BOROUGH OF HAMBURG

COUNTY OF SUSSEX

REPORT OF AUDIT

2024

NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS

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BOROUGH OF HAMBURG

PART I

FINANCIAL STATEMENTS AND

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2024

NISIVOCCIA
ASSURANCE · TAX · ADVISORY

Mount Arlington, NJ
Newton, NJ
Bridgewater, NJ

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Independent Member
BKR International

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* - of the various funds and account group of the Borough of Hamburg, in the County of Sussex (the "Borough") as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund and account group of the Borough as of December 31, 2024 and 2023, and the results of operations and changes in fund balance, where applicable, of such funds and account group, thereof for the years then ended in accordance with the accounting practices prescribed or permitted, as described in Note 1, by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying 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 each fund and account group of the Borough as of December 31, 2024 and 2023, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), 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 Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions prescribed or permitted by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the Borough implemented GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 and *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.

In performing an audit in accordance with GAAS and *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 Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the 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 various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund and account group financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
March 14, 2025

NISIVOCCIA LLP

Man C. Lee
Certified Public Accountant
Registered Municipal Accountant No. 562

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
CURRENT FUND

BOROUGH OF HAMBURG
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Regular Fund:			
Cash and Cash Equivalents:			
Treasurer	A-4	$ 2,733,205.71	$ 2,815,447.83
Petty Cash		50.00	50.00
Change Fund		370.00	370.00
Procurement Card		636.59	40.36
		2,734,262.30	2,815,908.19
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions		16,076.09	15,671.98
		2,750,338.39	2,831,580.17
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-6	179,694.42	185,150.78
Tax Title Liens Receivable	A-7	778,927.66	700,000.50
Revenue Accounts Receivable	A-8	3,832.55	3,639.36
Due from Federal and State Grant Fund	A	100,704.92	32,509.63
Due from Animal Control Fund	B	2.98	8.57
Due from Other Trust Funds	B		13,499.27
Due from Water/Sewer Utility Operating Fund	D	70,579.09	70,579.09
Due from Payroll Account		101.58	108,161.94
Total Receivables and Other Assets With Full Reserves		1,133,843.20	1,113,549.14
Deferred Charges:			
Overexpenditure of Appropriations	A-3	25,305.00	
Total Regular Fund		3,909,486.59	3,945,129.31
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-5	43,777.63	235,407.06
Due From General Capital Fund	C	126,958.18	
Grants Receivable	A-12	46,601.54	46,597.11
Total Federal and State Grant Fund		217,337.35	282,004.17
TOTAL ASSETS		$ 4,126,823.94	$ 4,227,133.48

BOROUGH OF HAMBURG
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

	Ref.	December 31, 2024	December 31, 2023
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-9		$ 6,990.23
Unencumbered	A-3;A-9	$ 52,296.86	230,415.38
		52,296.86	237,405.61
Prepaid Taxes		119,744.47	102,907.74
County Taxes Payable		6,616.94	
Regional School Taxes Payable		30.00	30.00
Local School Taxes Payable		66,189.00	1.00
Tax Overpayments		11,999.38	32,189.73
Other Encumbrances Payable			3,143.58
Due to Other Trust Funds	B	26,474.23	
Due to Other Trust Funds - Open Space	B	15,427.19	7,723.08
Due to General Capital Fund	C	180,443.96	181,398.95
Due to State of New Jersey:			
Marriage License Fees		250.00	250.00
Reserve for:			
Third Party Tax Title Liens		7,316.27	9.04
Municipal Relief Fund Aid			23,565.00
Sale of Municipal Assets		84,057.07	134,057.07
Pending Tax Appeals		100,814.30	90,814.30
		671,659.67	813,495.10
Reserve for Receivables and Other Assets	A	1,133,843.20	1,113,549.14
Fund Balance	A-1	2,103,983.72	2,018,085.07
Total Regular Fund		3,909,486.59	3,945,129.31
Federal and State Grant Fund:			
Due to Current Fund	A	100,704.92	32,509.63
Due to General Capital Fund	C		779.39
Appropriated Reserve for Grants	A-14	115,461.21	175,575.27
Unappropriated Reserve for Grants	A-13	1,171.22	73,139.88
Total Federal and State Grant Fund		217,337.35	282,004.17
		$ 4,126,823.94	$ 4,227,133.48

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2024	2023
Revenue and Other Income Realized			
Fund Balance Utilized		$ 560,000.00	$ 460,000.00
Miscellaneous Revenue Anticipated		941,977.43	404,211.43
Receipts from:			
Delinquent Taxes		185,568.55	142,368.58
Current Taxes		12,466,719.47	11,952,395.14
Nonbudget Revenue		141,562.78	515,460.10
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		173,351.83	164,739.24
Tax Overpayments Cancelled			8,619.28
Interfunds Returned		224,758.50	20.59
Total Income		14,693,938.56	13,647,814.36
Expenditures			
Budget Appropriations:			
Municipal Purposes		4,033,077.41	3,318,376.13
County Taxes		1,772,072.82	1,759,495.98
Local School District Taxes		5,864,404.00	5,662,880.00
Regional School District Taxes		2,224,198.00	1,944,279.00
Municipal Open Space Tax Levy		7,704.11	7,684.82
Prior Year Senior Citizens' Deductions Disallowed		500.00	500.00
Interfunds Advanced		171,388.57	224,758.50
Total Expenditures		14,073,344.91	12,917,974.43
Excess in Revenue		620,593.65	729,839.93
Adjustment to Excess Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Overexpenditure of Appropriations		25,305.00	
Statutory Excess to Fund Balance		645,898.65	729,839.93
Fund Balance			
Balance January 1		2,018,085.07	1,748,245.14
		2,663,983.72	2,478,085.07
Decreased by:			
Utilized as Anticipated Revenue		560,000.00	460,000.00
Balance December 31	A	$ 2,103,983.72	$ 2,018,085.07

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Budget	Added by N.J.S.A.40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	$ 560,000.00		$ 560,000.00	
Miscellaneous Revenue:				
Alcoholic Beverage Licenses	1,899.00		1,899.00	
Municipal Court - Fines and Costs	22,000.00		56,998.78	$ 34,998.78
Interest on Investments and Deposits	126,435.00		181,107.55	
Interest and Costs on Taxes	32,000.00		32,135.22	135.22
Utility Operating Surplus of Prior Year	100,000.00		100,000.00	
Reserve for Municipal Relief Fund Aid	23,565.00		23,565.00	
Rental of Cell Tower	38,000.00		45,474.13	7,474.13
Energy Receipts Tax	228,618.00		228,618.34	0.34
Reserve for Sale of Municipal Assets	50,000.00		50,000.00	
Emergency Management Agency Assistance	10,000.00		10,000.00	
Reserve for Body Armor Grant	1,139.88		1,139.88	
Recycling Tonnage Grant	3,195.34		3,195.34	
ARP Firefighter Grant FY2023	47,000.00		47,000.00	
ARP Firefighter Grant FY2024	70,000.00		70,000.00	
Stormwater Assistance Grant	25,000.00		25,000.00	
Clean Communities Grant		$ 8,626.52	8,626.52	
Distracted Driving Statewide Crackdown Grant	7,000.00		7,000.00	
Local Recreation Grant		49,972.50	49,972.50	
Alcohol Rehabilitation Grant		245.17	245.17	
Total Miscellaneous Revenue	785,852.22	58,844.19	941,977.43	97,281.02
Receipts from Delinquent Taxes	132,500.00		185,568.55	53,068.55
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	2,820,576.00		2,948,340.54	127,764.54
Budget Totals	4,298,928.22	58,844.19	4,635,886.52	278,114.11
Nonbudget Revenue			141,562.78	141,562.78
	$ 4,298,928.22	$ 58,844.19	$ 4,777,449.30	$ 419,676.89

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(continued)

Allocation of Current Tax Collections:		
Revenue from Collection of Current Taxes		$ 12,466,719.47
Allocated to School and County Taxes	$ 9,860,674.82	
Allocated to Municipal Open Space Tax Levy	7,704.11	
		9,868,378.93
Balance for Support of Municipal Budget		2,598,340.54
Add: Appropriation "Reserve for Uncollected Taxes"		350,000.00
Realized for Support of Municipal Budget		$ 2,948,340.54
Interest on Investments and Deposits:		
Cash Collected by Treasurer		$ 178,257.20
Interest Earned Due from:		
Other Trust Fund	$ 1,626.50	
General Capital Fund	954.99	
Federal and State Grant Fund	164.30	
Payroll Account	101.58	
Animal Control Fund	2.98	
		2,850.35
		$ 181,107.55
Analysis of Nonbudget Revenue:		
Treasurer:		
Zoning Fees	$ 1,235.00	
Planning Board	1,000.00	
Vacant Property Registration	10,350.00	
Clerk Fees	19.15	
Administration Fee - Veterans and Senior Citizens Deductions	416.92	
Police Fees	6,810.81	
Certified Lists	145.00	
Cable Television Franchise Fee	11,630.00	
Tax Collector Receipts	1,517.15	
FEMA Reimbursement	89,242.56	
Other Miscellaneous	19,196.19	
		$ 141,562.78

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended By			Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Over-expenditure	Balance Cancelled
GENERAL GOVERNMENT:						
Administrative & Executive:						
Salaries & Wages	$ 38,600.00	$ 38,600.00	$ 38,535.12	$ 64.88		
Other Expenses	27,200.00	31,700.00	31,679.00	21.00		
Municipal Clerk:						
Salaries & Wages	94,150.00	79,650.00	77,780.48	1,869.52		
Other Expenses	13,500.00	15,500.00	15,447.33	52.67		
Financial Administration:						
Salaries & Wages	40,000.00	42,050.00	42,000.08	49.92		
Other Expenses	13,700.00	13,700.00	12,499.46	1,200.54		
Audit Services	20,000.00	20,000.00	12,302.50	7,697.50		
Collection of Taxes:						
Salaries & Wages	29,000.00	28,850.00	28,736.64	113.36		
Other Expenses	8,350.00	8,350.00	8,345.92	4.08		
Assessment of Taxes:						
Other Expenses	26,000.00	26,500.00	26,490.22	9.78		
Legal Services and Costs:						
Other Expenses	60,000.00	60,000.00	79,049.26		19,049.26	
Engineering Services and Costs:						
Other Expenses	16,000.00	24,000.00	20,167.15	3,832.85		
Economic Development Agency:						
Other Expenses	1,000.00					
Historical Society:						
Other Expenses	500.00	500.00	500.00			

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By			Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Over-expenditure	Balance Cancelled
GENERAL GOVERNMENT (continued):						
Historical Preservation:						
Salaries & Wages	$ 1,850.00	$ 1,850.00	$ 1,817.16	$ 32.84		
Other Expenses	2,500.00	2,150.00	2,140.00	10.00		
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Municipal Land Use Board:						
Salaries & Wages	10,300.00	10,400.00	10,318.95	81.05		
Other Expenses (N.J.S.A 40A:4-48)	7,000.00	7,000.00	6,959.73	40.27		
Affordable Housing Administration:						
Other Expenses	5,500.00	5,500.00	5,102.50	397.50		
PUBLIC SAFETY FUNCTIONS:						
Police:						
Salaries & Wages	1,173,175.00	1,075,075.00	1,059,290.09	15,784.91		
Other Expenses	97,556.00	140,556.00	140,554.68	1.32		
Crossing Guard:						
Salaries & Wages	33,300.00	32,800.00	30,742.50	2,057.50		
Other Expenses	500.00	150.00	120.43	29.57		
Office of Emergency Management/"911":						
Salaries & Wages	8,150.00	8,050.00	8,000.15	49.85		
Other Expenses	6,395.00	19,395.00	21,180.10		$ 1,785.10	
Aid to Volunteer Fire Company	27,000.00	32,500.00	34,972.65		2,472.65	
Dispatching Agreement:						
Other Expenses	62,611.00	62,611.00	62,611.00			

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By		Over-expenditure	Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved		
PUBLIC SAFETY FUNCTIONS (CONT'D):						
Streets and Roads:						
Road Repairs and Maintenance:						
Salaries & Wages	$ 102,500.00	$ 93,500.00	$ 93,221.82	$ 278.18		
Other Expenses	68,450.00	64,950.00	64,922.83	27.17		
Public Buildings and Grounds:						
Other Expenses	52,950.00	57,950.00	57,872.53	77.47		
HEALTH AND WELFARE FUNCTIONS:						
Board of Health:						
Other Expenses	400.00					
Dog Regulation:						
Other Expenses	5,000.00	5,000.00	5,000.00			
PARK AND RECREATION FUNCTIONS:						
Recreation and Education:						
Other Expenses	4,300.00	4,300.00	3,064.88	1,235.12		
Other Expenses - Littel Center	3,500.00	3,500.00	3,500.00			
Celebration of Public Events:						
Other Expenses	3,500.00	3,600.00	5,597.99		1,997.99	
UTILITIES:						
Utilities	193,500.00	210,100.00	207,873.43	2,226.57		
Insurance:						
Other Insurance Premiums	85,000.00	85,000.00	84,504.65	495.35		
Workmen's Compensation Insurance	45,000.00	43,150.00	43,106.25	43.75		
Group Insurance for Employees	236,500.00	236,500.00	226,071.66	10,428.34		
Health Benefit Waiver	13,000.00	16,600.00	15,685.03	914.97		

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By			
	Budget	Budget After Modification	Paid or Charged	Reserved	Over-expenditure	Unexpended Balance Cancelled
Municipal Court:						
Other Expenses	$ 76,828.00	$ 76,828.00	$ 76,828.00			
Health and Safety Occupational Act:						
Hepatitis B Vaccine	550.00					
Construction Code Official:						
Other Expenses	6,250.00	19,450.00	19,362.30	$ 87.70		
Zoning Official:						
Other Expenses	21,000.00	22,000.00	21,290.28	709.72		
UNCLASSIFIED:						
Accumulated Leave Compensation	5,000.00	5,000.00	5,000.00			
Total Operations Within "CAPS"	2,747,065.00	2,734,865.00	2,710,244.75	49,925.25	25,305.00	
Detail:						
Salaries & Wages	1,536,025.00	1,410,825.00	1,390,442.99	20,382.01		
Other Expenses	1,211,040.00	1,324,040.00	1,319,801.76	29,543.24		
Deferred Charges and Statutory Expenditures:						
3ills						
Contribution to:						
Public Employees' Retirement System	49,010.00	49,010.00	49,010.00			
Social Security System (O.A.S.I.)	107,000.00	115,000.00	113,823.28	1,176.72		
Police and Firemen's Retirement System	311,368.00	311,368.00	311,368.00			
Unemployment Compensation Insurance	4,500.00	4,800.00	4,664.44	135.56		
Defined Contribution Retirement Program	2,500.00	1,900.00	1,626.67	273.33		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	474,378.00	482,078.00	480,492.39	1,585.61		

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By			Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Over-expenditure	Balance Cancelled
Total General Appropriations for Municipal Purposes Within "CAPS"	$3,221,443.00	$3,216,943.00	$3,190,737.14	$ 51,510.86	$ 25,305.00	
Operations Excluded from "CAPS":						
Refund of Tax Appeals:						
Other Expenses	10,000.00	10,000.00	10,000.00			
State and Federal Programs Offset by Revenues:						
Clean Communities Grant						
(N.J.S.A. 40A:4-87 + $8,626.52)		8,626.52	8,626.52			
American Rescue Plan Act Firefighter Grant- 2023	47,000.00	47,000.00	47,000.00			
American Rescue Plan Act Firefighter Grant- 2024	70,000.00	70,000.00	70,000.00			
Stormwater Assistance Grant	25,000.00	25,000.00	25,000.00			
Distracted Driving Grant	7,000.00	7,000.00	7,000.00			
Reserve for Body Armor Grant	1,139.88	1,139.88	1,139.88			
Recycling Tonnage Grant	3,195.34	3,195.34	3,195.34			
Emergency Management Agency Assistance	10,000.00	10,000.00	10,000.00			
Local Recreation Grant						
(N.J.S.A. 40A:4-87 + $49,972.50)		49,972.50	49,972.50			
Alcohol Rehabilitation Grant (N.J.S.A. 40A:4-87 + $245.17)		245.17	245.17			
Matching Funds for Grants	11,500.00	11,500.00	11,500.00			
Total Operations Excluded from "CAPS"	184,835.22	243,679.41	243,679.41			
Detail:						
Salaries & Wages						
Other Expenses	184,835.22	243,679.41	243,679.41			

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Appropriations		Expended By			Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Over-expenditure	Balance Cancelled
Capital Improvements - Excluded from "CAPS":						
Capital Improvement Fund	$ 225,000.00	$ 225,000.00	$ 225,000.00			
Municipal Facilities Improvements	15,000.00	19,500.00	18,714.00	$ 786.00		
Equipment Purchases	70,000.00	70,000.00	70,000.00			
Total Capital Improvements - Excluded from "CAPS"	310,000.00	314,500.00	313,714.00	786.00		
Municipal Debt Service - Excluded from "CAPS":						
Payment of Bond Anticipation Notes	220,000.00	220,000.00	220,000.00			
Interest on Notes	12,650.00	12,650.00	12,650.00			
Total Municipal Debt Service - Excluded from "CAPS"	232,650.00	232,650.00	232,650.00			
Total General Appropriations - Excluded from "CAPS"	727,485.22	790,829.41	790,043.41	786.00		
Subtotal General Appropriations	3,948,928.22	4,007,772.41	3,980,780.55	52,296.86	$ 25,305.00	
Reserve for Uncollected Taxes	350,000.00	350,000.00	350,000.00			
Total General Appropriations	$4,298,928.22	$4,357,772.41	$4,330,780.55	$ 52,296.86	$ 25,305.00	$ -0-
Ref.				A		

BOROUGH OF HAMBURG
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Ref.	Analysis of Budget After Modification	Analysis of Paid or Charged
Adopted Budget		$ 4,298,928.22	
Added by:			
N.J.S.A. 40A:4-87		58,844.19	
		$ 4,357,772.41	
Reserve for Uncollected Taxes			$ 350,000.00
Due to Federal and State Grant Fund:			
Appropriated Grant Reserves			222,179.41
Local Match			11,500.00
Reserve for:			
Pending Tax Appeals			10,000.00
Cash Disbursed			3,894,628.35
			4,488,307.76
Less: Refunds			157,527.21
			$ 4,330,780.55

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
TRUST FUNDS

BOROUGH OF HAMBURG
COMPARATIVE BALANCE SHEET - TRUST FUNDS - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Animal Control Fund:			
Cash and Cash Equivalents	B-1	$ 5.34	$ 156.20
		5.34	156.20
Open Space Trust Fund:			
Cash and Cash Equivalents	B-1	26,076.27	83,816.59
Due from Current Fund	A	15,427.19	7,723.08
		41,503.46	91,539.67
Other Trust Funds:			
Cash and Cash Equivalents	B-1	739,096.47	857,956.73
Due from Current Fund	A	26,474.23	
		765,570.70	857,956.73
TOTAL ASSETS		$ 807,079.50	$ 949,652.60
LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Expenditures	B-2	$ 2.36	$ 147.63
Due to Current Fund	A	2.98	8.57
		5.34	156.20
Open Space Trust Fund:			
Reserve for Open Space Trust	B-2	41,434.96	91,539.67
Due to General Capital Fund	C	68.50	
		41,503.46	91,539.67
Other Trust Funds:			
Due to Current Fund	A		13,499.27
Reserve for:			
State Unemployment Insurance		29,821.97	54,173.18
Developer's Escrow		303,241.65	303,729.19
Accumulated Absences		62,868.07	57,868.07
Recreation		405.32	967.00
Tax Sale Premium		46,400.00	36,100.00
Public Defender			594.54
Parking Offenses Adjudication Act		60.69	62.69
Small Cities Block Grant		272,906.21	272,906.21
Junior Police			4,596.74
LEA Fire Safety		18,999.83	19,999.83
Storm Recovery		30,866.96	93,460.01
		765,570.70	857,956.73
TOTAL LIABILITIES AND RESERVES		$ 807,079.50	$ 949,652.60

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
GENERAL CAPITAL FUND

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Cash and Cash Equivalents	C-2	$ 251,509.53	$ 155,935.13
Due from Current Fund	A	180,443.96	181,398.95
Due from Federal and State Grant Fund	A		779.39
Due from Open Space Trust Fund	B	68.50	
NJ Department of Transportation Grant Receivable		113,546.47	40,000.00
Local Recreation Improvement Grant Receivable		50,000.00	
Deferred Charges to Future Taxation:			
Unfunded	C-4		220,000.00
TOTAL ASSETS		$ 595,568.46	$ 598,113.47
LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-7		$ 220,000.00
Improvement Authorizations:			
Funded	C-5	$ 90,548.76	2,248.40
Unfunded	C-5		21,113.22
Due to Federal and State Grant Fund	A	126,958.18	
Capital Improvement Fund	C-6	145,519.84	143,607.84
Reserve for Equipment Purchases		14,620.62	14,340.62
Reserve for Municipal Facilities Improvement		21,181.43	21,176.98
Reserve for Police Building		50,000.00	50,000.00
Fund Balance	C-1	146,739.63	125,626.41
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 595,568.46	$ 598,113.47

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.	
Balance December 31, 2023	C	$ 125,626.41
Increased by:		
Cancellation of Improvement Authorizations		21,113.22
Balance December 31, 2024	C	$ 146,739.63

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
WATER/SEWER UTILITY FUND

BOROUGH OF HAMBURG
WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
ASSETS			
Operating Fund:			
Cash and Cash Equivalents		$ 3,506,842.77	$ 2,509,008.99
Investments			1,030,269.47
	D-4	3,506,842.77	3,539,278.46
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	272,596.52	348,717.21
Sewer Liens Receivable	D-7	3,609.10	3,609.10
Total Receivables with Full Reserves		276,205.62	352,326.31
Total Operating Fund		3,783,048.39	3,891,604.77
Capital Fund:			
Cash and Cash Equivalents	D-4	907,548.29	1,047,516.15
NJ Environmental Infrastructure Loan Receivable		378,287.00	706,068.00
Due from Water/Sewer Utility Operating Fund	D	538,457.85	337,222.04
Fixed Capital	D-8	10,999,378.17	10,851,706.59
Fixed Capital Authorized and Uncompleted	D-9	1,185,868.62	1,185,868.62
Total Capital Fund		14,009,539.93	14,128,381.40
TOTAL ASSETS		$ 17,792,588.32	$ 18,019,986.17
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-10	$ 527,023.04	$ 697,639.97
Encumbered	D-3;D-10		39,451.39
Total Appropriation Reserves		527,023.04	737,091.36
Overpayment of Water/Sewer Rents		12,987.10	15,676.52
Accrued Interest on Loans		5,595.19	6,235.41
Due to Water/Sewer Utility Capital Fund	D	538,457.85	337,222.04
Due to Current Fund	A	70,579.09	70,579.09
Reserve for Water/Sewer Connection Fees		47,758.75	47,758.75
		1,202,401.02	1,214,563.17
Reserve for Receivables	D	276,205.62	352,326.31
Fund Balance	D-1	2,304,441.75	2,324,715.29
Total Operating Fund		3,783,048.39	3,891,604.77

BOROUGH OF HAMBURG
WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	Ref.	December 31, 2024	December 31, 2023
LIABILITIES, RESERVES AND FUND BALANCE			
Capital Fund:			
NJ Environmental Infrastructure Trust Loan Payable:			
Trust Loan	D-15	$ 191,000.00	$ 217,000.00
Fund Loan	D-15	6,365.53	40,229.93
NJ Infrastructure Bank Loan Payable:			
Nano Loan	D-15A	115,000.00	120,000.00
Fund Loan	D-15A	110,959.61	117,486.63
Construction Financing Loan	D-15B	828,199.00	828,199.00
Improvement Authorizations:			
Funded	D-11	33,545.34	40,345.34
Unfunded	D-11	139,518.45	701,390.50
Capital Improvement Fund	D-12	836,878.97	786,878.97
Reserve for Amortization	D-13A	10,576,053.03	10,356,990.03
Deferred Reserve for Amortization	D-13	300,868.62	300,868.62
Reserve for Debt Service		78,227.96	78,227.96
Reserve for Purchase of Equipment		248,720.00	186,061.00
Reserve for Future Capital Outlay		537,925.00	348,425.00
Fund Balance	D-1A	6,278.42	6,278.42
Total Capital Fund		14,009,539.93	14,128,381.40
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$ 17,792,588.32	$ 18,019,986.17

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
WATER/SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

	Ref.	Year Ended December 31, 2024	2023
Revenue and Other Income Realized			
Fund Balance Utilized		$ 834,500.00	$ 804,000.00
Rents		1,851,217.53	1,647,213.84
Miscellaneous Revenue Not Anticipated		259,567.60	132,903.66
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		418,887.79	547,731.95
Total Income		3,364,172.92	3,131,849.45
Expenditures			
Budget Expenditures:			
Operating		1,965,000.00	1,919,800.00
Capital Improvements		326,500.00	319,500.00
Debt Service		85,847.46	87,397.46
Deferred Charges and Statutory Expenditures		72,599.00	88,762.00
Total Expenditures		2,449,946.46	2,415,459.46
Excess in Revenue		914,226.46	716,389.99
Fund Balance			
Balance January 1		2,324,715.29	2,452,325.30
		3,238,941.75	3,168,715.29
Decreased by:			
Utilized as Anticipated Revenue		834,500.00	804,000.00
Surplus Anticipated in Current Fund		100,000.00	40,000.00
Balance December 31	D	$ 2,304,441.75	$ 2,324,715.29

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

	Ref.		
Balance December 31, 2023	D	$	6,278.42
Balance December 31, 2024	D	$	6,278.42

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Anticipated	Realized	Excess or Deficit *
Fund Balance Anticipated	$ 834,500.00	$ 834,500.00	
Water and Sewer Rents	1,616,199.00	1,851,217.53	$ 235,018.53
Total Anticipated Revenue	2,450,699.00	2,685,717.53	235,018.53
Miscellaneous Revenue Not Anticipated		259,567.60	259,567.60
	$ 2,450,699.00	$ 2,945,285.13	$ 494,586.13

Analysis of Water and Sewer Rents

Water and Sewer Rents	$ 1,835,541.01
Overpayments of Water and Sewer Applied	15,676.52
	$ 1,851,217.53

Analysis of Miscellaneous Revenue Not Anticipated

Connection Fees	$ 4,614.97
Interest on Rents	2,583.42
Miscellaneous	39,500.60
	46,698.99
Interest on Investments:	
Collected in Water/Sewer Utility Operating Fund	161,945.42
Due from Water/Sewer Utility Capital Fund	50,923.19
	$ 259,567.60

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF HAMBURG
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024

	Appropriations		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	$ 445,000.00	$ 445,000.00	$ 403,699.60	$ 41,300.40	
Other Expenses	1,520,000.00	1,520,000.00	1,170,854.18	349,145.82	
Capital Improvements:					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Capital Outlay	129,500.00	129,500.00	21,482.58	108,017.42	
Purchase of Equipment	147,000.00	147,000.00	126,189.00	20,811.00	
Debt Service:					
Payment of Loan Principal	71,500.00	71,500.00	71,391.42		$ 108.58
Interest on Loans	15,100.00	15,100.00	14,456.04		643.96
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	40,099.00	40,099.00	40,099.00		
Social Security System (O.A.S.I.)	30,000.00	30,000.00	24,233.34	5,766.66	
Unemployment Compensation Insurance	2,500.00	2,500.00	518.26	1,981.74	
	$2,450,699.00	$2,450,699.00	$1,922,923.42	$ 527,023.04	$ 752.54
		Ref.		D	

Analysis of Paid or Charged

Cash Disbursed	$1,908,467.38
Accrued Interest on Notes	14,456.04
	$1,922,923.42

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF HAMBURG
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	December 31, 2024	December 31, 2023
ASSETS		
Land	$ 1,605,600.00	$ 1,605,600.00
Buildings	1,396,300.00	1,396,300.00
Machinery and Equipment	3,584,928.00	3,458,739.00
TOTAL ASSETS	$ 6,586,828.00	$ 6,460,639.00
RESERVES		
Reserve for General Fixed Assets	$ 6,586,828.00	$ 6,460,639.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

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

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Hamburg include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Hamburg, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Hamburg do not include the operations of the volunteer fire department and first aid squad.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Hamburg conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Hamburg accounts for its financial transactions through the following separate funds:

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

Trust Funds - 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.

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Water/Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned Water/Sewer Utility.

General Fixed Assets Account Group - Estimated value of land, buildings and certain fixed assets of the Borough as discussed in Note 1E.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase, fixed assets purchased by the Water/Sewer Utility Capital Fund would be depreciated and investments would generally be stated at fair value, lease receivables and deferred lease resources as well as the related revenue would be recorded for leases for which the Borough is a lessor, and the Borough's net pension liability and related deferred inflows and outflows would be recorded.

Expenditures are charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee amounts are not accrued.

2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.

3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled 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.

The cash basis of accounting is followed in the Trust and the Capital Funds.

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by loans or by financed purchases agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed Property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

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.

General Fixed Assets - General fixed assets are recorded at historical or estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, the General Capital Fund and the Water/Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital and Water/Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

General Fixed Assets (Cont'd) - Property and equipment purchased by the Water/Sewer Utility Fund are recorded in the Water/Sewer Utility Capital Fund at cost and are not adjusted for dispositions and abandonments. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the Water/Sewer Utility Capital Fund represents charges to operations for the cost of acquisitions of property, equipment and improvements. The Water/Sewer Utility does not record depreciation on fixed assets.

F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for Current operating, utility and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2024	2023	2022
Issued			
General:			
Bonds and Notes		$ 220,000.00	$ 278,000.00
Water and Sewer Utility:			
Loans and Notes	$ 1,251,524.14	1,322,915.56	651,107.98
Net Debt Issued	1,251,524.14	1,542,915.56	929,107.98
Authorized but not Issued			
Water and Sewer Utility:			
Bonds and Notes	56,801.00	56,801.00	360,000.00
Total Authorized but not Issued	56,801.00	56,801.00	360,000.00
Less: Reserve to Pay Debt Service:			
Water and Sewer Utility	78,227.96	78,227.96	78,227.96
Net Bonds, Notes and Loans Issued and Authorized but not Issued	$ 1,386,553.10	$ 1,677,944.52	$ 1,367,335.94

Note 2: Long-Term Debt (Cont'd)

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 0.000%.

	Gross Debt	Deductions	Net Debt
Local School Debt	$ 3,695,000.00	$ 3,695,000.00	
Regional High School Debt	816,691.05	816,691.05	
Water and Sewer Utility Debt	1,308,325.14	1,308,325.14	
	$ 5,820,016.19	$ 5,820,016.19	$ -0-

Net Debt $-0- divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, $383,223,991.67= 0.000%.

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

3-1/2% Average Equalized Valuation of Real Property	$ 13,412,839.71
Net Debt	-0-
Remaining Borrowing Power	$ 13,412,839.71

Calculation of "Self-Liquidating Purpose", Water/Sewer Utility Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		$ 2,945,285.13
Deductions:		
Operating and Maintenance Costs	$ 2,037,599.00	
Debt Service	85,847.46	
		2,123,446.46
Excess in Revenue		$ 821,838.67

Note: If there is a deficit in revenue, then the utility debt is not deductible to the extent of twenty times such deficit amount.

The foregoing information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding – Current and Prior Years

	Balance 12/31/2023	Additions	Retirements	Balance 12/31/2024
Bond Anticipation Notes:				
General Capital Fund	$ 220,000.00		$ 220,000.00	
Loans:				
Water/Sewer Utility Capital Fund	1,322,915.56		71,391.42	$ 1,251,524.14
Total	$ 1,542,915.56	$ -0-	$ 291,391.42	$ 1,251,524.14

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Bond Anticipation Notes:				
General Capital Fund	$ 278,000.00		$ 58,000.00	$ 220,000.00
Loans:				
Water/Sewer Utility Capital Fund	651,107.98	$ 743,199.00	71,391.42	1,322,915.56
Total	$ 929,107.98	$ 743,199.00	$ 129,391.42	$ 1,542,915.56

Analysis of Debt Issued and Outstanding at December 31, 2024

Water/Sewer Utility Capital NJ Environmental Infrastructure (NJEIT)/
NJ Infrastructure Bank (NJIB) Loans Payable

Description	Final Maturity	Interest Rate	Balance Dec. 31, 2024
Wastewater Treatment Plant Upgrades:			
Trust Loan	08/01/30	5.00%	$ 191,000.00
Fund Loan	02/01/25	0.00%	6,365.53
Water Storage Tank Rehabilitation and Related Asset Management Plan:			
Fund Loan	08/01/41	0.00%	110,959.61
Nano Loan	08/01/41	3.25% - 5.00%	115,000.00
Sewer Sanitary System Asset Management Plan:			
Construction Loan	06/23/23	0.00%	85,000.00
Sewer Pump Station Improvements:			
Construction Loan	06/23/26	0.00%	743,199.00
			$ 1,251,524.14

Note 2: Long-Term Debt (Cont'd)

New Jersey Environmental Infrastructure Trust (NJEIT) and Infrastructure Bank (NJIB) Loans

In 2010, the Borough of Hamburg entered into a loan agreement with the New Jersey Department of Environmental Protection in the amount of $666,000 for the Fund Loan portion and $620,000 for the Trust Loan portion which represents direct obligations of the Borough. The loan agreements were obtained to finance a pump station at Heritage Lake.

At December 31, 2016, the Borough had borrowed or "drawn down" $860,130 for this project, $72,261.56 of the "Trust" loan had been cancelled and $112,000.00 of the "Trust" loan and $196,821.00 of the "Fund" loan had been defeased through refunding. The unexpended proceeds of the "Trust" loan will be retired by New Jersey Infrastructure Trust from funds on hand, and the unexpended proceeds of the "Fund" will be reduced from future debt service payments. Principal payments to the Fund commenced on August 1, 2011, and will continue on a semiannual basis over 15 years at zero interest. Principal payments to the "Trust" commenced on February 1, 2012, and will continue on a semiannual basis over 18 years at 5.00% interest. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution transferred to such capitalized interest account. The Borough will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

In 2019, the Borough of Hamburg entered into a short-term loan agreement with NJIB in the amount of $85,000 for the preparation of the Sewer System Asset Management Plan "AMP" (S340149-03 SS-AMP). The maturity of this short-term loan was extended from June 30, 2023 to June 30, 2026 as the Borough was able to close on a short-term loan on the related capital project (S340149-04).

In 2022, the Borough entered into a loan agreement with the NJIB in the amount of $125,000 for the Nano Loan portion and $128,365 for the Fund Loan portion which represents direct obligations of the Borough. The loan agreement was obtained to finance the preparation of the water asset management system and the related rehabilitation of three water storage tanks. At December 31, 2022, the Borough had borrowed or "drawn down" $586,054 for this project. The difference between the amount drawn down and the loan issued was forgiven by NJIB. Principal payments to the Fund commenced on August 1, 2022, and will continue on a semiannual basis over 19 years at zero interest. Principal payments to the "Nano" loan commenced on February 1, 2023 and will continue on a semiannual basis over 18 years at 3.25% to 5.00% interest.

In 2023, the Borough of Hamburg entered into a short-term loan agreement with NJIB in the amount of $743,199 for improvements to the sewer pump station (S340149-04). The short-term loan related to this project matures on June 30, 2026. At the time of construction completion and long term conversion, the Borough will be eligible to receive Principal Forgiveness for the AMP costs up to $100,000.

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Loans Issued and Outstanding

	Fund Loan	Nano Loan		Trust Loan		
Year	Principal	Principal	Interest	Principal	Interest	Total
2025	$ 12,892.55	$ 5,000.00	$ 4,656.26	$ 29,000.00	$ 8,890.00	$ 60,438.81
2026	6,527.02	5,000.00	4,406.26	30,000.00	7,440.00	53,373.28
2027	6,527.02	5,000.00	4,156.26	30,000.00	5,940.00	51,623.28
2028	6,527.02	5,000.00	3,906.26	33,000.00	4,590.00	53,023.28
2029	6,527.02	5,000.00	3,656.26	33,000.00	3,105.00	51,288.28
2030-2034	32,635.10	25,000.00	14,531.30	36,000.00	1,620.00	109,786.40
2035-2039	32,635.10	45,000.00	8,506.26			86,141.36
2040-2041	13,054.31	20,000.00	1,050.00			34,104.31
	$117,325.14	$115,000.00	$ 44,868.86	$191,000.00	$31,585.00	$586,266.68

Note 3: Fund Balances Appropriated

The Current Fund and Water/Sewer Utility Operating Fund budgets for the year ending December 31, 2025 have not been introduced as of the date of this report.

Note 4: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets.

Borough contributions to PERS amounted to $89,109 for 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed $3,012 to the PERS for normal pension benefits on behalf of the Borough.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.SA. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity.

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Special Funding Situation (Cont'd)

Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability was $965,703 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0067%, which was a decrease of 0.0012% from its proportion measured as of December 31, 2022. The Borough has rolled forward the net pension liability with no adjustments. The State of New Jersey Public Employee's Retirement System's (PERS) valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Services, State of New Jersey is permitting municipalities to include the June 30, 2023 pension information in the Notes to the Financial Statements as the June 30, 2024 has not been released as of the date of this audit.

There was no state proportionate share of net pension liability attributable to the Borough as of June 30, 2023.

For the year ended December 31, 2024, the Borough recognized actual pension expense in the amount of $89,109.

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

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

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

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 in determining the total pension liability.

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

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

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	$ 1,257,140	$ 965,703	$ 717,652

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description

The State of New Jersey, Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after 4 years of service.

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for PFRS:

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. 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 costs and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount.

The Local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity.

Note 4: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows 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 pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Borough contributions to PFRS amounted to $311,368 for the year ended December 31, 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed $54,458 to the PFRS for normal pension benefits on behalf of the Borough, which is more than the contractually required contribution of $54,166.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2023, the Borough's liability for its proportionate share of the net pension liability was $2,584,311. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0234%, which was an increase of 0.002% from its proportion measured as of June 30, 2022. The Borough has rolled forward the net pension liability with no adjustments. The State of New Jersey Police and Fireman's Retirement System's (PFRS) valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Services, State of New Jersey is permitting municipalities to include the June 30, 2023 pension information in the Notes to the Financial Statements as the June 30, 2024 has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is $476,189 as of June 30, 2023. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The State's proportionate share of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

Note 4: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

At June 30, 2023, the State's proportion was 0.0234%, which was an increase of 0.002% from its proportion measured as of June 30, 2022 which is the same proportion as the Borough's. The Borough has rolled forward the net pension liability to December 31, 2023 with no adjustments. The State of New Jersey Police and Fireman's Retirement System's (PFRS) valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The roll forward methodology puts them a year in arrears in terms of valuation.

Borough's Proportionate Share of the Net Pension Liability	$ 2,584,311
State's Proportionate Share of the Net Pension Liability Associated with the Borough	476,189
Total Net Pension Liability	$ 3,060,500

For the year ended December 31, 2024, the Borough recognized total pension expense of $311,368.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

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

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

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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.

Note 4: Pension Plans (Cont'd)

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

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Borough) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Borough) as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2023	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	$ 4,264,270	$ 3,060,500	$ 2,058,046

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Borough recognized pension expense of $1,626.67 for the year ended December 31, 2024. Employee contributions to DCRP amounted to $2,208.81 for the year ended December 31, 2024.

Note 5: Local and Regional School Districts Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the respective school district. The Borough of Hamburg has elected not to defer school taxes.

Note 6: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. This amount is not reported as an expenditure or liability. As of December 31, 2024, the Borough has a reserve for accumulated absences in the Other Trust Funds of $62,868.07 for future accumulated absences claims.

Balance at December 31, 2023 (Restated)	$	75,854.58
Net Change		4,364.98
Balance at December 31, 2024	$	80,219.56

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	2024	2023	2022
Tax Rate	$ 4.958	$ 4.769	$ 4.420
Apportionment of Tax Rate			
Municipal	1.102	1.079	1.054
Municipal Open Space	.003	.003	.003
County	.692	.688	.687
Local School	2.292	2.233	2.121
Regional High School	.869	.766	.697
Assessed Valuations			
2024	$ 255,846,400		
2023		$ 253,654,800	
2022			$ 251,121,600

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.

Note 6: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. This amount is not reported as an expenditure or liability. As of December 31, 2024, the Borough has a reserve for accumulated absences in the Other Trust Funds of $62,868.07 for future accumulated absences claims.

Balance at December 31, 2023 (Restated)	$ 93,821.68
Net Change	(35,352.79)
Balance at December 31, 2024	$ 58,468.89

Note 7: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of $10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

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2024	$ 255,846,400		
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2022			$ 251,121,600

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.

Note 7: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collection Currently (Cont'd)

		Currently	
Year	Tax Levy	Cash Collections	Percentage of Collection
2024	$ 12,732,063.50	$ 12,466,719.47	97.91%
2023	12,214,034.96	11,952,395.14	97.85%
2022	11,514,175.45	11,309,251.88	98.22%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 8: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investments matures within the period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed in the section of this note on investments.

Custodial Credit Risk – The Borough's policy with respect to custodial credit risk requires that the Borough ensures that Borough funds are only deposited in financial institutions in which NJ municipalities are permitted to invest their funds.

Deposits:

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

> The market value of the collateral must equal 5% of the average daily balance of collected public funds on deposit.

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than $25,000,000.

Investments:

New Jersey statutes permit the Borough to purchase the following types 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;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations of the 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 the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(6) Local government investment pools;

(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 a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);

(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.17:9-41); and

Note 8: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

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

As of December 31, 2024, cash and cash equivalents of the Borough consisted of the following:

Fund	Cash on Hand	Checking Accounts	NJ Cash Management Fund	Totals
Current	$ 420.00	$ 2,212,000.71	$ 521,841.59	$ 2,734,262.30
Federal and State Grant Fund		43,777.63		43,777.63
Animal Control		5.34		5.34
Other Trust		765,172.74		765,172.74
General Capital		251,509.53		251,509.53
Water/Sewer Utility Operating		1,955,735.20	1,551,107.57	3,506,842.77
Water/Sewer Utility Capital		907,548.29		907,548.29
	$ 420.00	$ 6,135,749.44	$ 2,072,949.16	$ 8,209,118.60

During the period ended December 31, 2024, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents at December 31, 2024, was $8,209.118.60 and the bank balance was $9.138.755.16. The $2,072,949.16 in the NJ Cash Management Fund is uninsured and unregistered.

Note 9: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage for property and liability. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

The Borough of Hamburg is a member of the Statewide Insurance Fund, (the "Fund"). The Fund provides its members with workers' compensation insurance and surety bond coverage. The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

Note 9: Risk Management (Cont'd)

The December 31, 2024 audit report of the Statewide Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2023 is as follows:

Total Assets	$ 50,687,086
Net Position	$ 11,852,511
Total Revenue	$ 33,517,869
Total Expenses	$ 33,905,763
Change in Net Position	$ (387,894)
Member Dividends	$ 160,788

Financial statements for the Fund are available at the office of the Fund's Executive Director:

Statewide Insurance Fund
One Sylvan Way
Parsippany, New Jersey 07054

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years:

Year	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2024	$ 3,126.48	$ -0-	$ 27,477.69	29,821.97
2023	2,866.97	-0-	1,475.87	54,173.18
2022	2,997.23	-0-	235.12	52,782.08

Note 10: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2024:

Fund	Interfund Receivable	Interfund Payable
Current Fund	$ 171,388.57	$ 222,345.38
Federal and State Grant Fund	126,958.18	100,704.92
Animal Control Fund		2.98
Other Trust Fund	41,901.42	68.50
General Capital Fund	180,512.46	126,958.18
Water/Sewer Utility Operating Fund		609,036.94
Water/Sewer Utility Capital Fund	538,457.85	
Payroll Account		101.58
	$ 1,059,218.48	$ 1,059,218.48

The interfund receivable in the Federal and State Grant Fund is improvement authorization expenses paid on behalf of the General Capital Fund. The interfund payable in the Federal and State Grant Fund reflects the grant expenses paid by Current Fund, local match due from Current Fund, December 2024 interest not yet turned over, as well as interfund advanced from Current Fund and prior year interfund not cleared. The interfund payable in the Animal Control Fund reflects December interest due to the Current Fund. The interfund receivable in the Other Trust Fund is prior year and current year open space tax levy due from Current Fund and tax sale premiums collected in the Current Fund; offset by prior year interfund due to Current Fund and December 2024 interest not yet turned over to Current Fund. The interfund payable in the Other Trust Fund reflects improvement authorization funding due to the General Capital Fund, net of improvement authorization expenses paid on behalf of the General Capital Fund. The interfund receivable in the General Capital Fund reflects the prior year interfund and December 2024 interest not yet turned over to Current Fund. The interfund payable in the Water/Sewer Utility Operating Fund comprises of prior year interfund due to the Water/Sewer Utility Capital Fund and Current Fund and budget appropriations not turned to the Water/Sewer Utility Capital Fund, offset by current year interest due from the Water/Sewer Utility Capital Fund. The interfund payable in the Payroll Account is December 2024 interest due to the Current Fund.

Note 11: Contingencies

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough's financial position as of December 31, 2024.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 12: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 13: Open Space Trust Fund

The Borough created an Open Space Trust Fund with a tax levy of $.002 per $100 of assessed valuation in 2001. The funds collected are used to acquire and maintain open space property in the Borough. The balances of the Open Space Trust Fund at December 31, 2024 and 2023 were $41,434.96 and $91,539.67, respectively.

Note 14: Pending Tax Appeals

The municipality has been advised that certain tax appeals have been filed. The Borough expects to vigorously defend the original assessments. The Borough has also been advised that certain tax appeals have been settled, which resulted in reduction of the related assessment. The Borough has established a reserve in the amount of $100,814.30 to provide for this contingency which it believes is sufficient.

Note 15: Fixed Assets

The following is a summarization of general fixed assets for the year ended December 31, 2024:

	Balance Dec. 31, 2023	Additions	Deletions	Balance Dec. 31, 2024
Land	$ 1,605,600.00			$ 1,605,600.00
Buildings	1,396,300.00			1,396,300.00
Machinery and Equipment	3,458,739.00	$ 126,189.00		3,584,928.00
	$ 6,460,639.00	$ 126,189.00	$ -0-	$ 6,586,828.00

	Balance Dec. 31, 2022	Additions	Deletions	Balance Dec. 31, 2023
Land	$ 1,605,600.00			$ 1,605,600.00
Buildings	1,396,300.00			1,396,300.00
Machinery and Equipment	3,040,740.00	$ 642,847.00	$ 224,848.00	3,458,739.00
	$ 6,042,640.00	$ 642,847.00	$ 224,848.00	$ 6,460,639.00

Note 16: Postemployment Benefits Other than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at https://www.state.nj.us./treasury/pensions/financial-reports.shtml.

Benefits Provided

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

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

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.

Contributions

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

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Special Funding Situation

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.

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. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only a note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

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, 2022 through June 30, 2023. 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 Borough has rolled forward the net OPEB liability as of June 30, 2023 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, 2023 OPEB information in the Notes to the Financial Statements as the June 30, 2024 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

The State's proportionate share of the net OPEB liability attributable to the Borough at June 30, 2023 was $3,012,727. At June 30, 2023, the State's proportion related to the Borough was 0.086347%. This is the percentage of the total State Share of the net OPEB liability of the Plan. During the year ended June 30, 2023, the State of New Jersey's OPEB benefit related to the Borough was $546,266.

Note 16: Postemployment Benefits Other than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

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

Salary Increases*:
Public Employees' Retirement System (PERS)
Rate for all future years 2.75% - 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)
Rate for all future years 3.25% to 16.25% based on years of service

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

Mortality:

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

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

Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% for fiscal year 2023 and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend rate is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend rate is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 17: Leases

The Borough entered into a lease agreement for the lease of space on the Borough's property for the development of the premises as a wireless communications facility including the structure, equipment and related facilities. The initial term of the lease shall be 5 years commencing in June 2007 or 60 days after the issuance of a building permit. The lessee can extend the lease for three renewal terms of five years each. The initial monthly lease payment was $2,300 and the monthly lease payment for each renewal term will be increased 15% each term. The lease payments received in 2024 were $45,474.13.

Note 18: Prior Period Adjustment

GASB Statement No. 101, *Compensated Absences*, was implemented during the year ended December 31, 2024. As required under the standard, the Borough made a prior period adjustment to the amount reported as compensated absences as of December 31, 2023 as disclosed in Note 5.

	Balance at Dec. 31, 2023 as Previously Reported	Change in Accounting Principle	Balance at Dec. 31, 2023 as Restated
Compensated Absences	$ 25,048.90	$ 50,805.68	$ 75,854.58

BOROUGH OF HAMBURG

SUPPLEMENTARY DATA

Schedule 1

BOROUGH OF HAMBURG
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2024

Name	Title	Amount of Bond	Name of Corporate Surety
Richard Krasnomowitz	Mayor		
Joyce Oehler	Councilwoman		
George Endres	Councilman		
Mark Sena	Councilman		
Russell Law	Councilman		
John Burd	Councilman		
Joseph Brezina	Chief Financial Officer/Treasurer	$ 1,000,000.00	Statewide Insurance Fund
Regina Flammer	Tax Collector; Tax Search Official; Water/Sewer Collector	1,000,000.00	Statewide Insurance Fund
Beth Martin	Acting Borough Clerk; Registrar; Assessment Search Officer	(a)	
Jean Stephens	Administrative Assistant/Accounts Payable Clerk/Deputy Clerk/ Deputy Registrar	(a)	
Marguerite Nemeth	Recycling Coordinator	(a)	
Wendy Brick	Secretary - Land Use Board, Historic Preservation, DPW	(a)	
Jason Laliker	Tax Assessor - Shared Service Agreement with Lafayette Township	(a)	
Sparta Township	Court Administrator; Violations Clerk (Shared Service)		
Sparta Township	Magistrate (Shared Service)		
Keith Sukennikoff	Office of Emergency Management Coordinator	(a)	
Joseph Drossell	Zoning Officer	(a)	
John Perry	Water/Sewer Operator	(a)	
Richard J. Clemack	Attorney		
Mott MacDonald	Engineer		
Jason Tangorra	Police Chief	(a)	

All bonds were examined and were properly executed

(a) - There is a Public Employees Blanket Bond for $1,000,000.00 through Statewide Insurance Fund

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
CURRENT FUND

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Balance December 31, 2023	A		$ 2,815,447.83
Increased by Receipts:			
Taxes Receivable		$ 12,502,200.49	
Prepaid Taxes		119,744.47	
Tax Overpayments		7,917.52	
Revenue Accounts Receivable		643,382.67	
Due from State of New Jersey:			
Veterans and Senior Citizens' Deductions		20,845.89	
Third Party Liens		112,629.25	
Miscellaneous Revenue Not Anticipated		141,562.78	
Due Other Trust Funds:			
Reserve for Tax Sale Premiums		41,600.00	
Due from Animal Control Fund:			
Prior Year Interfund Returned		8.57	
Due from Payroll Account:			
Prior Year Interfund Returned		108,161.94	
Accounts Payable Receipts - Due to Vendor			
Appropriation Refunds		157,527.21	
Due to State of New Jersey:			
Marriage License Fees		325.00	
			13,855,905.79
			16,671,353.62

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF CASH

	Ref.		
Decreased by Disbursements:			
2024 Appropriation Expenditures		$ 3,894,628.35	
2023 Appropriation Reserves		64,053.78	
Other Encumbrances		3,143.58	
Local School Taxes		5,798,216.00	
Regional School Taxes		2,224,198.00	
County Taxes		1,765,455.88	
Tax Overpayments Refunded		2,678.08	
Refund of Third Party Liens		105,322.02	
Due from Federal and State Grant Fund:			
Interfunds Advanced		48,993.40	
Payment on Behalf of Federal and State Grant Fund		30,537.59	
Due to State of New Jersey:			
Marriage License Fees		325.00	
Procurement Card		596.23	
			$ 13,938,147.91
Balance December 31, 2024	A		$ 2,733,205.71

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2024

	Ref.		
Balance December 31, 2023	A		$ 235,407.06
Increased by:			
Grants Receivable		$ 149,035.10	
Unappropriated Grants		1,171.22	
Due Current Fund:			
Interest Earned		164.30	
Interfunds Advanced		48,993.40	
			199,364.02
Decreased by:			
Due General Capital Fund:			
Payment on Behalf of General Capital Fund		127,737.57	
Appropriated Grant Reserves		263,255.88	
			390,993.45
Balance December 31, 2024	A		$ 43,777.63

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec 31, 2023	2024 Levy	Collections 2023	Collections 2024	Over-Payments Applied	State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Transferred to Tax Title Liens	Balance Dec 31, 2024
2022	$ 8.87						$ 8.87		
2023	185,141.91			$ 185,568.55		$ (500.00)		$ 73.36	
	185,150.78			185,568.55		(500.00)	8.87	73.36	
2024		$ 12,732,063.50	$ 102,907.74	12,316,631.94	$ 25,429.79	21,750.00	12,181.96	73,467.65	$ 179,694.42
	$ 185,150.78	$ 12,732,063.50	$ 102,907.74	$ 12,502,200.49	$ 25,429.79	$ 21,250.00	$ 12,190.83	$ 73,541.01	$ 179,694.42
Ref.	A								A

Analysis of 2024 Property Tax Levy

Tax Yield:		
General Purpose Tax		$ 12,684,864.68
Added and Omitted Taxes		47,198.82
		$ 12,732,063.50
Tax Levy:		
Local School District Taxes		5,864,404.00
Regional School District Taxes		2,224,198.00
County Taxes	$ 1,765,455.88	
Due County for Added and Omitted Taxes	6,616.94	
		1,772,072.82
		9,860,674.82
Municipal Open Space Tax Levy	7,675.39	
Municipal Open Space Added and Omitted Tax	28.72	
		7,704.11
Local Tax for Municipal Purposes Levied	2,820,576.00	
Additional Taxes Levied	43,108.57	
		2,863,684.57
		$ 12,732,063.50

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	Ref.		
Balance December 31, 2023	A		$ 700,000.50
Increased by:			
Interest and Costs on Tax Sale		$ 5,386.15	
Transfer from Taxes Receivable		73,541.01	
			78,927.16
Balance December 31, 2024	A		$ 778,927.66

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec 31, 2023	Accrued In 2024	Received In 2024	Balance Dec 31, 2024
Clerk:				
Licenses:				
Alcoholic Beverage		$ 1,899.00	$ 1,899.00	
Municipal Court:				
Fines and Costs	$ 3,639.36	57,191.97	56,998.78	$ 3,832.55
Interest and Costs on Taxes		32,135.22	32,135.22	
Intrest on Investments and Deposits		178,257.20	178,257.20	
Energy Receipts Taxes		228,618.34	228,618.34	
Rental of Cell Tower		45,474.13	45,474.13	
Utility Operating Surplus of Prior Year		100,000.00	100,000.00	
	$ 3,639.36	$ 643,575.86	$ 643,382.67	$ 3,832.55
Ref.	A			A

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

	Balance Dec 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
GENERAL GOVERNMENT:				
Administrative & Executive:				
Salaries & Wages	$ 120.27	$ 120.27		$ 120.27
Other Expenses	710.26	710.26	$ 150.00	560.26
Municipal Clerk:				
Salaries & Wages	17,137.28	17,137.28		17,137.28
Other Expenses	79.74	79.74	73.45	6.29
Financial Administration:				
Salaries & Wages	3,114.94	3,114.94		3,114.94
Other Expenses	3,767.67	3,767.67	3,718.71	48.96
Audit Services	13,386.50	13,386.50	13,350.00	36.50
Collection of Taxes:				
Salaries & Wages	607.40	607.40		607.40
Other Expenses	2.97	2.97		2.97
Assessment of Taxes:				
Other Expenses	5.70	5.70		5.70
Legal Services:				
Other Expenses	24,037.67	24,037.67	2,000.00	22,037.67
Engineering Services & Costs:				
Other Expenses	1,512.29	1,512.29		1,512.29
Historical Society:				
Other Expenses	35.28	35.28		35.28
Historical Preservation:				
Salaries & Wages	27.24	27.24		27.24
Other Expenses	108.34	108.34		108.34
Municipal Land Use Law (N.J.S.A. 40:55D-1):				
Municipal Land Use Board:				
Salaries & Wages	69.41	69.41		69.41
Other Expenses	4,629.07	4,629.07	638.00	3,991.07
PUBLIC SAFETY FUNCTIONS:				
Police:				
Salaries & Wages	69,332.14	69,332.14	19,834.01	49,498.13
Other Expenses	2,017.86	2,017.86	1,705.48	312.38
Crossing Guards:				
Salaries & Wages	1,957.11	1,957.11		1,957.11
Other Expenses	600.00	600.00		600.00
Office of Emergency Management/"9-1-1":				
Salaries & Wages	100.02	100.02		100.02
Other Expenses	111.01	111.01	76.02	34.99
Aid to Volunteer Fire Companies	203.52	203.52	203.52	
Dispatching Agreement:				
Other Expenses	16.00	16.00		16.00

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024
(Continued)

	Balance Dec 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
PUBLIC WORKS FUNCTIONS:				
Road Repairs & Maintenance:				
Salaries & Wages	$ 10,076.27	$ 10,076.27		$ 10,076.27
Other Expenses	15,638.58	15,638.58	$ 15,078.04	560.54
Public Buildings and Grounds:				
Other Expenses	5.27	5.27		5.27
PARK AND RECREATION FUNCTIONS:				
Recreation and Education:				
Other Expenses	231.06	231.06	7.18	223.88
Celebration of Public Events:				
Other Expenses	20.88	20.88		20.88
UTILITIES:				
Utilities	16,553.41	16,553.41	7,075.27	9,478.14
Insurance:				
Other Insurance Premiums	4,590.55	4,590.55	144.10	4,446.45
Group Insurance for Employees	35,887.00	35,887.00		35,887.00
Health Benefit Waiver	133.96	133.96		133.96
Municipal Court:				
Other Expenses	500.00	500.00		500.00
Health and Safety Occupational Act:				
Hepatitis B Vaccine	550.00	550.00		550.00
Construction Code Official:				
Other Expenses	1,658.70	1,658.70		1,658.70
Zoning Official:				
Other Expenses	250.00	250.00		250.00
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	6,373.74	6,373.74		6,373.74
Unemployment Compensation Insurance	142.60	142.60		142.60
Defined Contribution Retirement Program	1,103.90	1,103.90		1,103.90
	$ 237,405.61	$ 237,405.61	$ 64,053.78	$ 173,351.83

Balance December 31, 2023	Ref.			
Encumbered	A	$ 6,990.23		
Unencumbered	A	230,415.38		
		$ 237,405.61		
			Cash Disbursed	$ 64,053.78
				$ 64,053.78

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2024

Balance December 31, 2023	$	1.00
Increased by:		
Levy - Calendar Year 2024		5,864,404.00
Decreased by:		
Payments to Local School District		5,798,216.00
Balance December 31, 2024	$	66,189.00

BOROUGH OF HAMBURG
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2024

Balance December 31, 2023	$	30.00
Increased by:		
Levy - Calendar Year 2024		2,224,198.00
Decreased by:		
Payments to Regional School District		2,224,198.00
Balance December 31, 2024	$	30.00

BOROUGH OF HAMBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024

Grant	Balance Dec 31, 2023	2024 Realized Revenue	2024 Receipts	Transferred from Unappropriated Reserve	Balance Dec 31, 2024
Clean Communities Program - 2024		$ 8,626.52	$ 8,626.52		
Body Armor Grant - 2023		1,139.88		$ 1,139.88	
Municipal Alcohol Edication Rehabilitation Fund		245.17	245.17		
Recycling Tonnage Grant		3,195.34	3,195.34		
Distracted Driving Grant		7,000.00	7,000.00		
ARPA Firefighter Grant - FY2023		47,000.00		47,000.00	
ARPA Firefighter Grant - FY2024		70,000.00	69,995.57		$ 4.43
Stormwater Assistance Grant		25,000.00		25,000.00	
Local Recreation Improvement Grant		49,972.50	49,972.50		
Emergency Management Agency Assistance		10,000.00	10,000.00		
Local Efficiency Achievement Program Grant	$ 46,597.11				46,597.11
	$ 46,597.11	$222,179.41	$149,035.10	$ 73,139.88	$ 46,601.54
Ref.	A				A

Received by Grant Fund	$149,035.10
Federal Grants	$ 86,995.57
State Grants	62,039.53
	$149,035.10

BOROUGH OF HAMBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

Grant	Balance Dec 31, 2023	Cash Received	Transferred to Grants Receivable	Balance Dec 31, 2024
Body Armor Grant:				
2023	$ 1,139.88		$ 1,139.88	
2024		$ 1,171.22		$ 1,171.22
Stormwater Grant	25,000.00		25,000.00	
ARPA Firefighter Grant	47,000.00		47,000.00	
	$ 73,139.88	$ 1,171.22	$ 73,139.88	$ 1,171.22
Ref.	A			A
	Cash Receipt	$ 1,171.22		

BOROUGH OF HAMBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec 31, 2023	Transferred From 2024 Budget Appropriation	Expended	Balance Dec 31, 2024
Clean Communities Program:				
2021	$ 1,306.04		$ 1,306.04	
2022	6,771.32		6,255.08	$ 516.24
2023	7,594.90			7,594.90
2024		$ 8,626.52		8,626.52
Body Armor Fund:				
2020	36.15			36.15
2023		1,139.88		1,139.88
Recycling Tonnage Grant:				
2023	3,842.34		3,842.34	
2024		3,195.34	1,150.79	2,044.55
Municipal Drug Alliance - Local Match:				
2022	500.00			500.00
2023	4,700.00			4,700.00
2024		500.00	437.20	62.80
Drunk Driving Enforcement Fund - 2019	1,260.83		1,260.83	
EMS Freeholder Grant	15,102.70			15,102.70
Distracted Driving Statewide Crackdown Grant:				
2019	0.02			0.02
2024		7,000.00		7,000.00
Municipal Stormwater Regulation Program	9,345.85			9,345.85
Stormwater Assistance Grant		25,000.00	2,416.83	22,583.17
Over the Limit Under Arrest	599.00			599.00
Impaired Driving Crackdown Grant	2,500.00		975.88	1,524.12
Municipal Alcohol Education Rehabilitation Fund		245.17		245.17
Federal Emergency Management Agency Grant	18,133.80		18,133.80	
American Rescue Plan - SLFRF	61,603.21		61,603.21	
Local Efficiency Achievement Program Grant	19,999.11			19,999.11
Emergency Management Agency Assistance:				
2022	10,000.00		10,000.00	
2023	10,000.00		10,000.00	
2024		10,000.00	10,000.00	
Atlantic Health System CAB Narcan Grant	2,280.00			2,280.00

BOROUGH OF HAMBURG
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

Grant	Balance Dec 31, 2023	Transferred From 2024 Budget Appropriation	Expended	Balance Dec 31, 2024
ARPA Firefighter Grant:				
FY 2023		$ 47,000.00	$ 46,443.40	$ 556.60
FY 2024		70,000.00	62,995.81	7,004.19
Local Match - 2023		11,000.00	6,999.76	4,000.24
Local Recreation Improvement Grant		49,972.50	49,972.50	
	$ 175,575.27	$ 233,679.41	$ 293,793.47	$ 115,461.21
Ref.	A			A

Cash Disbursed	$ 263,255.88
Due to Current Fund	30,537.59
	$ 293,793.47

Federal Grants	$ 220,152.10
State Grants	66,204.41
Local Grants	7,436.96
	$ 293,793.47

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
TRUST FUNDS

BOROUGH OF HAMBURG
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

	Ref.	Animal Control Fund		Open Space Trust Fund	Other Trust Funds	
Balance December 31, 2023	B		$ 156.20	$ 83,816.59		$ 857,956.73
Increased by Receipts:						
Borough Dog License Fees		$ 6,319.60				
State Dog License Fees		665.40				
Borough Cat License Fees		1,749.00				
Penalties on Dog/Cat License Fees		959.00				
Unemployment Insurance					$ 3,126.48	
Developer's Escrow					34,288.89	
Accumulated Absences					5,000.00	
Recreation Deposits					5,699.28	
Parking Offense Adjudication Act					2.00	
Storm Recovery					10,000.00	
Police Outside Duty					56,894.00	
Due to Current Fund:						
Interest Earned		2.98			1,626.50	
			9,695.98	2,626.18		116,637.15
			9,852.18	86,442.77		974,593.88
Decreased by Disbursements:						
Due to State of New Jersey Board of Health		665.40				
Administrative Expenses (R.S. 4:19-15.11)		9,172.87				
Due Current Fund:						
Interfund Returned		8.57				
Due General Capital Fund:						
Payment on Behalf of General Capital Fund				49,931.50		
Unemployment Insurance					27,477.69	
Developer's Escrow					34,776.43	
Recreation					6,260.96	
Tax Sale Premiums					31,300.00	
Public Defender					594.54	
Parking Offense Adjudication Act					4.00	
Open Space Trust				10,435.00		
Storm Recovery					72,593.05	
LEA Fire Safety					1,000.00	
Police Outside Duty					56,894.00	
Junior Police					4,596.74	
			9,846.84	60,366.50		235,497.41
Balance December 31, 2024	B		$ 5.34	$ 26,076.27		$ 739,096.47

BOROUGH OF HAMBURG
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	Ref.		
Balance December 31, 2023	B		$ 147.63
Increased by:			
Dog License Fees Collected		$ 6,319.60	
Cat License Fees Collected		1,749.00	
Penalties		959.00	
			9,027.60
			9,175.23
Decreased by:			
Expenditures Under R.S. 4:19-15.11			9,172.87
Balance December 31, 2024	B		$ 2.36

License Fees Collected

Year	Amount
2022	$ 8,505.00
2023	8,385.40
Maximum Allowable Reserve	$ 16,890.40

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
GENERAL CAPITAL FUND

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	Ref.		
Balance December 31, 2023	C		$ 155,935.13
Increased by:			
Due Current Fund:			
2024 Budget Appropriations:			
Capital Improvement Fund		$ 225,000.00	
Reserve for Municipal Facilities Improvements		4.45	
Reserve for Equipment Purchases		280.00	
Interest Earned		954.99	
New Jersey Department of Transportation Grant Receivable		177,365.53	
			403,604.97
			559,540.10
Decreased by:			
Improvement Authorization Expenditures			308,030.57
Balance December 31, 2024	C		$ 251,509.53

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec 31, 2023	Receipts: Budget Appropriation	Receipts: Miscellaneous	Disbursements: Improvement Authorizations	Transfers: From	Transfers: To	Balance/ (Deficit) Dec 31, 2024
Capital Improvement Fund	$ 143,607.84	$ 225,000.00			$ 223,088.00		$ 145,519.84
Due to/from Current Fund	(181,398.95)		$ 954.99				(180,443.96)
Due to/from Federal and State Grant Fund	(779.39)					127,737.57	126,958.18
Due to/from Open Space Trust					50,000.00	49,931.50	(68.50)
NJ Department of Transportation Grant Receivable	(40,000.00)		177,365.53		250,912.00		(113,546.47)
Local Recreation Improvement Grant Receivable					50,000.00		(50,000.00)
Fund Balance	125,626.41					21,113.22	146,739.63
Reserve for Equipment Purchases	14,340.62	280.00					14,620.62
Reserve for Municipal Facilities Improvement	21,176.98	4.45					21,181.43
Reserve for Police Building	50,000.00						50,000.00
12-07 Improvements to Recreation Fields and the Purchase of Related Equipment	1,469.01			$ 1,454.99			14.02
06-18 Purchase of a New Fire Engine and Various Equipment	21,113.22				21,113.22		
03-23 Various Improvements (including Purchase of Police Vehicles and Equipment)	779.39						779.39
02-24 Paving and Improvements to the Basketball Courts and Various Other Projects				49,962.50	49,931.50	150,000.00	50,106.00
09-24 General Road Improvements				173,415.15	11,935.50	225,000.00	39,649.35
11-24 Purchase of Police Vehicle and Equipment				73,000.00		73,000.00	
12-24 General Road Improvements				10,197.93	115,802.07	126,000.00	
	$ 155,935.13	$ 225,284.45	$ 178,320.52	$ 308,030.57	$ 772,782.29	$ 772,782.29	$ 251,509.53

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2023	Note Paid by Budget Appropriation	Balance Dec. 31, 2024
06-2018	Purchase of a New Fire Engine and Various Equipment	$ 220,000.00	$ 220,000.00	$ -0-
		$ 220,000.00	$ 220,000.00	$ -0-
	Ref.	C		C

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2023 Funded	Balance December 31, 2023 Unfunded	2024 Authorizations Capital Improvement Fund	2024 Authorizations Other Sources	Paid or Charged	Improvement Authorizations Cancelled	Balance December 31, 2024 Funded	Balance December 31, 2024 Unfunded
12-07	Improvements to Recreation Fields and the Purchase of Related Equipment	12/03/07	$ 750,000.00	$ 1,469.01				$ 1,454.99		$ 14.02	
06-18	Purchase of New Fire Engine and Various Equipment	08/06/18	540,000.00		$ 21,113.22				$ 21,113.22		
03-23	Various Improvements (including Purchase of Police Vehicles and Equipment)	01/18/23	47,000.00	779.39						779.39	
02-24	Paving and Improvements to the Basketball Courts and Various Other Projects	02/05/24	150,000.00			$ 50,000.00	$ 100,000.00	99,894.00		50,106.00	
09-24	General Road Improvements	04/01/24	225,000.00			85,270.00	139,730.00	185,350.65		39,649.35	
11-24	Purchase of Police Vehicle and Equipment	07/01/24	73,000.00			73,000.00		73,000.00			
12-24	General Road Improvements	07/01/24	126,000.00			14,818.00	111,182.00	126,000.00			
				$ 2,248.40	$ 21,113.22	$ 223,088.00	$ 350,912.00	$ 485,699.64	$ 21,113.22	$ 90,548.76	$ -0-
		Ref.		C	C					C	C

Due from Open Space Trust	$ 50,000.00
Local Recreation Improvement Grant	50,000.00
NJ Department of Transportation Grant	250,912.00
	$ 350,912.00

Cash Disbursed	$ 308,030.57
Due to Federal and State Grant Fund	127,737.57
Due to Open Space Trust Fund	49,931.50
	$ 485,699.64

Capital Fund Balance $ 21,113.22

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2023	C	$ 143,607.84
Increased by:		
Current Fund Budget Appropriation		225,000.00
		368,607.84
Decreased by:		
Appropriated to Finance Improvement Authorizations		223,088.00
Balance December 31, 2024	C	$ 145,519.84

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
SCHEDULE OF BONDS ANTICIPATION NOTES PAYABLE

Ord. Date	Improvement Authorization	Original Note: Date of Issue	Original Note: Amount	Date of: Issue	Date of: Maturity	Interest Rate	Balance Dec 31, 2023	Issued	Matured	Balance Dec 31, 2024
08/06/18	Purchase of a New Fire Engine and Various Equipment	9/26/19	$ 440,000.00	09/19/23	09/19/24	5.75%	$ 220,000.00		$ 220,000.00	
							$ 220,000.00	$ -0-	$ 220,000.00	$ -0-
						Ref.	C			C

Renewals	$ -0-	$ -0-
Paid by Budget Appropriation		220,000.00
	$ -0-	$ 220,000.00

BOROUGH OF HAMBURG
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. Date	Improvement Description	Balance Dec 31, 2023	Notes Paid by Budget Appropriation	Bond Anticipation Notes Matured	Balance Dec 31, 2024
08/06/18	Purchase of a New Fire Engine and Various Equipment		$ 220,000.00	$ 220,000.00	
		$ -0-	$ 220,000.00	$ 220,000.00	$ -0-

BOROUGH OF HAMBURG
COUNTY OF SUSSEX
2024
WATER/SEWER UTILITY FUND

BOROUGH OF HAMBURG
WATER/SEWER UTILITY FUND
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	Ref.	Operating		Capital	
Balance December 31, 2023	D		$ 3,539,278.46		$ 1,047,516.15
Increased by Receipts:					
Consumer Accounts Receivable		$ 1,835,541.01			
Overpaid Water/Sewer Rents		12,987.10			
Miscellaneous Revenue Not Anticipated		46,698.99			
NJ Environmental Infrastructure Loan Receivable				$ 327,781.00	
Interest on Investments		161,945.42			
Due Water/Sewer Utility Operating Fund:					
Interest on Investments				50,923.19	
2024 Budget Appropriation:					
Capital Improvement Fund				50,000.00	
			2,057,172.52		428,704.19
			5,596,450.98		1,476,220.34
Decreased by Disbursements:					
2024 Budget Appropriations		1,908,467.38			
2023 Appropriation Reserves		66,044.57			
Improvement Authorizations				568,672.05	
Interest on Loans		15,096.26			
Due Current Fund :					
Anticipated Revenue		100,000.00			
			2,089,608.21		568,672.05
Balance December 31, 2024	D		$ 3,506,842.77		$ 907,548.29

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
ANALYSIS OF CAPITAL CASH

	Balance/ (Deficit) Dec 31, 2023	Receipts		Disbursements	Transfers		Balance/ (Deficit) Dec 31, 2024
		NJIB Loan Receivable	Miscellaneous	Budget Appropriations	Improvement Authorizations	From	To	
Fund Balance	$ 6,278.42							$ 6,278.42
Capital Improvement Fund	786,878.97			$ 50,000.00				836,878.97
NJ Infrastructure Bank Loan Receivable	(706,068.00)	$ 327,781.00						(378,287.00)
Due to/(from) Water/Sewer Utility Operating Fund	(337,222.04)		$ 50,923.19			252,159.00		(538,457.85)
Reserve to Pay Debt Service	78,227.96							78,227.96
Reserve for Purchase of Equipment	186,061.00						$ 62,659.00	248,720.00
Reserve for Future Capital Outlay	348,425.00						189,500.00	537,925.00
Ord Number / Improvement Description								
19-04 Sanitary Sewer System Asset Management	10,760.00							10,760.00
19-08 Water Meter Replacement Project	17,411.72							17,411.72
21-10 Various Improvements for Water/Sewer Infrastructure	12,173.62				$ 6,800.00			5,373.62
22-02; 23-06 Development of a Sanitary Sewer Asset Management Plan	644,589.50				561,872.05			82,717.45
	$ 1,047,516.15	$ 327,781.00	$ 50,923.19	$ 50,000.00	$ 568,672.05	$ 252,159.00	$ 252,159.00	$ 907,548.29

BOROUGH OF HAMBURG
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	Ref.		
Balance December 31, 2023	D		$ 348,717.21
Increased by:			
Water/Sewer Rents Levied			1,775,096.84
			2,123,814.05
Decreased by:			
Collections:			
Overpayments Applied		$ 15,676.52	
Water/Sewer Collector - Cash Received		1,835,541.01	
			1,851,217.53
Balance December 31, 2024	D		$ 272,596.52

WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024

	Ref.	
Balance December 31, 2023	D	$ 3,609.10
Balance December 31, 2024	D	$ 3,609.10

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec 31, 2023	Additions By Budget Capital Outlay	Balance Dec 31, 2024
Wells	$ 313,831.00		$ 313,831.00
Engineering	2,700.00		2,700.00
Legal	1,018.00		1,018.00
Pump House and Pumps	1,151,793.04	$ 21,482.58	1,173,275.62
Sewer System and Extensions	4,504,491.00		4,504,491.00
Water Tank and Foundation	34,373.00		34,373.00
Purification	402.00		402.00
Tank Renovation	54,276.00		54,276.00
Land	20,000.00		20,000.00
Construction of First Aid Squad Building	150,000.00		150,000.00
Hydrants and Extensions	2,658.00		2,658.00
Distribution Mains and Accessories	500,191.53		500,191.53
General Equipment and Other Costs	2,085,580.00		2,085,580.00
Meters	23,327.00		23,327.00
Purchase of Truck	140,641.00		140,641.00
Water System Improvements	1,249,796.02		1,249,796.02
Water System Asset Management	103,171.00		103,171.00
Water Storage Tank Rehabilitation	513,458.00		513,458.00
Purchase of Compact Excavator		81,189.00	81,189.00
Purchase of Wheel Loader		45,000.00	45,000.00
	$ 10,851,706.59	$ 147,671.58	$ 10,999,378.17
Ref.	D		D

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec 31, 2023	2024 Authorizations	Balance Dec 31, 2024
Sanitary Sewer System Asset Management	06/03/19	$ 85,000.00	$ 85,000.00		$ 85,000.00
Water Meter Replacement Project	10/07/19	150,000.00	150,000.00		150,000.00
Various Improvements for Water/Sewer Infrastructure	11/01/21	150,868.62	150,868.62		150,868.62
Development of a Sanitary Sewer Asset Management Plan & Sewer Pump Station Improvement	03/07/22; 03/20/23	800,000.00	800,000.00		800,000.00
			$ 1,185,868.62	$ -0-	$ 1,185,868.62
		Ref.	D		D

BOROUGH OF HAMBURG
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

	Balance Dec 31, 2023	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	$ 143,661.81	$ 143,661.81		$ 143,661.81
Other Expenses	318,245.05	318,245.05	$ 64,544.57	253,700.48
Capital Improvements:				
Capital Outlay	189,500.00	189,500.00	189,500.00	
Purchase of Equipment	64,159.00	64,159.00	64,159.00	
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	17,787.43	17,787.43		17,787.43
Unemployment Insurance	3,738.07	3,738.07		3,738.07
	$ 737,091.36	$ 737,091.36	$ 318,203.57	$ 418,887.79

	Ref.	
Balance December 31, 2023		
Unencumbered	D	$ 697,639.97
Encumbered	D	39,451.39
		$ 737,091.36

Analysis of Paid or Charged	
Cash Disbursed	$ 66,044.57
Due to Water/Sewer Utility Capital Fund	252,159.00
	$ 318,203.57

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2023 Funded	Balance Dec. 31, 2023 Unfunded	2024 Improvement Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2024 Funded	Balance Dec. 31, 2024 Unfunded
19-04	Sanitary Sewer System Asset Management	06/03/19	$ 85,000.00	$ 10,760.00				$ 10,760.00	
19-08	Water Meter Replacement Project	10/07/19	150,000.00	17,411.72				17,411.72	
21-10	Various Improvements for Water/Sewer Infrastructure	11/01/21	150,868.62	12,173.62			$ 6,800.00	5,373.62	
22-02; 23-06	Development of a Sanitary Sewer Asset Management Plan & Sewer Pump Station Improvement	03/07/22; 03/20/23	800,000.00		$ 701,390.50		561,872.05		$ 139,518.45
				$ 40,345.34	$ 701,390.50	$ - 0 -	$ 568,672.05	$ 33,545.34	$ 139,518.45
			Ref.	D	D			D	D

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	Ref.	
Balance December 31, 2023	D	$ 786,878.97
Increased by:		
2024 Budget Appropriation		50,000.00
Balance December 31, 2024	D	$ 836,878.97

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Improvement Description	Ordinance Number	Balance Dec 31, 2023	Balance Dec 31, 2024
Water Meter Replacement Project	19-08	$ 150,000.00	$ 150,000.00
Various Improvements for Water/Sewer Infrastructure	21-10	150,868.62	150,868.62
		$ 300,868.62	$ 300,868.62
	Ref.	D	D

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	Ref.		
Balance December 31, 2023	D		$ 10,356,990.03
Increased by:			
Paid by Water Utility Operating Budget			
NJEIT / NJIB Loans Paid by Operating Budget		$ 71,391.42	
Additions by Budget - Capital Outlay		147,671.58	
			219,063.00
Balance December 31, 2024	D		$ 10,576,053.03

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS PAYABLE

	Ref.	Trust Loan	Fund Loan	Total
Balance December 31, 2023	D	$ 217,000.00	$ 40,229.93	$ 257,229.93
Decreased by:				
Principal Matured		26,000.00	33,864.40	59,864.40
Balance December 31, 2024	D	$ 191,000.00	$ 6,365.53	$ 197,365.53

Schedule of Principal and Interest Payments Outstanding December 31, 2024
Series 2010B Trust Loan (Project No. S340149-01)

Payment Date	Other Fees	Interest	Principal	Balance of Loan
				$ 191,000.00
2/1/2025	$ 930.00	$ 4,445.00		191,000.00
8/1/2025	930.00	4,445.00	$ 29,000.00	162,000.00
2/1/2026	930.00	3,720.00		162,000.00
8/1/2026	930.00	3,720.00	30,000.00	132,000.00
2/1/2027	930.00	2,970.00		132,000.00
8/1/2027	930.00	2,970.00	30,000.00	102,000.00
2/1/2028	930.00	2,295.00		102,000.00
8/1/2028	930.00	2,295.00	33,000.00	69,000.00
2/1/2029	930.00	1,552.50		69,000.00
8/1/2029	930.00	1,552.50	33,000.00	36,000.00
2/1/2030	930.00	810.00		36,000.00
8/1/2030	930.00	810.00	36,000.00	-0-
		$ 31,585.00	$ 191,000.00	

Schedule of Principal Payments Outstanding December 31, 2024
Series 2010B Fund Loan (Project No. S340149-01)

Payment Date	Principal	Balance of Loan
		$ 6,365.53
2/1/2025	$ 6,365.53	-0-
	$ 6,365.53	

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE BANK (NJIB) LOANS PAYABLE

	Ref.	Total	Nano Loan	Fund Loan
Balance December 31, 2023	D	$ 237,486.63	$ 120,000.00	$ 117,486.63
Decreased by:				
Loans Paid by Operating Budget		11,527.02	5,000.00	6,527.02
Balance December 31, 2024	D	$ 225,959.61	$ 115,000.00	$ 110,959.61

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2022A-1 LOAN
NANO LOAN OUTSTANDING DECEMBER 31, 2024
(PROJECT NO. W1909001-001/002)

Payment Number	Maturity Date	NJIB Fee	Interest	Principal	Balance of Loan
					$ 115,000.00
6	2/1/25	$ 437.02	$ 2,328.13		115,000.00
7	8/1/25	437.02	2,328.13	$ 5,000.00	110,000.00
8	2/1/26	437.02	2,203.13		110,000.00
9	8/1/26	437.02	2,203.13	5,000.00	105,000.00
10	2/1/27	437.02	2,078.13		105,000.00
11	8/1/27	437.02	2,078.13	5,000.00	100,000.00
12	2/1/28	437.02	1,953.13		100,000.00
13	8/1/28	437.02	1,953.13	5,000.00	95,000.00
14	2/1/29	437.02	1,828.13		95,000.00
15	8/1/29	437.02	1,828.13	5,000.00	90,000.00
16	2/1/30	437.02	1,703.13		90,000.00
17	8/1/30	437.02	1,703.13	5,000.00	85,000.00
18	2/1/31	437.02	1,578.13		85,000.00
19	8/1/31	437.02	1,578.13	5,000.00	80,000.00
20	2/1/32	437.02	1,453.13		80,000.00
21	8/1/32	437.02	1,453.13	5,000.00	75,000.00
22	2/1/33	437.02	1,328.13		75,000.00
23	8/1/33	437.02	1,328.13	5,000.00	70,000.00
24	2/1/34	437.02	1,203.13		70,000.00
25	8/1/34	437.02	1,203.13	5,000.00	65,000.00
26	2/1/35	437.02	1,121.88		65,000.00
27	8/1/35	437.02	1,121.88	5,000.00	60,000.00
28	2/1/36	437.02	1,037.50		60,000.00
29	8/1/36	437.02	1,037.50	10,000.00	50,000.00

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE BANK (NJIB) LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2022A-1 LOAN
NANO LOAN OUTSTANDING DECEMBER 31, 2024
(PROJECT NO. W1909001-001/002)

Payment Number	Maturity Date	NJIB Fee	Interest	Principal	Balance of Loan
30	2/1/37	$ 382.57	$ 868.75		$ 50,000.00
31	8/1/37	382.57	868.75	$ 10,000.00	40,000.00
32	2/1/38	382.57	700.00		40,000.00
33	8/1/38	382.57	700.00	10,000.00	30,000.00
34	2/1/39	382.57	525.00		30,000.00
35	8/1/39	382.57	525.00	10,000.00	20,000.00
36	2/1/40	382.57	350.00		20,000.00
37	8/1/40	382.57	350.00	10,000.00	10,000.00
38	2/1/41	382.57	175.00		10,000.00
39	8/1/41	382.57	175.00	10,000.00	-0-
		$ 14,314.18	$ 44,868.86	$ 115,000.00	

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2022A-1 LOAN
FUND LOAN OUTSTANDING DECEMBER 31, 2024
(PROJECT NO. W1909001-001/002)

Payment Number	Maturity Date	Principal	Balance of Loan
			$ 110,959.61
6	2/1/25	$ 2,175.67	108,783.94
7	8/1/25	4,351.35	104,432.59
8	2/1/26	2,175.67	102,256.92
9	8/1/26	4,351.35	97,905.57
10	2/1/27	2,175.67	95,729.90
11	8/1/27	4,351.35	91,378.55
12	2/1/28	2,175.67	89,202.88
13	8/1/28	4,351.35	84,851.53
14	2/1/29	2,175.67	82,675.86
15	8/1/29	4,351.35	78,324.51
16	2/1/30	2,175.67	76,148.84
17	8/1/30	4,351.35	71,797.49
18	2/1/31	2,175.67	69,621.82
19	8/1/31	4,351.35	65,270.47
20	2/1/32	2,175.67	63,094.80
21	8/1/32	4,351.35	58,743.45

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE BANK (NJIB) LOANS PAYABLE

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS - SERIES 2022A-1 LOAN
FUND LOAN OUTSTANDING DECEMBER 31, 2024
(PROJECT NO. W1909001-001/002)

Payment Number	Maturity Date	Principal	Balance of Loan
22	2/1/33	$ 2,175.67	$ 56,567.78
23	8/1/33	4,351.35	52,216.43
24	2/1/34	2,175.67	50,040.76
25	8/1/34	4,351.35	45,689.41
26	2/1/35	2,175.67	43,513.74
27	8/1/35	4,351.35	39,162.39
28	2/1/36	2,175.67	36,986.72
29	8/1/36	4,351.35	32,635.37
30	2/1/37	2,175.67	30,459.70
31	8/1/37	4,351.35	26,108.35
32	2/1/38	2,175.67	23,932.68
33	8/1/38	4,351.35	19,581.33
34	2/1/39	2,175.67	17,405.66
35	8/1/39	4,351.35	13,054.31
36	2/1/40	2,175.67	10,878.64
37	8/1/40	4,351.35	6,527.29
38	2/1/41	2,175.67	4,351.62
39	8/1/41	4,351.62	-0-
		$ 110,959.61	

BOROUGH OF HAMBURG
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE BANK (NJIB)
CONSTRUCTION LOANS PAYABLE

	Ref.	Construction Financing Loan
Balance December 31, 2023	D	$ 828,199.00
Balance December 31, 2024	D	$ 828,199.00

SCHEDULE OF NOTE OUTSTANDING DECEMBER 31, 2023
THE CONSTRUCTION FINANCING LOAN PROGRAM

Project No.	Ord. No.	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2024
S340149-03	19-04	8/28/19	06/30/26	0.00%	$ 85,000.00
S340149-04	22-02; 23-06	05/24/23	06/30/26	0.00%	743,199.00
					$ 828,199.00

BOROUGH OF HAMBURG
WATER /SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Improvement Description	Ordinance Number	Balance Dec 31, 2023	2024 Improvement Authorizations	Balance Dec 31, 2024
Development of a Sanitary Sewer Asset Management Plan & Sewer Pump Station Improvement	22-02; 23-06	$ 56,801.00		$ 56,801.00
		$ 56,801.00	$ -0-	$ 56,801.00

BOROUGH OF HAMBURG

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2024

BOROUGH OF HAMBURG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

Name of Federal Agency or Department	Name of Program	Pass Through Entity ID	Assistance Listing Number	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Total Cumulative Expenditures	Amounts Provided to Subrecipients
U.S. Department of Transportation										
(Passed through New Jersey Department of Law and Public Safety)	Distracted Driving Grant	066-1160-100-158-031030	20.616	01/01/24	12/31/25	$ 7,000.00	$ 7,000.00			
	Impaired Driving Crackdown Grant	69-0650-0-1-401	20.614	01/01/18	12/31/25	2,500.00		975.88	975.88	
Total U.S. Department of Transportation							7,000.00	975.88	975.88	
U.S. Department of Homeland Security	Disaster Grants - Public Assistance - FEMA:									
(Passed through New Jersey Department of Law and Public Safety)	New Jersey COVID-19 Pandemic	100-066-1200-C50-063710	97.036	01/20/20	05/11/23	472,101.68	89,242.56	89,242.56 *	472,101.68	
	Coronavirus Pandemic	100-066-1200-C27-063430	97.036	01/01/21	12/31/24	78,508.80		18,133.80	78,508.80	
							89,242.56	107,376.36	550,610.48	
	Emergency Management Performance Grant - Non-Terrorism	100-066-1200-726-062600	97.042	01/01/21	12/31/24	10,000.00		10,000.00		
				01/01/23	12/31/24	10,000.00		10,000.00		
				01/01/24	12/31/24	10,000.00	10,000.00	10,000.00		
							10,000.00	30,000.00		
Total U.S. Department of Homeland Security							99,242.56	137,376.36	550,610.48	
U.S. Department of Treasury	COVID 19 - American Rescue Plan:									
(Passed through New Jersey Department of Community Affairs)	Coronavirus State and Local Fiscal Recovery Funds	100-022-8030-687-046010	21.027	03/03/21	12/31/24	327,717.24		139,403.21 *	322,343.62	
	COVID 19 - American Rescue Plan: Firefighter Grant	100-022-8030-689-046180	21.027	01/01/21	12/31/25	47,000.00		46,443.40	46,443.40	
				01/01/24	12/31/25	70,000.00	69,995.57	62,995.81	62,995.81	
Total U.S. Department of Treasury							69,995.57	248,842.42	431,782.83	
Total Federal Awards							$ 176,238.13	$ 387,194.66	$ 983,369.19	$ -0-

* Prior Period Expenditures

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF HAMBURG
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2024

Name of State Agency or Department	Name of Program	State Grant Account Number	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
Department of Environmental Protection	Clean Communities	765-042-4900-004-VCMC	01/01/21	12/31/24	$ 6,604.61		$ 1,306.04	$ 6,604.61
			01/01/22	12/31/25	6,771.32		6,255.08	6,255.08
			01/01/24	12/31/25	8,626.52	$ 8,626.52		
						8,626.52	7,561.12	12,859.69
	Recycling Tonnage Grant	752-042-4900-001-V42Y	01/01/23	12/31/24	5,633.00		3,842.34	5,633.00
			01/01/24	12/31/25	3,195.34	3,195.34	1,150.79	1,150.79
						3,195.34	4,993.13	6,783.79
	Stormwater Assistance Grant	042-4850-100-099-290400	01/01/23	12/31/25	25,000.00		2,416.83	2,416.83
	New Jersey Environmental Infrastructure Financing Program: Sewer Asset Management Plan and Sewer Pump Station Improvement	S340149-04	01/01/23	12/31/25	743,199.00	327,781.00	337,743.00	385,634.00
Total Department of Environmental Protection						339,602.86	352,714.08	407,694.31
Department of Community Affairs	Local Recreation Improvement Grant	022-8030-495-668-041190	01/01/24	12/31/24	49,972.50	49,972.50	49,972.50	49,972.50
Total Department Community Affairs						49,972.50	49,972.50	49,972.50
Department of Law and Public Safety	Body Armor Grant	718-066-1020-001-6120	01/01/24	12/31/25	1,171.22	1,171.22		
	Municipal Alcohol Education Rehabilitation Fund	098-9735-760-001-060000	01/01/24	12/31/25	245.17	245.17		
	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	01/01/20	12/31/23	3,500.00		1,260.83	3,500.00
Total Department of Law and Public Safety						1,416.39	1,260.83	3,500.00

BOROUGH OF HAMBURG
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2024

Name of State Agency or Department	Name of Program	State Grant Award Number	Grant Period From	Grant Period To	Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures
Department of Transportation:	Municipal Aid:							
	Hamilton St, Lawerence St & Linwood Ave Resurfacing	078-6320-480-AO1-606282	01/01/22	12/31/23	$160,000.00	$ 40,000.00		$ 160,000.00
	State Street, Linwood Avenue & Michael Court Resurfacing	078-6320-480-APF-606283	01/01/23	12/31/25	139,730.00	104,797.50	$ 139,730.00	139,730.00
	Governor Haines St, North Governor Haines St & Highview Street Resurfacing	078-6320-480-APS-606284	01/01/24	12/31/25	111,182.00	32,568.03		
Total Department of Transportation						177,365.53	139,730.00	299,730.00
Total State Awards						$ 568,357.28	$ 543,677.41	$ 760,896.81

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF HAMBURG
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2024

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the "Schedules") includes the federal and state grant activity of the Borough of Hamburg under programs of the federal and state governments for the year ended December 31, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available. The Borough has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state reports.

Note 4: Loans Payable

The Borough of Hamburg has the following loans outstanding as of December 31, 2024:

Water/Sewer Utility Capital Fund:	
Waste Water Treatment Facility Improvements:	
New Jersey Environmental Infrastructure Fund Loans	$ 6,365.53
New Jersey Environmental Infrastructure Trust Loans	191,000.00
Water Storage Tanks Rehabilitation and Related Assets Management Plan:	
New Jersey Infrastructure Bank Nano Loans	115,000.00
New Jersey Infrastructure Bank Fund Loans	110,959.61
Sanitary Sewer System Asset Management Plan:	
New Jersey Infrastructure Bank Construction Loan	85,000.00
Sewer Pump Station Improvements:	
New Jersey Infrastructure Bank Construction Loan	743,199.00
	$ 1,251,524.14

Currently, the Borough is in the process of repaying these loan balances except for the 2022 and 2023 NJIB short term construction loans. The project which relates to the 2010 loan for the Wastewater Treatment Facility Improvements and the 2022 loan for the Water Storage Tanks Rehabilitation and related Asset Management Plan ("AMP") have been completed. All loan funds related to these projects have been drawn down and the projects closed.

BOROUGH OF HAMBURG
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2024

Note 4: Loans Payable (Cont'd)

The projects which relate to the 2022 and 2023 NJIB short term construction loans are in progress. As of December 31, 2024, the Borough has drawn down $449,912 of the loan funds. The short term loan related to these projects matures on June 30, 2026. At the time of construction completion and conversion to long term debt, the Borough will be eligible to receive Principal Forgiveness for the AMP (asset management plan) costs up to $100,000 or loan balance, whichever is lower.

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Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Committee
Borough of Hamburg
Hamburg, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Hamburg, in the County of Sussex (the "Borough") as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements and have issued our report thereon dated March 14, 2025. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

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 Borough'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2024-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of 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.*

The Borough's Response to the Finding

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

Purpose of this Report

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

Mount Arlington, New Jersey
March 14, 2025

NISIVOCCIA LLP

Man C. Lee
Certified Public Accountant
Registered Municipal Accountant No. 562

BOROUGH OF HAMBURG
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the Borough's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' 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*. No material weaknesses are reported.

- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

- The Borough was not subject to the single audit provisions of Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2024 as both federal and state grant expenditures were less than the single audit thresholds of $750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

  Finding 2024-001: Segregation of Duties

  Criteria:

  Concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

  Condition:

  The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. The various departments of the Borough are responsible for the issuance and collection of permits, licenses and court fines and costs; and recording of collections. Also, the Tax/Utilities Collector is responsible for cash collections and the posting process. The reconciliation of bank accounts, the preparation of the general ledger including recording cash receipts and disbursements for the various funds as well as the preparation of payroll are performed by one person with limited oversight review.

  Cause:

  This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures.

  Effect or Potential Effect:

  Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time.

BOROUGH OF HAMBURG
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards: (Cont'd)

Finding 2024-001: Segregation of Duties (Cont'd)

Recommendation:

It is recommended that adequate segregation of duties is maintained with respect to the recording and treasury functions.

Management's Response:

The finding was evaluated, and the Borough is currently investigating the cost/benefit relationship of various alternatives to resolve this finding.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF HAMBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024

The Borough's prior year audit finding 2023-001 regarding segregation of duties has not been resolved due to budget constraints and is included as finding 2024-001 on the Schedule of Findings and Responses.

BOROUGH OF HAMBURG

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

BOROUGH OF HAMBURG
COMMENTS AND RECOMMENDATIONS

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of $17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to $25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest $1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 40A:11-3 are $17,500 for a contracting unit without a qualified purchasing agent and $44,000 for a contracting unit with a qualified purchasing agent.

The governing body of the Borough of Hamburg has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

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. None were noted.

Collection of Interest on Delinquent Taxes and Utility Charges

On January 1, 2024, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

> BE IT RESOLVED by the Borough Council of the Borough of Hamburg, Sussex County, New Jersey, that, in accordance with R.S. 54:4-67 as amended, the rate of interest to be charged for the nonpayment of taxes, utilities or assessments on or before the date when they would become delinquent be and the same is hereby fixed as follows:
>
> 1. No interest shall be charged if payment of tax, utilities or assessment installment, as the case may be, is made within ten (10) days after the date upon which the same became payable.
>
> 2. The rate of interest to be charged for the nonpayment of taxes, utilities or assessment installments on or before the date when they become delinquent shall be eight percent (8%) per annum on the first $1,500 of the delinquency and eighteen percent (18%) on any delinquency over $1,500, to be calculated from the date the tax was payable until the date of actual payment. The interest to be charged a delinquent taxpayer for nonpayment of real property taxes shall be an additional penalty of 6% if the amount of delinquency is in excess of $10,000 at the end of the calendar year.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on August 28, 2024 and included all eligible properties.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

Year	Number of Liens
2024	20
2023	20
2022	21

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 taxpaying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

Type	Number Mailed
Payments of 2024 and 2025 Taxes	20
Payments of Water/Sewer Utility Charges	20
Delinquent Taxes	15
Delinquent Water/Sewer Utility Charges	15
Water/Sewer and Tax Title Liens	3

Verification of Delinquent Taxes and Other Charges (Cont'd)

Verification notices were mailed to confirm balances and payments as of December 31, 2024. The items that were returned were checked and in agreement with the Borough's records. For receivable items not returned, alternative procedures were performed.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough is currently in compliance with the above accounting requirements.

Municipal Court

The transactions for the year 2024 were as follows:

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

	Balance Dec 31, 2023	Receipts	Disbursements	Balance Dec 31, 2024
Municipal Treasurer:				
Fines and Fees	$ 3,639.36	$ 57,191.97	$ 56,998.78	$ 3,832.55
Public Defender		650.43	650.43	
POAA FTA		2.00	2.00	
Weights & Measures		200.00	200.00	
Restitution		175.00	175.00	
County Treasurer	1,806.50	30,777.02	30,605.52	1,978.00
State of New Jersey	3,466.99	52,738.13	53,006.28	3,198.84
Miscellaneous		25.00		25.00
Cash Bail	830.00	1,290.00	1,915.00	205.00
	$ 9,742.85	$ 143,049.55	$ 143,553.01	$ 9,239.39

Treasurer's Records

Our audit of the Treasurer's records revealed that:

1. There were significant interfund balances, including prior year interfund balances, that were not cleared as of year end. However, as they were subsequently cleared in March 2025, a formal recommendation is not deemed necessary.
2. A significant number of cash activities were posted as general journals and not to the cash receipts or disbursements journals and certain cash disbursements were posted in the receipts journal as negative cash receipts.
3. There were overexpenditures on several budget line items in the Current Fund. This was mainly a result of budget transfers made between the 2024 appropriation year and 2023 appropriation reserve year, which are not allowed as per New Jersey statutes.

Treasurer's Records (Cont'd)

Our audit of the Treasurer's records revealed that:

4. Interfund balances between the various funds' balance sheets as well as outstanding wire in transits between the different bank accounts' bank reconciliations do not always agree.

It is recommended that:

1. Cash activities are properly recorded in the receipts and disbursements journals.
2. Only allowable budget transfers per New Jersey statutes are made and that expenditures be monitored more closely to ensure that there are no budget overexpenditures.
3. Extra care be taken to ensure that interfund balances between the various funds' balance sheets as well as outstanding wire in transits between the different bank accounts' bank reconciliations are reconciled on a monthly basis.

Management's Response:

The Borough will make every effort to resolve these findings in 2025.

Management Suggestion

COVID-19 Federal Funding

It is possible that the Borough will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Borough ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Borough ensures that these funds are separately accounted for in the Borough's accounting records and that any applicable Borough policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation much be completed by December 31, 2026.

Status of Prior Year Recommendations

The prior year recommendations regarding liquidation of interfund balances and prior year reconciling items and posting of grant/capital expenses/receipts have been resolved. The prior year recommendations regarding segregation of duties and posting of cash activities have not been resolved and are included as current year recommendations.

BOROUGH OF HAMBURG
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1) Adequate segregation of duties is maintained with respect to the recording and treasury functions.

2) Cash activities are properly recorded in the receipts and disbursements journals.

3) Only allowable budget transfers per New Jersey statutes are made and that expenditures be monitored more closely to ensure that there are no budget overexpenditures.

4) Extra care be taken to ensure that interfund balances between the various funds' balance sheets as well as outstanding wire in transits between the different bank accounts' bank reconciliations are reconciled on a monthly basis.

* * * * * * * *