance Dec. 31, 2024
15-06	Demolition and Removal of Condemned Properties	$ 884.00	$ -	$ -	$ 884.00
		$ 884.00	$ -	$ -	$ 884.00

PART 2

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

Finding No. 2024-001

Criteria or Specific Requirement
Effective internal control policies and procedures require proper separation of duties and/or other compensating controls to ensure accurate posting of transactions and proper safeguarding of assets.

Condition
The following offices lacked separation of duties where there were no compensating controls:
Animal Control Registrar, Municipal Clerk, Registrar of Vital Statistics and Housing Office.

Context
The same individual collects and deposits funds and maintains receipt records.
Funds were not always turned over to the CFO on a monthly basis.
Cash Receipts Ledgers / Pre-numbered receipts were not properly maintained.
Quarterly Marriage License State Reports were not filed timely.

Effect or Potential Effect
Errors could exist and would not be detected in a timely manner.

Cause
Internal control policies and procedures have not been developed and implemented for proper separation of duties and/or other compensating controls in the various outside offices.

Recommendation
That internal control policies and procedures be developed for proper separation of duties and/or compensating controls for the various outside offices.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-002

Criteria or Specific Requirement
N.J.S.A. 40A:9-133 details the duties of the municipal clerk, which include the preparation of the minutes.

Condition
The minutes were not properly maintained.

Context
Minutes were not properly bound or maintained in an acceptable loose-leaf type of book and paged numbered.

Effect or Potential Effect
There is not an acceptable, complete official record of the Borough Council meetings.

Cause
Unknown.

Recommendation
That the minutes are properly maintained in accordance with N.J.S.A. 40A:9-133.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2024-003

Criteria or Specific Requirement
The New Jersey Administrative Code (NJAC) section 5:30-5.6 requires municipalities to maintain a fixed asset ledger.

Condition
A fixed asset ledger was not maintained for the year 2024.

Context
A fixed asset ledger was not provided for examination.

Effect or Potential Effect
The lack of a fixed asset ledger impairs the ability of the Borough to maintain control over its fixed assets. It is also a matter of non-compliance with NJAC section 5:30-5.6.

Cause
Failure to maintain a fixed asset ledger.

Recommendation
That a fixed asset ledger is maintained in accordance with the New Jersey Administrative Code section 5:30-5.6.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-004

Criteria or Specific Requirement
Division of Local Government Service (DLGS) Local Finance Notice 2005-1.

Condition
For the 2019, 2020, 2021, 2022 and 2023 Audit Reports, the Corrective Action Plan was not completed timely.

Context
Corrective Action Plan was not filed with the DLGS within 60 days after the receipt of the Audit Report per DLGS Local Finance Notice 2005-1.

Effect or Potential Effect
Non-compliance with DLGS Local Finance Notice 2005-1.

Cause
Unknown.

Recommendation
That the Audit Report Corrective Action Plan is completed timely.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2024-005

Criteria or Specific Requirement
New Jersey State Department of Health and Senior Services Infectious and Zoonotic Disease Program requires Monthly Dog License Reports to be filed.

Condition
Monthly Dog License Reports were not filed for any month in 2024.

Context
Monthly Dog License Reports filed for any month in 2024, could not be provided for examination.

Effect or Potential Effect
Noncompliance with New Jersey State Department of Health and Senior Services Infectious and Zoonotic Disease Program.

Cause
Unknown.

Recommendation
That Monthly Dog License Reports are completed and filed.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-006

Criteria or Specific Requirement
Internal controls require purchase orders have proper approval signatures, evidence of quotes received when required, and supporting documentation attached to the purchase order.

Condition
Purchase Orders did not always have proper approval signatures, evidence of quotes received when required, and supporting documentation attached to the purchase order.

Context
Chief Financial Officer/Assistant CFO and Department Head signatures were missing on some purchase orders sampled.
Evidence of quotes received when required were not attached on some purchase orders sampled.
Supporting documentation was not always attached to the purchase orders sampled.

Effect or Potential Effect
Errors could occur and would not be detected on a timely basis.

Cause
Unknown.

Recommendation
That all purchase orders have proper approval signatures, evidence of quotes received when required, and supporting documentation attached to the purchase order.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-007

Criteria or Specific Requirement
Tax title lien redemption fund acts as an agency fund to account for individuals depositing money with the Borough, for the Borough to payback a lien-holder on behalf of that individual, for the tax certificate the lien-holder bought at a tax sale.

Condition
An analysis of the balance in the trust other fund's - reserve for tax title liens redemption is not properly maintained.

Context
Examination of disbursements records, show disbursements were only made in January, August, and November, while receipts were collected every month.

Effect or Potential Effect
Lien redemptions were not made timely, additional interest could be incurred.

Cause
Inadequate control over accounting records.

Recommendation
That the balance of the trust other fund's - reserve for tax title liens redemption is analyzed and proper disposition made.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2024-008

Criteria or Specific Requirement
N.J.S.A. 40A:5-15 requires receipts to be deposited within 48 hours after collection.

Condition
Tax Cash Receipts had instances of non-compliance regarding depositing of receipts within 48 hours of collection.

Context
Tax Cash Receipts selected for examination were not always deposited within 48 hours of collection.

Effect or Potential Effect
Non-compliance with state statute.

Cause
Unknown.

Recommendation
That all Tax Cash Receipts are deposited within 48 hours after collection as required by N.J.S.A.40A: 5-15.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-009

Criteria or Specific Requirement
A strong system of internal accounting controls dictates that all bank accounts are reconciled properly and on a timely basis.

Condition
All Tax Collector bank accounts were not reconciled properly or on a timely basis.

Context
Examination of Tax Collector bank account reconciliations showed some were not prepared properly or on a timely basis.

Effect or Potential Effect
Material errors could occur and would not be detected on a timely basis.

Cause
Unknown.

Recommendation
That all Tax Collector bank accounts are reconciled properly and on a timely basis.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

Finding No. 2024-010

Criteria or Specific Requirement
Internal controls require a detailed analysis of the balance in the Reserve for Developer's Escrow in the Trust Fund be properly maintained on a monthly basis.

Condition
An analysis of the balance in the Reserve for Developer's Escrow in the Trust Fund was not properly maintained.

Context
An analysis of Reserve for Developer's Escrow in the Trust Fund was not provided for examination.

Effect or Potential Effect
Balances could contain errors which may result in a deficit in a Developer's Escrow Account.

Cause
Failure to properly maintain analysis of the balance.

Recommendation
That an analysis of the balance in the Reserve for Developer's Escrow in the Trust Fund be properly maintained.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Schedule of Findings and Recommendations
For the Year Ended December 31, 2024

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2024-011

Criteria or Specific Requirement
N.J.A.C. 5:30-8.6 Managing and accounting for outside employment of off-duty law enforcement officers.

Condition
Off Duty Policing was not properly maintained as expenses were incurred by the Borough, however no cash receipts in 2024 were noted.

Context
$90,127.96 of Payroll charges were posted to a non-budget account titled Due from Off Duty Policing and no cash receipts from vendors/contractors were noted to be received in 2024.

Effect or Potential Effect
Noncompliance with N.J.A.C. 5:30-8.6 and increased risk of uncollectible receivables.

Cause
Unknown.

Recommendation
That the Borough reviews the managing and accounting for outside employment of off-duty law enforcement officers.

View of Responsible Officials and Planned Corrective Action
The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

BOROUGH OF PENNS GROVE
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2023-001

Condition
The following offices lacked separation of duties where there were no compensating controls:
Animal Control Registrar, Municipal Clerk, Registrar of Vital Statistics and Housing Office.

Current Status
This condition remains unresolved and is current year finding 2024-001.

Planned Corrective Action
Compensating Controls will be implemented.

Finding No. 2023-002

Condition
The minutes were not properly maintained.

Current Status
This condition remains unresolved and is current year finding 2024-002.

Planned Corrective Action
The minutes will be completed and approved by the governing body.

Finding No. 2023-003

Condition
A fixed asset ledger was not maintained for the year 2023.

Current Status
This condition remains unresolved and is current year finding 2024-003.

Planned Corrective Action
Fixed asset ledger will be maintained.

BOROUGH OF PENNS GROVE
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2023-004

Condition
For the 2019, 2020, 2021 and 2022 Audit Reports, the Corrective Action Plan was not completed timely.

Current Status
This condition remains unresolved and is current year finding 2024-004.

Planned Corrective Action
Corrective Action Plan will be completed timely.

Finding No. 2023-005

Condition
Monthly Dog License Reports were not filed for any month in 2023, and Borough financial records do not reflect cash receipts from the issuance of Dog Licenses during 2023.

Current Status
This condition remains unresolved and is current year finding 2024-005.

Planned Corrective Action
Monthly Dog License Reports will be completed timely.

Finding No. 2023-006

Condition
Purchase Orders did not always have proper approval signature, evidence of quotes received when required, and supporting documentation attached to the purchase order.

Current Status
This condition remains unresolved and is current year finding 2024-006.

Planned Corrective Action
Purchase Orders will contain necessary signatures and documentation.

BOROUGH OF PENNS GROVE
Officials in Office and Surety Bonds

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

Name	Title
Ladaena D. Londo	Mayor
Jonathan Carter	Councilperson
Tracy Marinaro	Councilperson
John C. Rambo	Councilperson
Anjanette Scott	Councilperson
Deborah Scott	Councilperson
Sonya Worley	Councilperson
Robert Tarver	Municipal Attorney
Sharon Williams	Borough Clerk, Municipal Improvement Search Officer, Registrar of Vital Statistics
Stephen Labb	Chief Financial Officer

All employees are covered under a Blanket Surety Bond from the Joint Insurance Fund in the amount of $1,000,000.