

Report of Audit

on the

Financial Statements

of the

Colts Neck Township

in the

County of Monmouth
New Jersey

for the

Year Ended
December 31, 2025

COLTS NECK TOWNSHIP

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COLTS NECK TOWNSHIP

PART I

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2025



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Committee
Colts Neck Township
County of Monmouth
Colts Neck, New Jersey 07722

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of Colts Neck Township (the "Township"), as of and for the year ended December 31, 2025, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township as of December 31, 2025 or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2025.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2025, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2025 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township'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 Township's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's regulatory financial statements. The supplementary information, and data listed in the table of contents as required by the Division are presented for purposes of additional analysis and are not a required part of the basic financial statements.

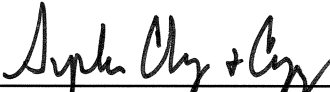
Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, and data listed in the table of contents, as required by the Division are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Prior Period Financial Statements

The financial statements - regulatory basis of the Colts Neck Township as of December 31, 2024, and for the year then ended, were audited by other auditors whose report dated March 10, 2025, expressed an adverse opinion as to conformity with accounting principles generally accepted in the United States of America and an unmodified opinion as to conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2026 on our consideration of the Township'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 Township'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 Township's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 12, 2026



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

The Honorable Mayor and Members
of the Township Committee
Colts Neck Township
County of Monmouth
Colts Neck, New Jersey 07722

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of Colts Neck Township, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated May 12, 2026. Our report disclosed that, as described in Note 1 to the financial statements, the Colts Neck Township prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY LLC

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 Colts Neck Township's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 12, 2026

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CURRENT FUND

COLTS NECK TOWNSHIP

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2025</u>	<u>BALANCE DECEMBER 31, 2024</u>
Current Fund:			
Cash - Treasurer	A-4	\$ 20,910,122.39	\$ 21,017,308.68
Change Funds	A-5	500.00	500.00
Due From State of New Jersey Ch. 20, P.L.1971	A-11	250.00	
		<u>20,910,872.39</u>	<u>21,017,808.68</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-6	755,854.36	564,460.89
Tax Title Liens Receivable	A-7	21,420.09	21,376.88
Property Acquired for Taxes - Assessed Valuations		169,000.00	169,000.00
Revenue Accounts Receivable	A-8	12,765.06	6,914.36
	A	<u>959,039.51</u>	<u>761,752.13</u>
		<u>21,869,911.90</u>	<u>21,779,560.81</u>
Grant Fund:			
Cash	A-4	106,442.28	120,139.46
Interfunds Receivable	A-30		19,810.00
Grants Receivable	A-27	46,681.41	36,801.41
		<u>153,123.69</u>	<u>176,750.87</u>
		<u>\$ 22,023,035.59</u>	<u>\$ 21,956,311.68</u>

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

COLTS NECK TOWNSHIP

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2025</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-12	\$ 589,879.64	\$ 803,610.19
Encumbrances	A-9	441,113.10	69,484.72
Accounts Payable	A-10	45,210.14	300,000.00
Interfunds Payable	A-13		27,782.23
Prepaid Taxes	A-15	504,744.57	523,029.55
County Taxes Payable	A-17	43,188.51	51,801.89
Regional School Taxes Payable	A-18	5,265,690.85	4,734,025.85
Local School Taxes Payable	A-19	8,391,774.99	8,361,574.99
Reserve for:			
Cable/board of Education Hook Up	A-14	25,000.00	22,500.00
Alcohol Education Rehabilitation Fund	A-20	532.70	532.70
FEMA Reimbursements	A-21	224,785.89	224,785.89
Library State Aid	A-22	696.00	509.00
Marriage Licenses - Due State of New Jersey	A-23	175.00	200.00
Escrow Bond	A-24	12,090.00	12,090.00
Tax Appeals	A-25	200,000.00	200,000.00
Master Plan	A-26	25,070.75	25,070.75
		<u>15,769,952.14</u>	<u>15,356,997.76</u>
Reserve for Receivables and Other Assets	A	959,039.51	761,752.13
Fund Balance	A-1	5,140,920.25	5,660,810.92
		<u>21,869,911.90</u>	<u>21,779,560.81</u>
Grant Fund:			
Reserve for:			
Grants Appropriated	A-28	148,363.69	154,494.34
Grants Unappropriated	A-29	4,760.00	22,256.53
		<u>153,123.69</u>	<u>176,750.87</u>
		<u>\$ 22,023,035.59</u>	<u>\$ 21,956,311.68</u>

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

COLTS NECK TOWNSHIP

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2025</u>	<u>YEAR ENDED DECEMBER 31, 2024</u>
Fund Balance Utilized	A-1:A-2	\$ 3,000,000.00	\$ 3,200,000.00
Miscellaneous Revenue Anticipated	A-2	4,820,611.65	4,291,046.44
Receipts from Delinquent Taxes	A-2	555,162.33	869,416.75
Receipts from Current Taxes	A-2	62,436,441.97	59,461,647.96
Non-Budget Revenue	A-2	690,870.09	686,235.94
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-12	402,022.12	366,925.88
<u>Total Income</u>		<u>71,905,108.16</u>	<u>68,875,272.97</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Operations Within "CAPS"		10,134,103.93	9,868,621.17
Deferred Charges and Statutory Expenditures		1,639,861.00	1,454,538.00
Other Operations Excluded from "CAPS"		991,943.78	751,596.06
Capital Improvements		3,000,000.00	2,300,000.00
Municipal Debt Service		3,275,539.05	2,317,283.41
Total Budget and Emergency Authorizations:	A-3	<u>19,041,447.76</u>	<u>16,692,038.64</u>
County Taxes	A-17	9,348,951.73	8,823,410.56
Due County for Added Taxes	A-17	43,188.58	51,801.89
Regional School Taxes	A-18	14,144,355.00	13,036,722.00
Local School Taxes	A-19	26,303,641.00	26,301,779.00
Municipal Open Space Taxes	A-2	543,414.76	484,394.78
<u>Total Expenditures</u>		<u>69,424,998.83</u>	<u>65,390,146.87</u>
Excess in Revenues		2,480,109.33	3,485,126.10
Fund Balance, January 1	A	<u>5,660,810.92</u>	<u>5,375,684.82</u>
		8,140,920.25	8,860,810.92
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>3,000,000.00</u>	<u>3,200,000.00</u>
Fund Balance, December 31	A	<u>\$ 5,140,920.25</u>	<u>\$ 5,660,810.92</u>

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

COLTS NECK TOWNSHIP

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

	REF.	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance	A-1	\$ 3,000,000.00		\$ 3,000,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-8	10,000.00		15,188.00	5,188.00
Fees and Permits	A-8	100,000.00		101,532.58	1,532.58
Fines and Costs - Municipal Court	A-8	100,000.00		154,313.35	54,313.35
Interest and Costs on Taxes	A-8	132,500.00		159,039.98	26,539.98
Interest on Investments	A-8	505,000.00		855,633.23	350,633.23
Recreation Fees	A-8	150,000.00		259,008.19	109,008.19
Energy Receipts Tax	A-8	1,975,833.00		1,975,833.26	0.26
Watershed Aid	A-8	28,388.00		28,388.00	
Shared Services:					
Holmdel Municipal Court	A-8	195,000.00		195,000.00	
West Long Branch Tax Collector	A-8	20,000.00		20,000.00	
Recycling Tonnage Grant	A-27		22,515.41	22,515.41	
Clean Communities Program	A-27		46,661.23	46,661.23	
Municipal Alliance on Alcoholism & Drug Abuse	A-27	9,730.00		9,730.00	
Body Armor Fund	A-27	2,446.53		2,446.53	
DEP Stormwater Assistance Grant	A-27	10,000.00		10,000.00	
Impaired Driving Grant	A-27	7,000.00		7,000.00	
Distracted Driver Grant	A-27	14,000.00		14,000.00	
Drunk Driving Enforcement Grant	A-27	7,261.89		7,261.89	
Safety Restraint Program	A-27	5,810.00		5,810.00	
Holmdel Municipal Court	A-8	50,000.00		50,000.00	
Reserve for Purchase of Land	A-8	881,250.00		881,250.00	
	A-1	<u>4,204,219.42</u>	<u>69,176.64</u>	<u>4,820,611.65</u>	<u>547,215.59</u>
Receipts from Delinquent Taxes	A-1	<u>300,000.00</u>		<u>555,162.33</u>	<u>255,162.33</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	<u>12,573,284.34</u>		<u>13,152,890.90</u>	<u>579,606.56</u>
Budget Totals		<u>20,077,503.76</u>	<u>69,176.64</u>	<u>21,528,664.88</u>	<u>1,381,984.48</u>
Non-Budget Revenue	A-1:A-2			<u>690,870.09</u>	<u>690,870.09</u>
		<u>\$ 20,077,503.76</u>	<u>\$ 69,176.64</u>	<u>\$ 22,219,534.97</u>	<u>\$ 2,072,854.57</u>
	REF.	A-3	A-3		

COLTS NECK TOWNSHIP

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-6	\$	62,436,441.97
Allocated To:			
County Taxes	A-17	\$	9,392,140.31
Regional School Taxes	A-18		14,144,355.00
Local School Taxes	A-19		26,303,641.00
Municipal Open Space Taxes	A-13		<u>543,414.76</u>
			<u>50,383,551.07</u>
Balance for Support of Municipal Budget Appropriations			12,052,890.90
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,100,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>13,152,890.90</u></u>

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

COLTS NECK TOWNSHIP
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

REF.

ANALYSIS OF NON-BUDGET REVENUE

Cable Television-Franchise Tax	\$	24,314.00
Verizon Wireless		14,702.07
Marriage Licenses		108.00
Firearms-Police		22,903.00
Mercantile License		2,125.00
Raffle & Solicitor's License		724.00
Certified Copies(birth,death, mar) includes EDRS		3,260.00
Police Reports		2,485.00
Prior Year Reimbursements		13,734.07
Copies & Publications		456.15
Hotel Tax from State		37,344.08
At&t Wireless Lease		34,644.67
Alarm Fines		12,300.00
Crown Castle/Global Signal		286,523.12
Prior Year Reimb./Work. Comp.		2,262.00
Sale of Property		11,631.00
Verizon Franchise Fee		76,635.65
Sen. Cit./Veterans Admin. Cost		640.00
Duplicate Tax Bill Fee		547.00
Mobile Food License		3,100.00
State of NJ-DMV-Inspection		1,950.00
Farming Township Property		1,200.00
Recycled Scrap Metal/Oil/etc.		4,596.05
Towing Application		7,500.00
U.C.C. Indirect Costs per State Rpt		122,576.71
Premium on Note Sale		2,608.52
		<hr/>
	A-2:A-4	\$ <u><u>690,870.09</u></u>

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

COLTS NECK TOWNSHIP

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS			EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
OPERATIONS - WITHIN "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 215,712.23	\$ 215,712.23	\$ 214,721.65	\$ 990.58	\$ 990.58	
Other Expenses	72,350.00	72,350.00	54,313.25	18,036.75	18,036.75	
Mayor and Committee:						
Salaries and Wages	10,000.00	10,000.00	6,000.00	4,000.00	4,000.00	
Municipal Clerk:						
Salaries and Wages	86,940.91	86,940.91	86,659.96	280.95	280.95	
Elections						
Other Expenses	4,000.00	4,000.00	800.00	3,200.00	3,200.00	
Financial Administration:						
Salaries and Wages	118,544.00	118,544.00	118,443.20	100.80	100.80	
Other Expenses	87,680.00	87,680.00	87,082.59	597.41	597.41	
Audit Services:						
Other Expenses	31,500.00	31,500.00	31,500.00			
Assessment of Tax						
Salaries and Wages	49,770.64	49,770.64	49,770.64			
Other Expenses	29,450.00	29,450.00	29,324.16	125.84	125.84	
Collection of Tax:						
Salaries and Wages	212,940.00	212,940.00	209,663.03	3,276.97	3,276.97	
Other Expenses	7,460.00	7,460.00	5,490.43	1,969.57	1,969.57	
Legal Services and Costs:						
Other Expenses	309,000.00	559,000.00	508,799.21	50,200.79	50,200.79	
Municipal Court:						
Salaries and Wages	58,053.00	58,053.00	58,053.00			
Other Expenses	20,000.00	20,000.00	8,872.33	11,127.67	11,127.67	
Engineering Services & Costs:						
Other Expenses	63,000.00	63,000.00	48,229.99	14,770.01	14,770.01	

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

COLTS NECK TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET				RESERVED		
GENERAL GOVERNMENT (CONTINUED)							
Historic Preservation:							
Salaries and Wages	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$
Other Expenses	9,760.00	9,760.00	9,760.00	3,759.00	6,001.00	6,001.00	
Planning Board:							
Salaries and Wages	164,500.00	154,500.00	154,500.00	148,657.97	5,842.03	5,842.03	
Other Expenses	15,850.00	21,850.00	21,850.00	17,236.20	4,613.80	4,613.80	
Zoning Board of Adjustments:							
Salaries and Wages	4,900.00	8,900.00	8,900.00	6,170.11	2,729.89	2,729.89	
Other Expenses							
Code Enforcement Official							
Salaries and Wages	80,147.81	80,147.81	80,147.81	80,094.89	52.92	52.92	
Other Expenses	2,200.00	2,200.00	2,200.00	2,075.69	124.31	124.31	
Insurance:							
General Liability	295,015.00	295,015.00	295,015.00	295,015.00			
Workers Comp	241,836.00	241,836.00	241,836.00	241,836.00			
Employees Group Insurance	806,000.00	806,000.00	806,000.00	792,421.95	13,578.05	13,578.05	
Health Benefit Waiver	20,000.00	20,000.00	20,000.00	20,000.00			
Unemployment Insurance	3,300.00	3,300.00	3,300.00	3,170.20	129.80	129.80	
PUBLIC SAFETY							
Police Department:							
Salaries and Wages	3,209,852.00	3,169,852.00	3,169,852.00	3,141,576.14	28,275.86	28,275.86	
Other Expenses	189,875.00	189,875.00	189,875.00	171,192.61	18,682.39	18,682.39	
Office of Emergency Management:							
Other Expenses	5,000.00	5,000.00	5,000.00	4,962.60	37.40	37.40	
First Aid Organization - Contribution	26,500.00	26,500.00	26,500.00	20,375.83	6,124.17	6,124.17	
Fire Department:							
Other Expenses	276,438.00	276,438.00	276,438.00	271,747.91	4,690.09	4,690.09	
Fire Prevention Bureau:							
Salaries and Wages	28,000.00	28,000.00	28,000.00	27,425.65	574.35	574.35	
Other Expenses	2,150.00	2,150.00	2,150.00	434.18	1,715.82	1,715.82	

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

COLTS NECK TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS			EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
STREETS AND ROADS:						
Road Repairs and Maintenance						
Salaries and Wages	\$ 945,918.34	\$ 875,918.34	\$ 855,858.88	\$ 20,059.46	\$	
Other Expenses	398,125.00	333,125.00	264,831.68	68,293.32		
Snow Removal:						
Salaries and Wages	15,000.00	15,000.00	8,926.64	6,073.36		
Other Expenses	101,500.00	101,500.00	97,995.92	3,504.08		
Recycling						
Other Expenses	688,472.00	688,472.00	639,492.97	48,979.03		
Buildings and Grounds:						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	399,800.00	324,800.00	270,149.88	54,650.12		
Public Health Services:						
Salaries and Wages	128,984.00	128,984.00	128,984.00			
Other Expenses	36,400.00	36,400.00	31,906.82	4,493.18		
Environmental Health Services:						
Salaries and Wages	900.00	900.00	545.00	355.00		
Other Expenses	1,900.00	1,900.00	416.00	1,484.00		

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

COLTS NECK TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS			EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>HEALTH & WELFARE:</u> (Continued)						
Animal Control						
Other Expenses	\$ 31,000.00	\$ 31,000.00	\$ 25,798.00	\$ 5,202.00	\$	
<u>PARKS AND RECREATION FUNCTIONS</u>						
Recreation Services Programs:						
Salaries and Wages	243,605.00	233,605.00	229,832.03	3,772.97		
Other Expenses	197,975.00	207,975.00	195,987.75	11,987.25		
<u>UNCLASSIFIED</u>						
Accumulated Sick and Vacation	7,500.00	7,500.00	7,500.00			
<u>UTILITY EXPENSE AND BULK PURCHASES:</u>						
Electricity	50,000.00	50,000.00	48,926.95	1,073.05		
Street Lighting	10,000.00	10,000.00	8,497.92	1,502.08		
Telephone	81,500.00	81,500.00	77,557.70	3,942.30		
Natural Gas	27,000.00	27,000.00	22,073.37	4,926.63		
<u>Total Operations Within "CAPS":</u>	10,129,103.93	10,129,103.93	9,686,156.88	442,947.05		
<u>CONTINGENT</u>	5,000.00	5,000.00	4,051.13	948.87		
<u>TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS":</u>	10,134,103.93	10,134,103.93	9,690,208.01	443,895.92		

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

COLTS NECK TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Public Employees Retirement System of New Jersey	\$ 345,354.00	\$ 345,354.00	\$ 345,354.00	\$	
Police and Firemen's Retirement System of New Jersey	919,507.00	919,507.00	919,507.00		
Social Security System (O.A.S.I.)	375,000.00	375,000.00	373,093.79	1,906.21	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,639,861.00	1,639,861.00	1,637,954.79	1,906.21	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	11,773,964.93	11,773,964.93	11,328,162.80	445,802.13	
OPERATIONS - EXCLUDED FROM "CAPS"					
Maintenance of Free and Public Library (N.J.S.A. 40:54-35)					
Salaries and Wages	30,000.00	30,000.00	30,000.00		
Other Expenses	57,835.00	57,835.00	43,328.01	14,506.99	
Department of Environmental Protection					
Recycling Tax (N.J.S.A. 13:1E-96.5)	45,000.00	45,000.00	45,000.00		
Length of Service Award Program					
Other Expenses	40,000.00	40,000.00		40,000.00	
Declared State of Emergency Costs for Snow Removal NJSA 40A:4-45(b) and 40A:4-45 c(bb)	72,061.72	72,061.72	72,061.72		
TOTAL OTHER OPERATIONS EXCLUDED FROM "CAPS"	244,896.72	244,896.72	190,389.73	54,506.99	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Interlocal Services - County 911	114,622.00	114,622.00	114,621.00	1.00	
Interlocal Services - County Tree Services	80,000.00	80,000.00	56,472.99	23,527.01	
Interlocal Services - County Mechanic Services	45,000.00	45,000.00	40,095.53	4,904.47	
Interlocal Services Holmdel Township Court	195,000.00	195,000.00	193,004.50	1,995.50	
West Long Branch Tax Collector	20,000.00	20,000.00	20,000.00		
Colts Neck Board of Ed. - Gasoline	164,500.00	164,500.00	105,412.46	59,087.54	
TOTAL INTERLOCAL MUNICIPAL SERVICE AGREEMENTS	619,122.00	619,122.00	529,606.48	89,515.52	

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

COLTS NECK TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
PUBLIC/PRIVATE PROGRAMS OFFSET BY REVENUES					
Alcohol Education and Rehabilitation Fund	\$ 2,446.53	\$ 2,446.53	\$ 2,446.53	\$	
Body Armor Fund		46,661.23	46,661.23		
Clean Communities Program		22,515.41	22,515.41		
Recycling Tonnage Grant	14,000.00	14,000.00	14,000.00		
Distracted Driver	7,000.00	7,000.00	7,000.00		
Impaired Driving Countermeasure	10,000.00	10,000.00	10,000.00		
Stormwater Assistance Grant	5,810.00	5,810.00	5,810.00		
Safety Restraint Program	9,730.00	9,730.00	9,730.00		
Municipal Alliance on Alcoholism and Drug Abuse - State	2,500.00	2,500.00	2,445.00	55.00	
Matching Funds for Grants	7,261.89	7,261.89	7,261.89		
Drunk Driving Enforcement	58,748.42	127,925.06	127,870.06	55.00	
TOTAL PUBLIC/PRIVATE PROGRAMS OFFSET BY REVENUES					
	922,767.14	991,943.78	847,866.27	144,077.51	
TOTAL OPERATIONS EXCLUDED FROM "CAPS"					
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	3,000,000.00	3,000,000.00	3,000,000.00		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
	3,000,000.00	3,000,000.00	3,000,000.00		
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,320,433.00	1,320,433.00	1,320,433.00		
Payment of Bond Anticipation Notes and Capital Notes	881,250.00	881,250.00	881,250.00		
Interest on Bonds	760,638.69	760,638.69	755,878.51		4,760.18
Interest on Notes	166,800.00	166,800.00	166,800.00		
Monmouth County Improvement Authority					
Principal	117,000.00	117,000.00	117,000.00		
Interest	34,650.00	34,650.00	34,177.54		472.46
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
	3,280,771.69	3,280,771.69	3,275,539.05		5,232.64

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

COLTS NECK TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2025

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
TOTAL GENERAL APPROPRIATIONS- EXCLUDED FROM "CAPS"	\$ 7,203,538.83	\$ 7,272,715.47	\$ 7,123,405.32	\$ 144,077.51	\$ 5,232.64
SUB-TOTAL GENERAL APPROPRIATIONS	18,977,503.76	19,046,680.40	18,451,568.12	589,879.64	5,232.64
RESERVE FOR UNCOLLECTED TAXES	1,100,000.00	1,100,000.00	1,100,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 20,077,503.76	\$ 20,146,680.40	\$ 19,551,568.12	\$ 589,879.64	\$ 5,232.64
REF.	A-2		A-1	A-A-1	
Appropriations					
Appropriation by 40A: 4-87		\$ 20,077,503.76			
		69,176.64			
		\$ 20,146,680.40			
Reserve for Uncollected Taxes		\$	1,100,000.00		
Reserve for Encumbrances			441,113.10		
Grants Appropriated			125,425.06		
		\$	1,666,538.16		
Cash Disbursements		\$ 18,385,728.43			
Less: Refunds		500,698.47			
			17,885,029.96		
		\$	19,551,568.12		

TRUST FUND

"B"

COLTS NECK TOWNSHIP

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2025</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>
Animal Control Trust Fund:			
Cash	B-1	\$ 880.56	\$ 652.56
		<u>880.56</u>	<u>652.56</u>
Trust - Other Funds:			
Cash	B-1	\$ 8,389,393.76	\$ 7,348,524.82
Interfunds Receivable	B-6		7,972.23
		<u>8,389,393.76</u>	<u>7,356,497.05</u>
Total Assets		\$ <u>8,390,274.32</u>	\$ <u>7,357,149.61</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Trust Fund:			
Due State Department of Health	B-3	\$ 9.00	\$
Reserve for Expenditures	B-2	871.56	652.56
		<u>880.56</u>	<u>652.56</u>
Trust - Other Funds:			
Miscellaneous Reserves	B-5	\$ 8,389,393.76	\$ 7,356,497.05
		<u>8,389,393.76</u>	<u>7,356,497.05</u>
		\$ <u>8,390,274.32</u>	\$ <u>7,357,149.61</u>

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

GENERAL CAPITAL FUND

"C"

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2025</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2024</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 4,101,055.10	\$ 3,712,164.72
Deferred Charges to Future Taxation:			
Funded	C-4	25,787,830.91	27,114,176.16
Unfunded	C-5	8,837,380.00	4,982,880.00
Grants Receivable	C-7	167,830.91	451,176.16
Monmouth County Improvement Authority	C-8	548,295.58	107,368.03
		<u>\$ 39,442,392.50</u>	<u>\$ 36,367,765.07</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Improvement Authorizations:			
Funded	C-9	\$ 2,100,935.51	\$ 2,189,222.37
Unfunded	C-9	5,416,560.32	914,321.05
Serial Bonds Payable	C-10	24,600,000.00	25,970,000.00
MCIA Lease Payable	C-11	1,020,000.00	693,000.00
Bond Anticipation Notes	C-12	3,265,000.00	4,170,000.00
Capital Improvement Fund	C-13	959,445.00	309,175.00
Contracts Payable	C-14	1,299,862.40	503,159.13
Reserve to Pay Debt Service	C-15	73,424.19	73,424.19
Reserve for Grants Receivable	C-16	167,830.91	451,176.16
Reserve for Purchase of Land	C-6	326,297.00	881,250.00
Fund Balance	C-1	213,037.17	213,037.17
		<u>\$ 39,442,392.50</u>	<u>\$ 36,367,765.07</u>

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

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2024 and Balance, December 31, 2025	C:C-3	\$ <u>213,037.17</u>

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

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GENERAL FIXED ASSET ACCOUNT GROUP

"D"

COLTS NECK TOWNSHIP

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2025</u>	BALANCE DECEMBER <u>31, 2024</u>
Fixed Assets:		
Land	\$ 13,974,233.00	\$ 13,720,345.00
Buildings	13,356,266.00	13,133,520.00
Machinery and Equipment	<u>11,243,832.00</u>	<u>10,645,631.00</u>
<u>Total Fixed Assets</u>	\$ <u>38,574,331.00</u>	\$ <u>37,499,496.00</u>
Reserve:		
Investments in General Fixed Assets	\$ <u>38,574,331.00</u>	\$ <u>37,499,496.00</u>

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

NOTES TO FINANCIAL STATEMENTS

COLTS NECK TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025 AND 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Colts Neck Township is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Committee consists of elected officials and is responsible for the fiscal control of the Township.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization.

Except as noted below, the financial statements of the Colts Neck Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Colts Neck Township, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Colts Neck Township do not include the operations of the volunteer fire department or the local and regional school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Colts Neck Township conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Colts Neck Township are organized on the basis of funds and an account group which is different from the fund structure required by GAAP.

A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups.

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting

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

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31st, are reported as a cash liability in the financial statements and constitute part of the Township's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis, interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

General Fixed Assets - N.J.A.C 5:30.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish, and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. Under GAAP, the Township would be required to record a liability for compensated absences, including salary-related payments, as those benefits are earned and meet the recognition criteria established by GASB 101. However, under the accounting practices prescribed by the State of New Jersey, compensated absences are recorded only when due and payable. Accordingly, the Township has not recorded a liability for compensated absences in accordance with GASB 101.

Accounting and Financial Reporting for Pensions

Under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" (an amendment of GASB Statement No. 68), local government employers (or non-employer contributing entity in a special funding situation) are required to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non-employer contributing entity that arise from other types of events.

Under GAAP, municipalities are required to recognize their proportionate share of net pension liability, deferred outflows of resources, deferred inflows of resources on the Statement of Net Position and the proportionate share of the pension related expense on the Statement of Activities.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 68. As of the date of this report the information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions. It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

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

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

In May of 2021, the New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2025 was not available, therefore the information dated June 30, 2024 is disclosed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Leases

Lease receivables are measured at the present value of the lease payments expected to be received during the lease term. The Township may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the lease receivable as an asset on their balance sheets or the Statement of Revenues. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 87 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 87.

D. Basic Financial Statements

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

E. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid Squad members. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of the "Length of Service Award Plan Under Section 457€11 of the Internal Revenue Code".

The LOSAP Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit, nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financial statements as part of our audit of the Township's financial statements.

N.J.A.C.5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also requires public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department.

When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Colts Neck Township had the following cash and cash equivalents at December 31, 2025:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$33,571,411.89	(\$63,517.80)		\$33,507,894.09
Change Funds			\$500.00	500.00
	<u>\$33,571,411.89</u>	<u>(\$63,517.80)</u>	<u>\$500.00</u>	<u>\$33,508,394.09</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Township does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

The Township has no foreign currency risk exposure.

As of December 31, 2025, the Township's bank balance of \$33,571,411.89 was insured or collateralized as follows:

Insured under GUDPA	\$30,666,511.81
Insured under FDIC	1,250,000.00
Uninsured and Uncollateralized - Escrow Accounts	<u>1,654,900.08</u>
	<u>\$33,571,411.89</u>

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located;
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization;
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2025, the Township had no funds set aside for investment purposes.

NOTE 3: GOVERNMENTAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds, based by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

LONG-TERM DEBT

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2025</u>	<u>YEAR 2024</u>	<u>YEAR 2023</u>
Issued:			
General:			
Bonds, Notes and Loans	\$27,865,000.00	\$30,833,000.00	\$31,141,714.00
Total Debt Issued	<u>\$27,865,000.00</u>	<u>\$30,833,000.00</u>	<u>\$31,141,714.00</u>
Less: Reserve to Pay Bonds	561,911.19	977,978.19	1,146,666.62
Net Debt Issued	<u>\$27,303,088.81</u>	<u>\$29,855,021.81</u>	<u>\$29,995,047.38</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	\$5,572,380.00	\$812,880.00	\$2,024,547.00
Total Authorized But Not Issued	<u>5,572,380.00</u>	<u>812,880.00</u>	<u>2,024,547.00</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$32,875,468.81</u>	<u>\$30,667,901.81</u>	<u>\$32,019,594.38</u>

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 indicates a statutory net debt of 0.780%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$7,134,671.29	\$7,134,671.29	-0-
Regional School District Debt	1,041,107.75	1,041,107.75	-0-
General Debt	<u>33,437,380.00</u>	<u>561,911.19</u>	<u>32,875,468.81</u>
	<u>\$41,613,159.04</u>	<u>\$8,737,690.23</u>	<u>\$32,875,468.81</u>

NET DEBT \$32,875,468.81 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$4,212,560,165.33 EQUALS 0.780%.

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG-TERM DEBT (Continued)

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

*Equalized Valuation Basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Township for the last three (3) preceding years.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2025

CALENDAR YEAR	BONDS		TOTAL
	PRINCIPAL	INTEREST	
2026	\$ 1,450,000.00	\$ 714,112.50	\$ 2,164,112.50
2027	1,510,000.00	648,462.50	2,158,462.50
2028	1,580,000.00	579,962.50	2,159,962.50
2029	1,295,000.00	515,462.50	1,810,462.50
2030	1,320,000.00	469,212.50	1,789,212.50
2031-2035	6,355,000.00	1,732,062.50	8,087,062.50
2036-2040	5,440,000.00	1,026,506.26	6,466,506.26
2041-2045	5,650,000.00	412,343.78	6,062,343.78
	<u>\$ 24,600,000.00</u>	<u>\$ 6,098,125.04</u>	<u>\$ 30,698,125.04</u>
	<u>ISSUE</u>		<u>OUTSTANDING BALANCE DECEMBER 31, 2025</u>
	\$22,226,000.00 in General Improvement Bonds dated October 22, 2020, due in remaining annual installments ranging between \$685,000.00 and \$1,150,000.00 beginning November 15, 2026 and ending November 15, 2045 with interest ranging from 2.000% to 4.000%		\$19,950,000.00
	\$3,655,000.00 in MCIA General Improvement Bonds dated December 22, 2022, due in remaining annual installments ranging between \$260,000.00 and \$370,000.00 beginning December 1, 2026 and ending December 1, 2034 with interest ranging from 2.250% and 2.375%		3,065,000.00
	\$5,250,000.00 in MCIA General Improvement Bonds dated December 19, 2024, due in remaining annual installments ranging between \$505,000.00 and \$555,000.00 beginning December 1, 2026 and ending December 1, 2028 with interest of 5.000%		<u>1,585,000.00</u>
			<u>\$24,600,000.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

LONG TERM DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2025, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund \$ 5,572,380.00

SHORT-TERM DEBT

At December 31, 2025, the Township has the following Bond Anticipation Notes outstanding:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2022-04/2023-01	06/22/23	03/13/25	03/13/26	4.00%	\$1,383,823.00
2023-12	09/15/23	03/13/25	03/13/26	4.00%	683,825.00
2023-08	03/14/24	03/13/25	03/13/26	4.00%	<u>1,197,352.00</u>
					<u>\$3,265,000.00</u>

CAPITAL LEASE OBLIGATIONS

The Township participates in the Monmouth County Improvement Authority ("Authority") Capital Equipment Lease Program ("Program"). Under the Program, the Township purchases equipment with the proceeds of an Authority bond issue and then pays the Authority in the form of lease payments. Debt Service requirements for Capital Lease obligations are summarized as follows:

CALENDAR

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	\$177,000.00	\$49,705.00	\$226,705.00
2027	185,000.00	42,150.00	227,150.00
2028	194,000.00	32,900.00	226,900.00
2029	135,000.00	23,200.00	158,200.00
2030	143,000.00	16,450.00	159,450.00
2031-2035	<u>186,000.00</u>	<u>20,100.00</u>	<u>206,100.00</u>
	<u>\$1,020,000.00</u>	<u>\$184,505.00</u>	<u>\$1,204,505.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2025, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2026 were as follows:

Current Fund	\$2,750,000.00*
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* - Per Introduced Budget

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, <u>2025</u>	BALANCE DECEMBER 31, <u>2024</u>
Prepaid Taxes	<u>\$504,744.57</u>	<u>\$523,029.55</u>

NOTE 6: PENSION PLANS

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

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members.

NOTE 6: PENSION PLANS (CONTINUED)

The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

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

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

Vesting and Benefit Provisions

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

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

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2025, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2025, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2025, the State contributed an amount less than the actuarially determined amount. During 2025, PFRS provides for employee contributions of 10.00% of employees' base salary.

Certain Township employees are also covered by Federal Insurance Contribution Act.

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 " Accounting and Financial Reporting for Public Employees Pensions which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2024. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

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

NOTE 6: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS)

At June 30, 2024, the State reported a net pension liability of \$3,448,647.00 for the Township's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the Township's proportion was 0.0253800106 percent, which was a decrease of 0.0003493561 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$3,387.00 for the Township's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statements based on the April 1, 2024 billing was \$343,880.00.

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 69,083.00	\$ 9,181.00
Changes of assumptions	4,284.00	39,238.00
Net difference between projected and actual earnings on pension plan investments		159,904.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>408,601.00</u>	<u>89,486.00</u>
	<u>\$ 481,968.00</u>	<u>\$ 297,809.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Public Employees Retirement System (PERS)

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2025	(\$82,598.00)
2026	177,119.00
2027	(1,359.00)
2028	26,194.00
2029	64,803.00
	<u>\$184,159.00</u>

Actuarial Assumptions

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

	<u>June 30, 2024</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB #68

Public Employees Retirement System (PERS)

Actuarial Assumptions (Continued)

Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

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

The following presents the Township's proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$4,582,405.00	\$3,448,647.00	\$2,483,826.00

Pension plan fiduciary net position

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2024, the State reported a net pension liability of \$6,864,597.00 for the Township's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2024, the Township's proportion was 0.0664749000 percent, which was an increase of 0.0097098500 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the State recognized an actuarially determined pension expense of \$643,541.00. The pension expense recognized in the Township's financial statements based on the April 1, 2024 billing was \$755,657.00.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 432,464.00	\$ 235,005.00
Changes of assumptions	10,852.00	201,602.00
Net difference between projected and actual earnings on pension plan investments		53,728.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,184,835.00</u>	<u>116,215.00</u>
	<u>\$ 1,628,151.00</u>	<u>\$ 606,550.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

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

Year Ended	<u>June 30</u>	<u>Amount</u>
2025	\$	(118,781.00)
2026		596,848.00
2027		117,564.00
2028		169,070.00
2029		253,449.00
Thereafter		<u>3,451.00</u>
	\$	<u>1,021,601.00</u>

Actuarial Assumptions

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

	<u>June 30, 2024</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	3.25-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Employee mortality rates were based on the Pubs-2010 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 Pubs-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% for females, projected generationally from 2010 with Scale MP-2021 mortality projection. The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

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

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

The following presents the Township' s proportionate share of the net pension liability of the participating employers as of June 30, 2024 respectively, calculated using the discount rate as disclosed above as well as what the Township's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the PFRS pension liability	\$9,807,981.00	\$6,864,597.00	\$4,413,402.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

The non-employer contributing entities total proportionate share of the collective net pension liability that is associated with the Township as of December 31, 2024 and 2023 is 0.0664749600% and 0.0567650200% respectively, the non-employer contributing entities' contribution for the year ended June 30, 2024 and 2023 was \$155,691.00 and \$132,163.00, respectively and the employer pension expense and related revenue for the year ended June 30, 2024 and 2023 was \$155,691.00 and \$132,163.00, respectively.

At June 30, 2024 and 2023, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,353,341.00 and \$1,155,661.00, respectively.

At June 30, 2024, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$6,864,597.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>1,353,341.00</u>
	<u>\$8,217,938.00</u>

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts Township employees are allowed to accumulate unused vacation and sick leave, which may be taken off or paid at a later date with the exception of vacation leave. It is estimated that the current cost of such unpaid compensation would approximate \$190,735.52. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2025. The Township has \$250,428.78 in the Reserve for Accumulated Sick & Vacation on the Other Trust Funds Balance sheet as December 31, 2025.

NOTE 8: LITIGATION

The Township Attorney's letter did not indicate any litigation or claims that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 9: CONTINGENT LIABILITIES

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on its financial position as of December 31, 2025.

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2025, the Township does not believe that any material liabilities will result from such audits.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$200,000.00.

NOTE 10: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township participates in a self-insurance program through the Mid Jersey Municipal Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. The Fund is also a member of the Municipal Excess Liability Joint Insurance Fund which provides excess insurance coverage for each of the various risks noted above. The Township' s contribution to the Fund for claim payments is based on actuarial assumption determined by the Fund' s actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township.

Health Benefits Insurance - The Township switched to a private health insurance company as of January 1, 2022. There is a provision included in the financial statements in the Other Trust Fund – Reserve for Medical Insurance for claims incurred but not reported as of \$112,327.73 and \$109,828.65 as of December 31, 2025, and December 31, 2024 respectively. This exceeds the estimated amount for unpaid losses and loss adjustment expenses.

:
New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. Below is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Township' s expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2025		\$7,562.82	\$1,193.88
2024	\$5,199.22	8,272.52	8,756.70
2023	8,511.71	9,732.92	11,830.00

NOTE 11: LENGTH OF SERVICE AWARDS PROGRAM

On August 13, 2003, the Colts Neck Township adopted an ordinance establishing a Length of Service Awards Program for the members of the Colts Neck Volunteer Fire Department and First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be provided for annually in the budget of the Township and is anticipated to be \$40,000.00 per year. The Plan is administrated by VALIC.

The accompanying financial statements do not include the Township's Length of Service Awards Program's activities. The Township's Length of Service Awards Program's financial statements are required to be contained in a separate review report.

NOTE 12: DEFERRED COMPENSATION PLAN

The Township offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The Township does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The accompanying financial statements do not include the Township's Deferred Compensation Plan activities.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

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

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits.

Plan Description and Benefits Provided (Continued)

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

Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations' agreement.

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

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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

Special Funding Situation

The Township, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

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 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Special Funding Situation (Continued)

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 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 record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under special funding situation.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit)/expense. The special funding situation' s and nonspecial funding situation' s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation' s net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan' s nonspecial funding situation during the measurement period July 1, 2023 through June 30, 2024. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2024 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2024 OPEB information in the Notes to the Financial Statements as the June 30, 2025 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

NOTE 13: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

At June 30, 2024 and 2023, the State's proportionate share of the net OPEB liability attributable to the Township for the special funding situation is \$5,941,333.00 and \$6,202,666.00 respectively.

At June 30, 2024, the Township's and State of New Jersey's proportionate share of the Net OPEB Liability were as follows:

Township's proportionate share of the Net OPEB Liability	\$0.00
State of New Jersey's proportionate share of Net OPEB Liability associated with the Township	<u>5,941,333.00</u>
	<u>\$5,941,333.00</u>

NOTE 15: FARMLAND PRESERVATION TRUST

In November 1996, the Township created a Farmland Preservation Trust Fund with a tax levy of \$.01 per \$100 of assessed valuation. The funds are used to acquire and maintain open space property in the Township. As of December 31, 2025, and 2024 the balances in the Farmland Preservation Trust Fund were \$1,326,739.60 and \$1,089,416.58, respectively

NOTE 16: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2025:

	Balance December 31, <u>2024</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2025</u>
Land	\$ 13,720,345.00	\$ 263,478.00	\$ 9,590.00	\$ 13,974,233.00
Building	13,133,520.00	341,366.00	118,620.00	13,356,266.00
Machinery & Equipment	<u>10,645,631.00</u>	<u>1,278,934.00</u>	<u>680,733.00</u>	<u>11,243,832.00</u>
	<u>\$ 37,499,496.00</u>	<u>\$ 1,883,778.00</u>	<u>\$ 808,943.00</u>	<u>\$ 38,574,331.00</u>

NOTE 17: SCHOOL TAXES

Local and Regional District School Taxes have been raised and liabilities deferred by statute, resulting in the school taxes prepaid set forth in the Current Fund liabilities as follows:

	<u>Local District School Tax</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance of Tax	11,217,874.99	11,187,674.99
Deferred	<u>2,826,100.00</u>	<u>2,826,100.00</u>
Tax Payable	<u><u>\$8,391,774.99</u></u>	<u><u>\$8,361,574.99</u></u>

	<u>Regional District School Tax</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Balance of Tax	6,789,290.85	6,257,625.85
Deferred	<u>1,523,600.00</u>	<u>1,523,600.00</u>
Tax Payable	<u><u>\$5,265,690.85</u></u>	<u><u>\$4,734,025.85</u></u>

NOTE 18: LEASE RECEIVABLE

The Township, as lessor, has entered into five lease agreements for the lease of the Township's cell towers with different wireless carriers. The terms of the leases are for 5 years each which expire on December 31, 2025, March 4, 2033, February 6, 2034 and October 10, 2032. The leasees can extend the leases for two renewal terms of five years each. The initial annual lease payments on the leases totaled \$124,593 and the annual lease payments for the remaining years in the existing lease terms will be increased by 3% each year. The total lease payments in 2025 were \$334,744.22

As discussed in Note 1, New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the lease receivable as an asset on their balance sheets or revenue of the Statement of Revenues.

NOTE 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the financial statement date through May 12, 2026 which is the date the financial statements were available to be issued. Based upon this evaluation, the following subsequent event was noted:

Subsequent to December 31, 2025, the Township renewed Bond Anticipation Notes in the amount of \$3,475,000, maturing on March 12, 2027 and bearing interest at 4.00%, to temporarily finance previously authorized capital improvements.

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COLTS NECK TOWNSHIP

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2025

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF CASH-TREASURER

REF.	CURRENT FUND	GRANT FUND
A	\$ 21,017,308.68	\$ 120,139.46
A-2	\$ 690,870.09	
A-3	500,698.47	
A-6	62,442,164.32	
A-8	4,695,186.59	
A-11	32,000.00	
A-15	504,744.57	
A-16	35,084.65	
A-14	2,500.00	
A-22	187.00	
A-23	900.00	
A-27		93,288.53
A-29		4,760.00
A-30		44,276.24
	68,904,335.69	142,324.77
	89,921,644.37	262,464.23
A-3	\$ 18,385,728.43	
A-12	471,072.79	
A-10	254,789.86	
A-13	571,196.99	
A-16	40,924.22	
A-17	9,400,753.69	
A-18	13,612,690.00	
A-19	26,273,441.00	
A-23	925.00	
A-28		131,555.71
A-30		24,466.24
	69,011,521.98	156,021.95
A	\$ 20,910,122.39	\$ 106,442.28

Balance, December 31, 2024

Increased by Receipts:

- Miscellaneous Revenue Not Anticipated
- 2025 Appropriations - Refunds
- Taxes Receivable
- Revenue Accounts Receivable
- Due From State of New Jersey Chapter 20, P. L. 1971
- Prepaid Taxes
- Tax Overpayments
- Reserve for:
- Railroad Parking
- Library State Aid
- Due State of New Jersey - Marriage License Fees
- Grants Receivable
- Grants - Unappropriated
- Grant Interfunds

Decreased by Disbursements:

- 2025 Appropriations
- 2024 Appropriation Reserves
- Accounts Payable
- Interfunds
- Tax Overpayments
- County Taxes Payable
- Regional School Tax Payable
- Local School Tax Payable
- Reserve for:
- Due State of New Jersey - Marriage License Fees
- Grants - Appropriated
- Grant Interfunds

Balance, December 31, 2025

COLTS NECK TOWNSHIP
CURRENT FUND
SCHEDULE OF CHANGE FUNDS

	<u>REF.</u>	
Balance, December 31, 2024 and Balance, December 31, 2025	A	\$ <u>500.00</u>
Tax Collector		\$ 200.00
Municipal Court		<u>300.00</u>
		\$ <u>500.00</u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2024	2025 LEVY	COLLECTION BY CASH		CANCELED	TRANSFERRED TO LIENS	BALANCE DECEMBER 31, 2025
			2024	2025			
Prior 2025	\$ 564,460.89	\$ 63,273,239.92	\$ 495,743.58	\$ 555,162.33	\$ 9,298.56	\$ 43.21	\$ 755,854.36
	\$ 564,460.89	\$ 63,273,239.92	\$ 495,743.58	\$ 61,940,698.39	\$ 80,900.38	\$ 43.21	\$ 755,854.36
<u>REF.</u>	A	A-2, A-15	A-2	A-2	A-7	A	

Cash Collector
Due From State of New Jersey Ch. 20, P.L. 1971
Tax Overpayments Applied

REF.
A-4
A-11
A-16

\$ 62,442,164.32
32,250.00
21,446.40
\$ 62,495,860.72

ANALYSIS OF 2025 PROPERTY TAX LEVY

TAX YIELD							
General Purpose Tax	\$	62,952,725.01					
Added Taxes (54-63.1 et.seq.)		320,514.91					\$ 63,273,239.92
TAX LEVY							
Regional School Tax (Abstract)	A-18	\$	14,144,355.00				
Local School Tax (Abstract)	A-19		26,303,641.00				
County Taxes:							
County Taxes (Abstract)	A-17	\$	9,348,951.73				
Due County for Added Taxes (54-4-63.1 et.seq.)	A-17		43,188.58		9,392,140.31		
Municipal Open Space Tax		\$	543,414.76				
Add: Additional Tax Levied			2,452.14		545,866.90		
Local Tax for Municipal Purposes (Abstract)	A-2	\$	12,573,284.34				
Add: Additional Tax Levied			313,952.37				
Local Tax for Municipal Purposes Levied			12,887,236.71				\$ 63,273,239.92

"A-7"

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2024	A	\$	21,376.88
Increased by:			
Transfers From Taxes Receivable	A-6		<u>43.21</u>
Balance, December 31, 2025	A	\$	<u><u>21,420.09</u></u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2024	ACCRUED	COLLECTED	BALANCE DECEMBER 31, 2025
	\$	\$	\$	\$
A-2		15,188.00	15,188.00	
A-2		101,532.58	101,532.58	
A-2	6,914.36	160,164.05	154,313.35	12,765.06
A-2		159,039.98	159,039.98	
A-2		855,633.23	855,633.23	
A-2		259,008.19	259,008.19	
A-2		1,975,833.26	1,975,833.26	
A-2		28,388.00	28,388.00	
A-2		195,000.00	195,000.00	
A-2		20,000.00	20,000.00	
A-2		50,000.00	50,000.00	
A-2		881,250.00	881,250.00	
	<u>6,914.36</u>	<u>4,701,037.29</u>	<u>4,695,186.59</u>	<u>12,765.06</u>
REF.	A	A-4	A	A

Clerk:

Licenses:

Alcohol Beverages
Fees and Permits

Municipal Court:

Fines and Costs

Interest and Costs on Taxes
Interest on Investments and Deposits

Recreation Fees

Energy Receipts Tax

Watershed Aid

Shared Services:

Holmdel Municipal Court

West Long Branch Tax Collector

Holmdel Municipal Court

Reserve for Purchase of Land

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>REF.</u>		
Balance, December 31, 2024	A	\$	69,484.72
Increased by:			
Transferred from:			
Budget Appropriations	A-3		<u>441,113.10</u>
Total Increases and Balances		\$	<u>510,597.82</u>
Decreased by:			
Transferred to:			
Appropriation Reserves	A-12		<u>69,484.72</u>
Balance, December 31, 2025	A	\$	<u><u>441,113.10</u></u>

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2024	A	\$	300,000.00
Decreased by:			
Cash Disbursements	A-4		<u>254,789.86</u>
Balance, December 31, 2025	A	\$	<u><u>45,210.14</u></u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY
CHAPTER 20, P.L. 1971

REF.

Increased by:			
Senior Citizens and Veterans Deductions Per Tax Billings		\$ 32,750.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector		<u>250.00</u>	<u>33,000.00</u>
			\$ <u>33,000.00</u>
Decreased by:			
Senior Citizens and Veterans Deductions Disallowed by Tax Collector		\$ 750.00	
Cash Receipts	A-4	<u>32,000.00</u>	<u>32,750.00</u>
Balance, December 31, 2025	A		\$ <u><u>250.00</u></u>

ANALYSIS OF STATE SHARE OF 2025
SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens Deductions Per Tax Billings		\$ 2,500.00	
Veterans Deductions Per Tax Billings		30,250.00	
Senior Citizens and Veterans Deductions Allowed by Tax Collector		<u>250.00</u>	<u>33,000.00</u>
			\$ <u>33,000.00</u>
Less: Senior Citizens Deductions Disallowed by Collector		<u>750.00</u>	
	A-6		\$ <u><u>32,250.00</u></u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF 2024 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
General Administration	\$ 2,102.14	\$ 2,102.14	\$	2,102.14
Mayor and Committee	2,000.00	2,000.00		2,000.00
Municipal Clerk	21.77	21.77		21.77
Financial Administration	5.32	5.32	5.32	
Tax Collection	1,050.22	1,050.22		1,050.22
Tax Assessment Administration	0.38	0.38		0.38
Municipal Court	5,183.52	5,183.52	200.00	4,983.52
Historic Preservation	800.00	800.00	545.00	255.00
Planning Board	53.00	53.00		53.00
Architectural Review	145.00	145.00		145.00
Code Enforcement Official	468.69	468.69		468.69
Police Department	25,807.33	25,807.33	2,183.82	23,623.51
Fire Prevention Bureau	72.24	72.24		72.24
Snow Removal	9,494.70	9,494.70	9,494.70	
Streets and Road Maintenance	82,150.93	82,150.93	3,572.13	78,578.80
Recycling	1.48	1.48		1.48
Shade Tree Commission	545.00	545.00		545.00
Public Health Services	171.91	171.91		171.91
Environmental Health Services	900.00	900.00		900.00
Recreation Services Programs	204.71	204.71		204.71
<u>OTHER EXPENSES:</u>				
General Administration	16,436.91	16,732.09	3,006.89	13,725.20
Elections	208.00	208.00		208.00
Financial Administration	273.58	1,024.94	1,024.94	
Annual Audit	400.00	400.00		400.00
Tax Collection	819.79	1,316.74	1,316.74	

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF 2024 APPROPRIATION RESERVES

OTHER EXPENSES (CONTINUED):

	BALANCE DECEMBER 31, 2024	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
	\$	10,109.10 \$	6.21 \$	10,099.10
Tax Assessment Administration	85,394.40	85,394.40	85,394.40	
Legal Services and Costs	5,988.98	27,402.49	23,921.26	3,481.23
Engineering Services & Costs	8,000.00	8,000.00		8,000.00
Farmland/ Open Space Commission	2,819.98	2,860.69	40.71	2,819.98
Historical Preservation	2,309.42	2,310.11	659.19	1,650.92
Planning Board	22.22	943.92	921.70	22.22
Municipal Court	800.00	800.00		800.00
Architectural Review	240.87	401.14	313.99	87.15
Zoning Board of Adjustments	162.37	313.64	151.27	162.37
Code Enforcement Official	9,279.76	16,288.90	16,258.90	30.00
Police Department	2,500.00	2,500.00		2,500.00
Office Of Emergency Management	2,732.60	2,867.52	1,301.25	1,566.27
First Aid Organization - Contribution	48,123.49	73,841.11	28,729.78	45,111.33
Fire Department	10,345.95	10,345.95		10,345.95
Fire Prevention Bureau	6,442.42	8,865.34	8,865.34	
Snow Removal	50,058.60	69,386.79	56,769.33	12,617.46
Streets and Road Maintenance	8,559.28	18,959.28	14,310.80	4,648.48
Recycling	1,041.84	1,041.84		1,041.84
Shade Tree Commission	129,493.88	102,508.63	74,546.24	27,962.39
Building And Grounds	20,746.34	20,975.66	1,585.32	19,390.34
Public Health Services	2,275.00	2,275.00		2,275.00
Environmental Health Services	10,689.37	10,689.37		8,706.04
Animal Control	421.10	5,904.93	5,147.58	757.35
Recreation Services Programs	15.64	964.60	948.96	15.64
Electricity	5,576.05	5,576.05	1,860.74	3,715.31
Telephone	2,814.58	2,814.58	2,401.05	413.53
Natural Gas	554.20	1,111.42	833.34	278.08
Street Lighting				

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>GRANT FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2024	A	27,782.23 \$	19,810.00 \$	7,972.23
Due To				
Increased/Decreased by:				
Open Space Tax Levy	A-2	543,414.76		543,414.76
Budget Appropriations	A-3	125,425.06	125,425.06	
		<u>668,839.82 \$</u>	<u>125,425.06 \$</u>	<u>543,414.76</u>
Decreased/Increased by:				
Cash Disbursements	A-4	571,196.99	19,810.00	551,386.99
Budget Revenues Realized	A-2	125,425.06	125,425.06	
		<u>696,622.05 \$</u>	<u>145,235.06 \$</u>	<u>551,386.99</u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF RESERVE FOR CABLE/BOARD OF EDUCATION HOOK UP

	<u>REF.</u>	
Balance, December 31, 2024	A	\$ 22,500.00
Increased by:		
Cash Receipts	A-4	<u>2,500.00</u>
Balance, December 31, 2025	A	<u>\$ 25,000.00</u>

"A-15"

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2024	A	\$	523,029.55
Increased by:			
Cash Receipts	A-4		504,744.57
		\$	<u>1,027,774.12</u>
Decreased by:			
Applied to 2025 Taxes Receivable	A-6	\$	495,743.58
Transfer to Tax Overpayments	A-16		<u>27,285.97</u>
			<u>523,029.55</u>
Balance, December 31, 2025	A	\$	<u><u>504,744.57</u></u>

"A-16"

SCHEDULE OF TAX OVERPAYMENTS

Increased by:			
Cash Receipts	A-4	\$	35,084.65
Transfer from Prepaid Taxes	A-15		<u>27,285.97</u>
		\$	<u>62,370.62</u>
Decreased by:			
Cash Disbursements	A-4	\$	40,924.22
Applied to 2025 Taxes Receivable	A-6		<u>21,446.40</u>
		\$	<u><u>62,370.62</u></u>

"A-17"

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2024	A	\$	51,801.89
Increased by:			
2025 Tax Levy:	A-1:A-6	\$	9,348,951.73
Added Taxes	A-1:A-6		43,188.58
	A-2		<u>9,392,140.31</u>
		\$	<u>9,443,942.20</u>
Decreased by:			
Cash Disbursements	A-4		<u>9,400,753.69</u>
Balance, December 31, 2025	A	\$	<u><u>43,188.51</u></u>

"A-18"

SCHEDULE OF REGIONAL SCHOOL TAX PAYABLE

Balance, December 31, 2024			
School Tax Payable	A	\$	4,734,025.85
School Tax Deferred			<u>1,523,600.00</u>
		\$	6,257,625.85
Increased by:			
Levy School Year - July 1, 2025 to June 30, 2026	A-1:A-2:A-6		<u>14,144,355.00</u>
		\$	<u>20,401,980.85</u>
Decreased by:			
Cash Disbursements	A-4		<u>13,612,690.00</u>
Balance, December 31, 2025			
School Tax Payable	A	\$	5,265,690.85
School Tax Deferred			<u>1,523,600.00</u>
		\$	<u><u>6,789,290.85</u></u>
2025 Liability for Regional School Tax:			
Tax Paid		\$	13,612,690.00
Less: Taxes Payable Balance, December 31, 2024			<u>(4,734,025.85)</u>
		\$	8,878,664.15
Add: Taxes Payable/(Prepaid) Balance, December 31, 2025			<u>5,265,690.85</u>
Amount Charged to 2025 Operations	A-1	\$	<u><u>14,144,355.00</u></u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>REF.</u>			
Balance, December 31, 2024				
School Tax Payable	A	\$	8,361,574.99	
School Tax Deferred			<u>2,826,100.00</u>	
				\$ 11,187,674.99
Increased by:				
Levy School Year - July 1, 2025 to June 30, 2026	A-1:A-2:A-6			<u>26,303,641.00</u>
				\$ 37,491,315.99
Decreased by:				
Cash Disbursements	A-4			<u>26,273,441.00</u>
Balance, December 31, 2025				
School Tax Payable	A	\$	8,391,774.99	
School Tax Deferred			<u>2,826,100.00</u>	
				\$ <u>11,217,874.99</u>
2025 Liability for Local School Tax:				
Tax Paid				\$ 26,273,441.00
Less: Taxes Payable Balance, December 31, 2024				<u>(8,361,574.99)</u>
				\$ 17,911,866.01
Add: Taxes Payable/(Prepaid) Balance, December 31, 2025				<u>8,391,774.99</u>
Amount Charged to 2025 Operations	A-1			\$ <u>26,303,641.00</u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF RESERVE FOR ALCOHOL REHABILITATION FUND

	<u>REF.</u>	
Balance, December 31, 2024 and December 31, 2025	A	\$ <u><u>532.70</u></u>

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF RESERVE FOR FEMA REIMBURSEMENTS

REF.

Balance, December 31, 2024 and
Balance, December 31, 2025

A

\$ 224,785.89

"A-22"

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY STATE AID

	<u>REF.</u>		
Balance, December 31, 2024	A	\$	509.00
Increased by:			
Cash Receipts	A-4		<u>187.00</u>
Balance, December 31, 2025	A	\$	<u><u>696.00</u></u>

"A-23"

SCHEDULE OF RESERVE FOR DUE STATE OF NEW JERSEY - MARRIAGE LICENSE FEES

Balance, December 31, 2024	A	\$	200.00
Increased by:			
Cash Receipts	A-4		<u>900.00</u>
		\$	<u>1,100.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>925.00</u>
Balance, December 31, 2025	A	\$	<u><u>175.00</u></u>

"A-24"

SCHEDULE OF RESERVE FOR ESCROW BOND

Balance, December 31, 2024 and December 31, 2025	A	\$	<u><u>12,090.00</u></u>
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"A-25"

COLTS NECK TOWNSHIP

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS

	<u>REF.</u>	
Balance, December 31, 2024 and Balance, December 31, 2025	A	\$ <u>200,000.00</u>

"A-26"

SCHEDULE OF RESERVE FOR MASTER PLAN

Balance, December 31, 2024 and December 31, 2025	A	\$ <u>25,070.75</u>
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COLTS NECK TOWNSHIP

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2024	2025 BUDGET REVENUE REALIZED	CASH RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2025
State Grants:					
Recycling Tonnage Grant	\$	22,515.41 \$	22,515.41 \$	\$	
Clean Communities Program		46,661.23	46,661.23		10,425.15
Drunk Driving Enforcement Fund	10,425.15	7,261.89	7,261.89		5,000.00
Sustainable Jersey Small Grant	5,000.00				10,000.00
DEP Stormwater Assistance Grant		10,000.00			18,256.26
Municipal Alliance on Drug and Alcohol Abuse	21,376.26	9,730.00	12,850.00	5,810.00	
Safety Restraint Program		5,810.00			
Federal Grants:					
Body Armor Grant		2,446.53		2,446.53	
Distracted Driving Grant		14,000.00	4,000.00	7,000.00	3,000.00
Impaired Driving Countermeasure		7,000.00		7,000.00	
	\$ 36,801.41 \$	125,425.06 \$	93,288.53 \$	22,256.53 \$	46,681.41

REF.

A

A-2:A-30

A-4

A-29

A

COLTS NECK TOWNSHIP

GRANT FUND

SCHEDULE OF GRANTS - APPROPRIATED

	BALANCE DECEMBER 31, 2024	TRANSFERRED FROM 2025 BUDGET APPROPRIATIONS	EXPENDED	BALANCE DECEMBER 31, 2025
State Grants:	\$	\$		
Recycling Tonnage Grant - 2023	5,300.87		5,300.87	\$
Recycling Tonnage Grant - 2024	17,773.43		17,773.43	
Recycling Tonnage Grant - 2025		22,515.41	148.60	22,366.81
Clean Communities Program - 2021	3,867.07			3,867.07
Clean Communities Program - 2022	18,465.38		10,427.69	8,037.69
Clean Communities Program - 2023	29,637.00		18,392.47	11,244.53
Clean Communities Program - 2024	46,670.55		25,788.47	20,882.08
Clean Communities Program - 2025		46,661.23		46,661.23
Municipal Alliance on Drug and Alcohol Abuse - 2023	169.12		169.12	
Municipal Alliance on Drug and Alcohol Abuse - 2024	1,958.00		1,958.00	
Municipal Alliance on Drug and Alcohol Abuse - 2025		9,730.00	9,193.64	536.36
Sustainable Jersey Small Grant - 2022	2,516.58		260.58	2,256.00
Drunk Driving Enforcement Fund - 2024	786.34		786.34	
Drunk Driving Enforcement Fund - 2025		7,261.89	3,615.50	3,646.39
Body Worn Camera Grant	12,000.00			12,000.00
DEP Stormwater Assistance Grant - 2024	15,000.00		10,581.00	4,419.00
DEP Stormwater Assistance Grant - 2025		10,000.00		10,000.00
Distracted Driver Grant		14,000.00	14,000.00	
Federal Grants:				
Body Armor Replacement Fund		2,446.53		2,446.53
Impaired Driving Countermeasure		7,000.00	7,000.00	
Local Grants:				
DMHAS Grant	350.00		350.00	
Safety Restraint Program - 2025		5,810.00	5,810.00	
	\$ 154,494.34	\$ 125,425.06	\$ 131,555.71	\$ 148,363.69

REF.

A

A-3:A-30

A-4

A

COLTS NECK TOWNSHIP

GRANT FUND

SCHEDULE OF GRANTS - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2024	CASH RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2025
Safety Restraint Program	\$ 5,810.00 \$	\$	5,810.00 \$	
Body Armor Replacement Fund	2,446.53		2,446.53	
Distracted Driving Incentive Grant	7,000.00	4,760.00	7,000.00	4,760.00
Safety Restraint Program				
Impaired Driving Countermeasure	7,000.00		7,000.00	
	<u>\$ 22,256.53 \$</u>	<u>4,760.00 \$</u>	<u>22,256.53 \$</u>	<u>4,760.00</u>

REF.

A

A-4

A-27

A

COLTS NECK TOWNSHIP
GRANT FUND
SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Balance, December 31, 2024:			
Due From	A	\$ 19,810.00	\$ 19,810.00
Increased by:			
Cash Disbursements	A-4	24,466.24	24,466.24
2025 Budget Appropriations	A-28	125,425.06	125,425.06
		\$ <u>149,891.30</u>	\$ <u>149,891.30</u>
Decreased by:			
Cash Receipts	A-4	44,276.24	44,276.24
2025 Budget Revenues Realized	A-27	125,425.06	125,425.06
		\$ <u>169,701.30</u>	\$ <u>169,701.30</u>

COLTS NECK TOWNSHIP

TRUST FUND

SCHEDULE OF CASH - TREASURER

<u>REF.</u>	<u>ANIMAL CONTROL TRUST</u>	<u>TRUST OTHER</u>
B	\$ 652.56	\$ 7,348,524.82
Increased by Receipts:		
B-2	\$ 3,102.20	
B-3	340.80	
B-4;B-6	1,326.00	233,123.71
B-5		<u>3,850,227.52</u>
	<u>4,769.00</u>	<u>4,083,351.23</u>
	5,421.56	11,431,876.05
Decreased by Disbursements:		
B-2	\$ 2,883.20	
B-3	331.80	
B-4;B-6	1,326.00	225,151.48
B-5		<u>2,817,330.81</u>
	<u>4,541.00</u>	<u>3,042,482.29</u>
B	\$ 880.56	\$ 8,389,393.76

COLTS NECK TOWNSHIP

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL TRUST FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2024	B	\$	652.56
Increased by:			
Animal Control License Fees Collected	B-1	\$	<u>3,102.20</u>
			3,754.76
Decreased by:			
Expenditures Under R.S. 4:19-15.11	B-1		<u>2,883.20</u>
Balance, December 31, 2025	B	\$	<u><u>871.56</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>		<u>AMOUNT</u>
2024	\$	2,138.40
2023		<u>2,270.40</u>
	\$	<u><u>4,408.80</u></u>

COLTS NECK TOWNSHIP

TRUST FUND

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

	<u>REF.</u>		
Increased by:			
Animal Registration Fees Collected	B-1	\$	<u>340.80</u>
Decreased by:			
Paid to State Department of Health	B-1	\$	<u>331.80</u>
Balance, December 31, 2025	B	\$	<u><u>9.00</u></u>

COLTS NECK TOWNSHIP

TRUST FUND

SCHEDULE OF INTERFUNDS - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>
Increased by Cash Receipts	B-1	\$ <u>1,326.00</u> \$	<u>1,326.00</u>
Decreased by Cash Disbursements	B-1	\$ <u>1,326.00</u> \$	<u>1,326.00</u>

COLTS NECK TOWNSHIP

TRUST FUND

SCHEDULE OF MISCELLANEOUS RESERVES

<u>ACCOUNT</u>	<u>BALANCE DECEMBER 31, 2024</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>CANCELLED</u>	<u>BALANCE DECEMBER 31, 2025</u>
Donations for Recreation Fields	\$ 10,190.60	\$	\$	\$	10,190.60
Historical Preservation	4,132.48		2,115.96		2,016.52
Historical Society	34,846.24		119.82		34,726.42
Montrose School House Donations		2,363.00			2,363.00
Uniform Fire Safety Act Penalties	51,931.85				51,931.85
Law Enforcement Trust Fund	273.54	6.22			279.76
Schlesinger Estate	31,792.46				31,792.46
Unemployment Trust Fund	8,756.70		7,562.82		1,193.88
Tax Collector Trust Fund	817,351.87	416,629.75	339,681.62		894,300.00
Construction Code Fees	1,409,316.36	1,168,102.19	621,623.10		1,955,795.45
Tree Removal	436.94				436.94
Senior Center Donations	37,335.94	892.36			38,228.30
Donations to Library	661.08				661.08
Storm Recovery	426,009.43	68,324.84	151,080.30		343,253.97
Bid Opening	29,382.60				29,382.60
P.O.A.A. Fines	265.00	32.00			297.00
Public Defender Fees	8,092.29	550.00	150.00		400.00
Police Donations	1,966.39	2,200.00	1,633.45		8,658.84
County DWI Task Force					1,966.39
Third Party Police	53,354.97	1,045,329.44	998,495.96		100,188.45
Council on Affordable Housing	1,297,703.41	286,739.56	44,353.96		1,540,089.01
Developers' Fees for Engineering & Cash Performance Bonds	1,679,092.71	278,467.14	309,838.03		1,647,721.82
Medical Insurance	109,828.65	2,499.08			112,327.73
Alliance Against Substance Abuse	1,962.74	48.35			2,011.09
Flexible Spending Account	1,967.52	44.78			2,012.30
Farmland Preservation	1,089,416.58	577,998.81	340,675.79		1,326,739.60
Accumulated Sick & Vacation	250,428.70				250,428.70
	<u>\$ 7,356,497.05</u>	<u>\$ 3,850,227.52</u>	<u>\$ 2,817,330.81</u>	<u>\$</u>	<u>\$ 8,389,393.76</u>

REF.

B

B-1

B-1

B-4

B

COLTS NECK TOWNSHIP

TRUST FUND

SCHEDULE OF INTERFUNDS - TRUST OTHER FUND

	<u>REF.</u>		<u>TOTAL</u>		<u>CURRENT FUND</u>
Balance, December 31, 2024					
Interfund Receivable	B	\$	7,972.23	\$	7,972.23
Increased/Decreased by					
Cash Receipts	B-1		<u>233,123.71</u>		<u>233,123.71</u>
		\$	233,123.71	\$	233,123.71
Decreased/Increased by					
Cash Disbursements	B-1	\$	<u>225,151.48</u>	\$	<u>225,151.48</u>

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>			
Balance, December 31, 2024	C		\$	3,712,164.72
Increased by Receipts:				
Interfunds	C-17	\$	1,432,650.00	
Reserve for Purchase of Land	C-6		326,297.00	
Grants Receivable	C-7		527,983.25	
Monmouth County Improvement Authority	C-8		24,072.45	
Bond Anticipation Notes	C-12		3,265,000.00	
Capital Improvement Fund	C-13		<u>3,000,000.00</u>	
				<u>8,576,002.70</u>
			\$	12,288,167.42
Decreased by Disbursements:				
Interfunds	C-17	\$	1,156,950.00	
Reserve for Purchase of Land	C-6		881,250.00	
Bond Anticipation Notes	C-12		3,265,000.00	
Contracts Payable	C-14		<u>2,883,912.32</u>	
				<u>8,187,112.32</u>
Balance, December 31, 2025	C		\$	<u><u>4,101,055.10</u></u>

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH

	<u>REF.</u>		BALANCE DECEMBER <u>31, 2025</u>
Fund Balance	C-1	\$	213,037.17
Capital Improvement Fund	C-13		959,445.00
Contracts Payable	C-14		1,299,862.40
Reserve to Pay Debt Service	C-15		73,424.19
Reserve for Purchase of Land	C-6		326,297.00
Improvement Authorization Expenditures	C-5		(256,640.73)
Unexpended Proceeds of Bond Anticipation Notes	C-5		100,821.05
Grants Receivable	C-7		(167,830.91)
Monmouth County Improvement Authority Receivable	C-8		(548,295.58)
Improvement Authorizations Funded	C-9		<u>2,100,935.51</u>
		\$	<u><u>4,101,055.10</u></u>
	<u>REF.</u>		C

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES
TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2024	C		\$ 27,114,176.16
Increased by:			
MCIA Lease Issued	C-11	\$ 444,000.00	
Reserve for Grant Receivable	C-16	<u>244,638.00</u>	
			\$ <u>688,638.00</u>
			\$ 27,802,814.16
Decreased by:			
Serial Bonds Paid by Budget	C-10	\$ 1,370,000.00	
MCIA Purchase Payables Paid by Budget	C-11	117,000.00	
Reserve for Grant Receivable	C-16	<u>527,983.25</u>	
			<u>2,014,983.25</u>
Balance, December 31, 2025	C		\$ <u><u>25,787,830.91</u></u>

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2025							
		BALANCE DECEMBER 31, 2024	INCREASED	Paid By Budget	Paid By Premium	BALANCE DECEMBER 31, 2025	BOND ANTICIPATION NOTE	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
2009-19	Acquisition of Affordable Housing Units	\$ 712,500.00	\$	\$	\$	712,500.00	\$	170,025.73	\$ 542,474.27
2022-04/2023-01	Acquisition of Real Property	2,275,140.00		881,250.00	10,067.00	1,383,823.00	1,383,823.00		
2023-08	Various Capital Improvements / Equipment	1,206,062.00			8,710.00	1,197,352.00	1,197,352.00		
2023-12	Acquisition of Real Property	789,178.00			4,973.00	784,205.00	683,825.00	86,615.00	13,765.00
2025-11	Acquisition of Fire Truck		2,384,500.00			2,384,500.00			2,384,500.00
2025-19	Extension of Affordability Controls on Certain Units		2,375,000.00			2,375,000.00			2,375,000.00
		<u>\$ 4,982,880.00</u>	<u>\$ 4,759,500.00</u>	<u>\$ 881,250.00</u>	<u>\$ 23,750.00</u>	<u>\$ 8,837,380.00</u>	<u>\$ 3,265,000.00</u>	<u>\$ 256,640.73</u>	<u>\$ 5,315,739.27</u>
REF.		C	C-9	C-12	C-12	C	C-12	C-3	
	Improvement Authorizations Unfunded								\$ 5,416,560.32
	Unexpended Proceeds of Bond Anticipation Notes								<u>100,821.05</u>
									<u>\$ 5,315,739.27</u>

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PURCHASE OF LAND

	<u>REF.</u>	
Balance, December 31, 2024	C	\$ 881,250.00
Increased by:		
Cash Receipts	C-2	<u>326,297.00</u>
		\$ 1,207,547.00
Decreased by:		
Cash Disbursements	C-2	<u>881,250.00</u>
Balance, December 31, 2025	C	\$ <u><u>326,297.00</u></u>

"C-7"

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2024	C	\$	451,176.16
Increased by:			
Improvement Authorizations	C-9	\$	<u>244,638.00</u>
			695,814.16
Decreased by:			
Cash Receipts	C-2		<u>527,983.25</u>
Balance, December 31, 2025	C:C-3	\$	<u><u>167,830.91</u></u>
Analysis of Balance			
New Jersey Department of Transportation:			
Ord 2025-10 Montrose Road to Round Hill Court		\$	61,159.50
Ord 2024-16 Heyers Mill Road to Conover Road			97,766.44
Previous NJDOT Grant			<u>8,904.97</u>
		\$	<u><u>167,830.91</u></u>

"C-8"

SCHEDULE OF DUE FROM MONMOUTH COUNTY IMPROVEMENT AUTHORITY

Balance, December 31, 2024	C	\$	107,368.03
Increased by:			
Improvement Authorizations	C-9	\$	<u>465,000.00</u>
			572,368.03
Decreased by:			
Cash Receipts	C-2		<u>24,072.45</u>
Balance, December 31, 2025	C:C-3	\$	<u><u>548,295.58</u></u>

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING DECEMBER 31, 2025	INTEREST RATE	BALANCE DECEMBER 31, 2024	DECREASED	BALANCE DECEMBER 31, 2025
General Improvement Bonds	October 22, 2020	\$ 22,226,000.00	\$	4.000%			
	11/15/2026		685,000.00	4.000%			
	11/15/2027		700,000.00	4.000%			
	11/15/2028		725,000.00	3.000%			
	11/15/2029		925,000.00	3.000%			
	11/15/2030		950,000.00	3.000%			
	11/15/2031		950,000.00	3.000%			
	11/15/2032		975,000.00	2.000%			
	11/15/2033		975,000.00	2.000%			
	11/15/2034		975,000.00	2.000%			
	11/15/2035		1,000,000.00	2.000%			
	11/15/2036		1,025,000.00	2.000%			
	11/15/2037		1,065,000.00	2.000%			
	11/15/2038		1,100,000.00	2.130%			
	11/15/2039		1,125,000.00	2.130%			
11/15/2040		1,125,000.00	2.130%				
11/15/2041		1,125,000.00	2.250%				
11/15/2042		1,125,000.00	2.250%				
11/15/2043		1,125,000.00	2.380%				
11/15/2044		1,125,000.00	2.500%				
11/15/2045		1,150,000.00	2.500%	\$	20,625,000.00	\$ 675,000.00	\$ 19,950,000.00
MCIA General Improvement Bonds	December 22, 2022	3,655,000.00		2.250%			
	12/1/2026		260,000.00	2.250%			
	12/1/2027		285,000.00	2.250%			
	12/1/2028		300,000.00	2.250%			
	12/1/2029		370,000.00	2.250%			
	12/1/2030		370,000.00	2.250%			
	12/1/2031		370,000.00	2.250%			
12/1/2032		370,000.00	2.250%				
12/1/2033		370,000.00	2.250%				
12/1/2034		370,000.00	2.375%		3,275,000.00	210,000.00	3,065,000.00
MCIA General Improvement Bonds	December 19, 2024	5,250,000.00		5.000%			
	12/1/2026		505,000.00	5.000%			
	12/1/2027		525,000.00	5.000%			
12/1/2028		555,000.00	5.000%				
					\$ 2,070,000.00	485,000.00	1,585,000.00
					\$ 25,970,000.00	\$ 1,370,000.00	\$ 24,600,000.00
					C	C-4	C
					REF.		

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF MONMOUTH COUNTY IMPROVEMENT AUTHORITY FINANCED PURCHASES PAYABLE

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	OUTSTANDING		INTEREST RATE	INCREASED	DECREASED	BALANCE DECEMBER 31, 2024	BALANCE DECEMBER 31, 2025
			DATE	AMOUNT					
MCA Lease Purchase	October 1, 2015								
	November 15, 2023	\$ 766,000.00		\$ 100,000.00	5.000%		\$ 22,000.00		
				105,000.00	5.000%				
				110,000.00	5.000%				
				47,000.00	5.000%				
				50,000.00	5.000%				
				52,000.00	5.000%				
				55,000.00	5.000%				
				57,000.00	5.000%			671,000.00	576,000.00
									95,000.00
MCA Lease Purchase	October 22, 2025	444,000.00		77,000.00	5.000%				
				80,000.00	5.000%				
				84,000.00	5.000%				
				88,000.00	5.000%				
				93,000.00	5.000%				
				4,000.00	5.000%				
				4,000.00	5.000%				
				5,000.00	5.000%				
				5,000.00	5.000%				
								444,000.00	444,000.00
								683,000.00	1,020,000.00
								444,000.00	117,000.00

REF.

C

C-4

C-4

C

COLTS NECK TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2024	INCREASED	DECREASED	BALANCE DECEMBER 31, 2025
2022-04/2023-01	Acquisition of Real Property	06/22/23	03/14/24	03/14/25	4.00%	2,285,714.00	\$ 1,383,823.00	2,285,714.00	1,383,823.00
2022-04/2023-01	Acquisition of Real Property	06/22/23	03/13/25	03/13/26	4.00%	692,000.00	683,825.00	692,000.00	683,825.00
2023-12	Acquisition of Real Property	09/15/23	03/14/24	03/14/25	4.00%	1,192,286.00	1,197,352.00	1,192,286.00	1,197,352.00
2023-08	Acquisition of Real Property	09/15/23	03/13/25	03/13/26	4.00%				
2023-08	Various Capital Improvements	03/14/24	03/14/24	03/14/25	4.00%				
2023-08	Various Capital Improvements	03/14/24	03/13/25	03/13/26	4.00%				
						\$ 4,170,000.00	\$ 3,265,000.00	\$ 4,170,000.00	\$ 3,265,000.00
					REF.		C-2		C-C-5
	Cash Disbursements							\$ 3,265,000.00	
	Paid By Premium							23,750.00	
	Paid by Budget							881,250.00	
								\$ 4,170,000.00	

"C-13"

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2024	C	\$ 309,175.00
Increased by:		
2025 Budget Appropriation	C-2	<u>3,000,000.00</u>
		\$ <u>3,309,175.00</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-9	<u>2,349,730.00</u>
Balance, December 31, 2025	C:C-3	\$ <u><u>959,445.00</u></u>

"C-14"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2024	C	\$ 503,159.13
Increased by:		
Improvement Authorizations	C-9	<u>3,680,615.59</u>
		\$ <u>4,183,774.72</u>
Decreased by:		
Cash Disbursements	C-2	<u>2,883,912.32</u>
Balance, December 31, 2025	C:C-3	\$ <u><u>1,299,862.40</u></u>

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY DEBT SERVICE

Balance, December 31, 2024 and
December 31, 2025

C

\$ 73,424.19

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2024	C	\$ 451,176.16
Increased by:		
Deferred Charges: Funded	C-4	244,638.00
		\$ <u>695,814.16</u>
Decreased by:		
Applied to Deferred Charges - Funded	C-4	<u>527,983.25</u>
Balance, December 31, 2025	C	\$ <u><u>167,830.91</u></u>

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST FUND</u>
Increased/Decreased by:				
Cash Receipts	C-2	1,432,650.00	1,156,950.00	275,700.00
		<u>\$ 1,432,650.00</u>	<u>\$ 1,156,950.00</u>	<u>\$ 275,700.00</u>
Decreased/Increased by:				
Appropriation to Finance	C-9	275,700.00		275,700.00
Improvement Authorizations	C-2	1,156,950.00	1,156,950.00	
Cash Disbursements		<u>\$ 1,432,650.00</u>	<u>\$ 1,156,950.00</u>	<u>\$ 275,700.00</u>

COLTS NECK TOWNSHIP

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2025</u>
2009-19	Acquisition of Affordable Housing Units	\$	712,500.00
2023-12	Acquisition of Real Property		100,380.00
2025-11	Acquisition of Fire Truck		2,384,500.00
2025-19	Extension of Affordabilty Controls on Certain Units		<u>2,375,000.00</u>
		\$	<u>5,572,380.00</u>

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COLTS NECK TOWNSHIP

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

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

	<u>YEAR 2025</u>		<u>YEAR 2024</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 3,000,000.00	4.17%	\$ 3,200,000.00	4.65%
Miscellaneous-From Other Than Local				
Property Tax Levies	5,913,503.86	8.22%	5,344,208.26	7.76%
Collection of Delinquent Taxes and				
Tax Title Liens	555,162.33	0.77%	869,416.75	1.26%
Collection of Current Tax Levy	<u>62,436,441.97</u>	<u>86.83%</u>	<u>59,461,647.96</u>	<u>86.33%</u>
<u>TOTAL INCOME</u>	<u>\$ 71,905,108.16</u>	<u>100.00%</u>	<u>\$ 68,875,272.97</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 19,041,447.76	27.43%	\$ 16,692,038.64	25.53%
County Taxes	9,392,140.31	13.53%	8,875,212.45	13.57%
School Taxes	40,447,996.00	58.26%	39,338,501.00	60.16%
Municipal Open Space Taxes	<u>543,414.76</u>	<u>0.78%</u>	<u>484,394.78</u>	<u>0.74%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 69,424,998.83</u>	<u>100.00%</u>	<u>\$ 65,390,146.87</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,480,109.33		\$ 3,485,126.10	
Fund Balance, January 1	<u>5,660,810.92</u>		<u>5,375,684.82</u>	
	\$ 8,140,920.25		\$ 8,860,810.92	
Less: Utilization as Anticipated Revenue	<u>3,000,000.00</u>		<u>3,200,000.00</u>	
Fund Balance, December 31	<u>\$ 5,140,920.25</u>		<u>\$ 5,660,810.92</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Tax Rate	<u>1.394</u>	<u>1.490</u>	<u>1.556</u>
Apportionment of Tax Rate:			
Municipal	0.290	0.287	0.286
County	0.208	0.220	0.229
Regional School	0.313	0.326	0.327
Local School	0.583	0.657	0.714

ASSESSED VALUATIONS:

2025	<u>\$4,515,977,417.00</u>		
2024		<u>\$4,006,037,271.00</u>	
2023			<u>\$3,694,327,513.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2025	\$63,273,239.92	\$62,436,441.97	98.68%
2024	60,040,837.55	59,461,647.96	99.03%
2023	57,766,403.91	56,870,970.57	98.44%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE</u>
				<u>OF TAX LEVY</u>
2025	\$21,420.09	\$755,854.36	\$777,274.45	1.23%
2024	21,376.88	564,460.89	585,837.77	0.98%
2023	21,342.61	869,416.75	890,759.36	1.54%

EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2025	\$366,009,448.00
2024	\$266,618,246.00
2023	\$206,193,748.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2025	\$5,140,920.25	\$2,750,000.00 *
	2024	5,660,810.92	3,000,000.00
	2023	5,375,684.82	3,200,000.00
	2022	4,316,611.47	1,950,000.00
	2021	3,486,403.44	1,750,000.00

* Per Introduced Budget

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Tara Torchia Buss	Mayor	*
Michael Viola	Deputy Mayor	*
Sue Fitzpatrick	Committeeperson	*
Dan Buzzetta	Committeeperson	*
Frank Rizzuto	Committeeperson	*
Trina Lindsey through 11/14/2025	Municipal Clerk, Secretary to the Township Committee	(A)
Kathleen Capristo 11/15/2025 on	Municipal Clerk, Secretary to the Township Committee	(A)
John D. Antonides	Chief Financial Officer, Tax Collector and Search Officer	Tax (A)
Cheryl Houss	Deputy Treasurer/Collector	*
Nicole Sonnenblick	Municipal Judge	*
Meghan Bennett Clark	Municipal Attorney	

* All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Mid Jersey Municipal Joint Insurance Funds and the Municipal Excess Liability Joint Insurance Fund in the amount of \$1,000,000.00.

(A) Municipal Excess Liability Joint Insurance Fund

All of the Bonds were examined and appear to be properly executed.

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.198 (40A:11-3), except by contract or agreement.

Effective July 1, 2025, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$53,000.00 if the entity has a Qualified Purchasing Agent. The Township has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$53,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$53,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

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

- Leaf Collection Services
- Various Road Improvement Projects
- Drainage Improvements & Reconstruction of Cul-de-sac
- Installation of Concrete Slap at DPW
- Town Hall Annex Steps & Platform Rehabilitation

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

GENERAL COMMENTS (CONTINUED)

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

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

Auditor
Bond Counsel
Financial Advisor
Engineering Services
Legal Services
Grant Consultant

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 3, 2025 adopted the following resolutions authorizing interest to be charged on delinquent taxes and assessments:

BE IT RESOLVED by the Mayor and Council of Colts Neck that the rate of interest to be charged on delinquent taxes and assessments is to be 8% on the first \$1,500.00 and 18% on any amount thereafter. Any amount sold on tax sale is to be charged the entire 18% for the full amount.

BE IT FURTHER RESOLVED that the rate of interest on delinquent water-sewer bills is to be 18% per state statute.

BE IT FURTHER RESOLVED that the grace period allowed for payment of interest shall not exceed 10 calendar days of the due date and thereafter. The interest shall be charged from the date due to the date paid.

BE IT RESOLVED by the Mayor and Council of the Township of Colts Neck, County of Monmouth and State of New Jersey, that in accordance with the amendment to N.J.S.A. 54:4-67, the Tax Collector is hereby authorized to charge an additional penalty of 6% for any delinquency that remains in arrears past December 31, 2024 that is in excess of \$10,000.00.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

GENERAL COMMENTS (CONTINUED)

TAX TITLE LIENS

The last tax sale was held on December 2, 2025 and was complete.

An examination of the tax sale certificates revealed all certificates were on file and available for audit.

The following is a comparison of the number of tax title liens receivable on December 31 of the last five years:

<u>YEAR</u>	<u>NUMBER</u>
2025	1
2024	1
2023	1
2022	1
2021	1

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

OTHER COMMENTS

Interfund Balances

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. There were no interfund balances at year end. As a general rule all interfund balances should be closed out as of the end of the year. It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None

