

**BOROUGH OF HARVEY CEDARS
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2023**

**BOROUGH OF HARVEY CEDARS
COUNTY OF OCEAN, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

	EXHIBIT	PAGE
PART I		
Independent Auditor's Report		1
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		5
Financial Statements – Regulatory Basis:		
<u>Current Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A	9
Statements of Operations and Changes in Fund Balance – Regulatory Basis	A-1	11
Statement of Revenues – Regulatory Basis	A-2	12
Statement of Expenditures – Regulatory Basis	A-3	14
<u>Trust Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B	20
<u>General Capital Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C	21
Statements of Fund Balance - Regulatory Basis	C-1	22
<u>Water-Sewer Utility Fund:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	D	23
Statements of Operations & Changes in Fund Balance - Regulatory Basis	D-1	25
Statements of Fund Balance - Regulatory Basis	D-1a	26
Statement of Revenues - Regulatory Basis	D-2	27
Statement of Expenditures - Regulatory Basis	D-3	28
<u>General Fixed Assets Account Group:</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	E	29
<u>Length of Service Awards Program ("LOSAP"):</u>		
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	F	30
Notes to Financial Statements		33
Supplementary Exhibits:		
<u>Current Fund:</u>		
Schedule of Cash - Collector/Treasurer	A-4	69
Schedule of Due from State of New Jersey - Senior Citizens' & Veterans' Deductions	A-5	70
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-6	71
Schedule of Revenue Accounts Receivable	A-7	72
Schedule of 2019 Appropriation Reserves	A-8	73
Schedule of Encumbrances Payable	A-9	76
Statement of Tax Overpayments	A-10	77
Schedule of Due To/From State & Local Agencies	A-11	78
Schedule of Various Reserves	A-12	78
Schedule of Prepaid Taxes	A-13	79
Schedule of County Taxes Payable	A-14	80
Schedule of Municipal Open Space Taxes Payable	A-15	81
Schedule of Regional School Taxes	A-16	82
Schedule of Regional High School Taxes	A-17	83
Statement of Accounts Payable	A-18	84
Due From/(To) Current Fund	A-19	85
Schedule of Grants Receivable	A-20	86
Schedule of Reserve for Grant Expenditures - Appropriated	A-21	87
Schedule of Reserve for Grant Expenditures - Unappropriated	A-22	88

(Continued)

**BOROUGH OF HARVEY CEDARS
COUNTY OF OCEAN, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

	EXHIBIT	PAGE
<u>Trust Fund:</u>		
Statements of Operations & Changes in Reserve for Future Use - Regulatory Basis	B-1	91
Statement of Revenues - Regulatory Basis	B-2	92
Statement of Expenditures - Regulatory Basis	B-3	93
Schedule of Cash Receipts and Disbursements	B-4	94
Schedule of Reserve for Expenditures	B-5	95
Schedule of Due to State of New Jersey	B-6	95
Schedule of Trust - Other Reserves	B-7	96
Schedule of Reserve for Payroll Deductions	B-8	97
 <u>General Capital Fund:</u>		
Schedule of Cash	C-2	101
Schedule of Analysis of Cash & Investments	C-3	102
Schedule of Deferred Charges to Future Taxation – Unfunded	C-4	103
Schedule of Bond Anticipation Notes	C-5	104
Schedule of Improvement Authorizations	C-6	105
Schedule of Capital Improvement Fund	C-7	106
Schedule of Reserve for Debt Service	C-8	106
Schedule of Grants Receivable	C-9	106
Schedule of Bonds & Notes Authorized But Not Issued	C-10	107
 <u>Water-Sewer Utility Fund</u>		
Schedule of Cash - Treasurer	D-4	111
Schedule of Analysis of Water-Sewer Utility Capital Fund Cash	D-5	112
Schedule of Water Consumer Accounts Receivable	D-6	113
Schedule of Water Overpayments	D-7	113
Schedule of Sewer Consumer Accounts Receivable	D-8	114
Schedule of Sewer Overpayments	D-9	114
Schedule of Fixed Capital	D-10	115
Schedule of Fixed Capital Authorized and Uncompleted	D-11	116
Schedule of 2017 Appropriation Reserves	D-12	117
Schedule of Encumbrances Payable	D-13	118
Schedule of Due to General Capital	D-14	118
Schedule of Accrued Interest on Bonds and Notes	D-15	119
Schedule of Bond Anticipation Notes	D-16	120
Schedule of Environmental Infrastructure Trust Loans	D-17	121
Schedule of Improvement Authorizations	D-18	122
Schedule of Capital Improvement Fund	D-19	123
Schedule of Reserve for Amortization	D-20	123
Schedule of Deferred Reserve for Amortization	D-21	124
Schedule of Bonds and Notes Authorized but Not Issued	D-22	125
 <u>General Fixed Assets:</u>		
Schedule of General Fixed Assets	E-1	129
 <u>Length of Service Awards Program ("LOSAP"):</u>		
Schedule of Investments	F-1	133
Schedule of Miscellaneous Reserves	F-2	134

**BOROUGH OF HARVEY CEDARS
COUNTY OF OCEAN, NEW JERSEY
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023**

PART II

	EXHIBIT	PAGE
<u>Schedule of Financial Statement Findings -Governmental Auditing Standards:</u>		
Schedule of Financial Statement Findings		137
Summary Schedule of Prior Year Audit Findings		138

PART III

<u>Comments and Recommendations:</u>		
Officials in Office		141
General Comments		143
Collection of Interest on Delinquent Taxes		144
Delinquent Taxes & Tax Title Liens		144
Other Comments (Findings)		144
Recommendations		144
Acknowledgment		144

(Concluded)

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**BOROUGH OF HARVEY CEDARS
COUNTY OF OCEAN**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Board of Commissioners
Borough of Harvey Cedars
Harvey Cedars, New Jersey

Opinions

We have audited the accompanying financial statements of the various funds and account group of the Borough of Harvey Cedars, which comprise the statements of assets, liabilities, reserves and fund balance – regulatory basis as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis and statement of expenditures – regulatory basis for the year ended December 31, 2023, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance – regulatory basis of the Borough of Harvey Cedars, as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance – regulatory basis for the years then ended and the statements of revenues – regulatory basis, statements of expenditures – regulatory basis for the year ended December 31, 2023, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Harvey Cedars, as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Harvey Cedars 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, the financial statements are prepared by the Borough of Harvey Cedars, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 controls 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 of Harvey Cedars' 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 of Harvey Cedars' ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Harvey Cedars' basic financial statements. The accompanying supplemental schedules presented for the various funds and letter of comments and recommendations section are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2024, on our consideration of the Borough of Harvey Cedars' 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 of Harvey Cedars' 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 of Harvey Cedars' internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
April 3, 2024

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

Honorable Mayor and Members
of the Board of Commissioners
Borough of Harvey Cedars
County of Ocean
Harvey Cedars, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Borough of Harvey Cedars, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated April 3, 2024. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
April 3, 2024

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 5,319,471.00	\$ 5,113,433.65
Change Fund	A	<u>400.00</u>	<u>400.00</u>
Total		<u>5,319,871.00</u>	<u>5,113,833.65</u>
Other Receivable:			
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-5	<u>750.00</u>	<u>750.00</u>
Total		<u>750.00</u>	<u>750.00</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	52,489.47	64,424.59
Revenue Accounts Receivable	A-7	<u>852.54</u>	<u>531.14</u>
Total Receivables & Other Assets With Full Reserves		<u>53,342.01</u>	<u>64,955.73</u>
Total Regular Funds		<u>5,373,963.01</u>	<u>5,179,539.38</u>
Federal & State Grants:			
Cash	A-4	45,629.68	43,095.82
Federal and State Grants Receivable	A-20	110,976.21	84,439.19
Due From Current Fund		<u>36,613.18</u>	<u>83,665.03</u>
Total State & Federal Grants		<u>193,219.07</u>	<u>211,200.04</u>
Total Assets		<u>\$ 5,567,182.08</u>	<u>\$ 5,390,739.42</u>

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

BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	Ref.	<u>2023</u>	<u>2022</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 416,427.94	\$ 443,329.08
Encumbrances Payable	A-9	280,376.55	84,317.92
Accounts Payable	A-18	78,567.20	50,777.45
Due to General Capital Fund	C	24,154.35	24,154.35
Due to Federal & State Grant Fund	A-19	36,613.18	83,665.03
Tax Overpayments	A-10	40,090.13	40,495.24
Prepaid Taxes	A-13	157,936.74	210,589.60
County Taxes Payable	A-14	82,175.18	31,611.36
Due Municipal Open Space Trust Fund	A-15	527,700.64	393,202.55
Regional School Tax Payable	A-16	16,379.56	16,856.31
Regional High School Tax Payable	A-17	1,070,924.35	1,395,896.35
Due to State and Local Agencies	A-11	11,963.36	19,506.76
Various Reserves	A-12	99,846.22	145,546.83
		<u>2,843,155.40</u>	<u>2,939,948.83</u>
Subtotal Regular Fund			
Reserve for Receivables & Other Assets	A	53,342.01	64,955.73
Fund Balance	A-1	2,477,465.60	2,174,634.82
		<u>5,373,963.01</u>	<u>5,179,539.38</u>
Total Regular Fund			
Federal and State Grant Fund:			
Encumbrances Payable	A-21	76,907.58	23,409.35
Reserve for Grants Expenditures:			
Appropriated	A-21	105,212.85	134,720.80
Unappropriated	A-22	11,098.64	53,069.89
		<u>193,219.07</u>	<u>211,200.04</u>
Total State & Federal Grants			
		<u>\$ 5,567,182.08</u>	<u>\$ 5,390,739.42</u>
Total Liabilities, Reserves & Fund Balance			

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

BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 555,000.00	\$ 501,500.00
Miscellaneous Revenue Anticipated	816,125.55	1,265,823.14
Receipts From Delinquent Taxes	64,424.59	47,086.03
Non-Budget Revenue	241,637.70	120,628.11
Receipts From Current Taxes	13,170,168.89	12,777,055.33
Other Credits To Income:		
Unexpended Balance of Appropriation		
Reserves	320,764.72	324,557.84
Cancellation of Grant Balances	19,100.27	-
	15,187,221.72	15,036,650.45
Total Revenues		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,109,575.03	2,024,564.86
Other Expenses	1,387,479.71	1,399,077.85
Deferred Charges and Statutory		
Expenditures	506,257.22	491,262.24
Appropriations Excluded From "CAPS":		
Operations:		
Other Expenses	439,803.52	325,164.29
Capital Improvements	502,500.00	292,000.00
Municipal Debt Service	176,054.39	134,042.62
Deferred Charges	-	485,449.49
County Taxes	5,856,571.31	5,240,380.75
County Share of Added Taxes	82,175.18	31,611.36
Regional School Tax	583,029.00	584,936.00
Regional High School Tax	2,549,443.00	3,199,387.00
Municipal Open Space Tax	134,498.09	132,813.95
Refund of Prior Year Revenue	2,004.49	4,383.75
	14,329,390.94	14,345,074.16
Total Expenditures		
Statutory Excess To Fund Balance	857,830.78	691,576.29
Fund Balance, January 1	2,174,634.82	1,984,558.53
	3,032,465.60	2,676,134.82
Decreased By:		
Utilized as Anticipated Revenue	555,000.00	501,500.00
Fund Balance, December 31	\$ 2,477,465.60	\$ 2,174,634.82

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

BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 555,000.00	\$ -	\$ 555,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	4,650.00	-	4,650.00	-
Fees and Permits	25,000.00	-	22,625.00	(2,375.00)
Fines and Costs:				
Municipal Court	12,000.00	-	10,525.54	(1,474.46)
Interest and Costs on Taxes	18,000.00	-	17,017.71	(982.29)
Beach Badge Fees	280,000.00	-	288,872.00	8,872.00
Rents	140,000.00	-	122,213.77	(17,786.23)
Energy Receipts Tax	106,358.00	-	106,358.00	-
Reserve for Municipal Property Tax Relief Aid	5,509.98	-	5,509.98	-
Uniform Construction Code Fees	60,000.00	-	43,505.00	(16,495.00)
Reserve for FEMA	51,208.29	-	51,208.29	-
COVID ARP State and Local Recovery (Revenue Loss)	36,110.65	-	36,110.64	(0.01)
Local Recreation Improvement Grant	-	70,000.00	70,000.00	-
Stormwater Grant	-	25,000.00	25,000.00	-
Alcohol Education and Rehabilitation	-	259.59	259.59	-
Bulletproof Vest Partnership	-	835.00	835.00	-
Clean Communities Grant	-	6,296.06	6,296.06	-
COPS In Shops	-	1,440.00	1,440.00	-
Recycling Tonnage Grant	2,715.51	-	2,715.51	-
Body Armor Replacement Fund	983.46	-	983.46	-
	<u>742,535.89</u>	<u>103,830.65</u>	<u>816,125.55</u>	<u>(30,240.99)</u>
Receipts From Delinquent Taxes	<u>62,000.00</u>	<u>-</u>	<u>64,424.59</u>	<u>2,424.59</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	<u>3,908,303.33</u>	<u>-</u>	<u>4,214,452.31</u>	<u>306,148.98</u>
Budget Totals	<u>5,267,839.22</u>	<u>103,830.65</u>	<u>5,650,002.45</u>	<u>278,332.58</u>
Non-Budget Revenue	<u>-</u>	<u>-</u>	<u>241,637.70</u>	<u>241,637.70</u>
	<u>\$ 5,267,839.22</u>	<u>\$ 103,830.65</u>	<u>\$ 5,891,640.15</u>	<u>\$ 519,970.28</u>

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

BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

Analysis of Realized Revenue

Allocation of Current Tax Collection:

Revenue from Collections	\$ 13,170,168.89
Allocated to School, County, and Municipal Open Space Taxes	<u>9,205,716.58</u>

Balance for Support of Municipal Budget 3,964,452.31

Add:

Appropriation for Uncollected Taxes	<u>250,000.00</u>
-------------------------------------	-------------------

Balance for Support of Municipal Budget \$ 4,214,452.31

Miscellaneous Revenue Not Anticipated:

Copies	\$ 15.10
Tax Searches	90.00
Resale CO's	2,050.00
Assessor Lists	150.00
Plumbing/Fire Fees	3,910.90
Sale of Asset	16,921.00
Re-Entry Passes	100.00
Tax Costs of Sale	260.54
Miscellaneous	20,955.92
Payment in Lieu of Taxes	32,532.30
Interest Income	125,750.58
Certified Copies	135.00
Yard Sale Permits	100.00
Street Openings	4,200.00
Administration Fee:	
# Senior Citizens' and Veterans'	75.00
TV Cable Franchise Fees	17,156.36
Public Property Use Fee	7,260.00
Bid Specs	1,000.00
Pickle Ball fees	8,625.00
Fire Arm Permits	<u>350.00</u>
	<u>\$ 241,637.70</u>

Fees and Permits:

Marriage Licenses - Municipal Share	\$ 15.00
Certificate of Occupancy	900.00
Tennis Court Fees	3,760.00
Land Use Board App Fee	3,900.00
Beach Buggy Permits	1,300.00
Zoning Permits	10,100.00
Police Vendor Permits	1,350.00
Boat Permits	<u>1,300.00</u>
	<u>\$ 22,625.00</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations					Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After		Paid	Encumbered			
		Modifications						
General Appropriations Operations - Within "CAPS"								
GENERAL GOVERNMENT								
Department of Public Affairs and Safety								
Director's Office:								
Salaries and Wages	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ -	\$ -	\$ -	\$ -	
Other Expenses	1,000.00	1,000.00	787.15	212.85	-	-	-	
Administrator:								
Salaries and Wages	10,000.00	10,000.00	3,384.66	-	-	6,615.34	-	
Municipal Clerk:								
Salaries and Wages	94,805.00	94,805.00	89,843.47	-	-	4,961.53	-	
Other Expenses	9,000.00	9,000.00	8,924.43	26.25	-	49.32	-	
Legal Services and Costs:								
Other Expenses	37,500.00	32,500.00	25,273.03	122.50	-	7,104.47	-	
Municipal Land Use Law (N.J.S.A. 40:55D-1):								
Land Use Board								
Salaries and Wages	24,500.00	24,500.00	24,500.00	-	-	-	-	
Other Expenses	5,000.00	7,000.00	6,944.52	13.98	-	41.50	-	
Zoning Enforcement								
Other Expenses	2,000.00	-	-	-	-	-	-	
Police Department:								
Salaries and Wages	1,086,531.00	1,061,531.00	1,014,471.13	-	-	47,059.87	-	
Other Expenses	87,514.00	87,514.00	58,666.38	26,024.58	-	2,823.04	-	
Office of Emergency Management:								
Salaries and Wages	2,000.00	2,000.00	-	-	-	2,000.00	-	
Other Expenses	3,181.00	3,181.00	2,043.58	-	-	1,137.42	-	
Volunteer Organizations								
Aid to Volunteer Fire Company	12,000.00	12,000.00	12,000.00	-	-	-	-	
First Aid Organization Contribution	9,500.00	9,500.00	9,500.00	-	-	-	-	
Municipal Prosecutor's Office								
Other Expenses	6,600.00	11,600.00	6,600.00	-	-	5,000.00	-	
Contributions to Senior Citizens Center	1,500.00	1,500.00	-	-	-	1,500.00	-	
Lifeguards:								
Salaries and Wages	346,000.00	343,000.00	343,000.00	-	-	-	-	
Other Expenses	21,850.50	21,850.50	20,434.06	815.44	-	601.00	-	

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

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations				Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered			
GENERAL GOVERNMENT (continued)							
Beach Operations							
Salaries and Wages	33,000.00	30,600.00	30,599.60	-	0.40	-	-
Other Expenses	7,140.00	7,140.00	7,140.00	-	-	-	-
Department of Revenue and Finance							
Director's Office:							
Salaries and Wages	7,500.00	7,500.00	7,430.00	-	70.00	-	-
Other Expenses	1,000.00	1,000.00	431.75	-	568.25	-	-
Financial Administration:							
Salaries and Wages	56,395.00	56,395.00	54,302.31	-	2,092.69	-	-
Other Expenses	6,000.00	6,000.00	5,814.60	-	185.40	-	-
Audit Services	29,380.00	29,380.00	29,380.00	-	-	-	-
Collector of Taxes:							
Salaries and Wages	67,964.65	67,964.65	65,293.26	-	2,671.39	-	-
Other Expenses	8,000.00	8,000.00	7,798.04	-	201.96	-	-
Tax Assessment Administration:							
Salaries and Wages	22,893.00	22,893.00	22,893.00	-	-	-	-
Other Expenses	5,000.00	5,000.00	1,118.72	-	3,881.28	-	-
Computer Data Processing							
Other Expenses	6,360.00	6,810.00	6,479.08	-	330.92	-	-
Department of Public Works, Parks, and Public Property							
Director's Office:							
Salaries and Wages	7,500.00	7,500.00	7,500.00	-	-	-	-
Other Expenses	1,000.00	1,000.00	686.78	94.97	218.25	-	-
Engineering Services and Costs:							
Other Expenses	25,000.00	27,000.00	26,454.59	-	545.41	-	-
Road Repair and Maintenance:							
Salaries and Wages	295,303.00	295,303.00	286,532.09	-	8,770.91	-	-
Other Expenses	35,000.00	27,000.00	18,282.36	2,312.84	6,404.80	-	-
Garbage and Trash Removal:							
Other Expenses	285,660.00	285,660.00	262,166.74	-	23,493.26	-	-
Public Buildings and Grounds:							
Other Expenses	75,000.00	90,000.00	77,510.66	9,831.83	2,657.51	-	-
Vehicle Maintenance:							
Salaries and Wages	35,354.00	37,854.00	37,634.13	-	219.87	-	-
Other Expenses	34,000.00	42,000.00	34,496.10	3,419.25	4,084.65	-	-

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

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations					Cancelled
	Original Budget	Budget After Modifications	Paid	Paid or Charged Encumbered	Reserved	
Recreation:						
Salaries and Wages	5,200.00	5,200.00	4,927.75	-	272.25	-
Other Expenses	1,000.00	1,000.00	555.19	-	444.81	-
GENERAL GOVERNMENT (continued)						
Park Maintenance:						
Other Expenses	10,400.00	10,400.00	8,479.17	1,653.41	267.42	-
Beachfront Maintenance:						
Other Expenses	25,000.00	25,000.00	16,186.14	3,577.53	5,236.33	-
Sanitary Landfill:						
Other Expenses	75,000.00	75,000.00	68,693.73	-	6,306.27	-
Municipal Court:						
Salaries and Wages	17,000.00	17,000.00	17,000.00	-	-	-
Other Expenses	2,500.00	2,500.00	741.60	-	1,758.40	-
Public Defender (P.L. 1997, c.256):						
Other Expenses	3,000.00	3,000.00	-	-	3,000.00	-
Insurance (N.J.S.A. 40A:4-45.3(00)):						
General Liability	50,469.10	50,469.10	48,269.10	-	2,200.00	-
Workers Compensation	44,502.90	44,502.90	44,502.90	-	-	-
Employee Group Health	288,170.91	288,170.91	262,187.05	563.16	25,420.70	-
Health Benefits Waiver	12,707.00	12,707.00	12,030.22	-	676.78	-
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Construction Code Official:						
Salaries and Wages	7,629.38	8,029.38	7,812.07	-	217.31	-
Other Expenses	3,000.00	2,000.00	1,386.82	67.35	545.83	-
UNCLASSIFIED						
Electricity	16,320.00	16,320.00	11,346.65	-	4,973.35	-
Street Lighting	47,955.30	48,955.30	44,580.24	-	4,375.06	-
Telecommunications	28,000.00	28,000.00	20,193.97	211.45	7,594.58	-
Natural Gas	13,699.00	13,699.00	11,510.09	-	2,188.91	-
Petroleum Products	33,120.00	33,120.00	23,524.01	-	9,595.99	-
Accumulated Leave Compensation	10,000.00	10,000.00	10,000.00	-	-	-
Total Operations - Within "CAPS"	3,507,104.74	3,497,054.74	3,237,742.92	48,947.39	210,364.43	-

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

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations					Cancelled
	Original Budget	Budget After Modifications	Paid	Paid or Charged Encumbered	Reserved	
Detail:	2,127,075.03	2,109,575.03	2,034,623.47	-	74,951.56	-
Salaries and Wages	1,380,029.71	1,387,479.71	1,203,119.45	48,947.39	135,412.87	-
Other Expenses						
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System of NJ	93,503.90	93,503.90	93,503.90	-	-	-
Social Security System (O.A.S.I.)	162,721.24	162,721.24	149,732.34	-	12,988.90	-
Police and Firemen's Retirement System of NJ	236,955.00	236,955.00	236,955.00	-	-	-
Unemployment Insurance (N.J.S.A. 43:21-3 et seq.)	10,985.37	10,985.37	8,766.00	-	2,219.37	-
Defined Contribution Retirement Program	2,041.71	2,091.71	2,009.72	-	81.99	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	506,207.22	506,257.22	490,966.96	-	15,290.26	#
Total General Appropriations for Municipal Purposes - Within "CAPS"	4,013,311.96	4,003,311.96	3,728,709.88	48,947.39	225,654.69	-
Recycling Tax	3,358.73	3,358.73	1,749.27	-	1,609.46	-
LOSAP	35,000.00	35,000.00	-	-	35,000.00	-
Employee Group Health	21,697.00	21,697.00	21,697.00	-	-	-
Solid Waste Collection	340.00	340.00	-	-	340.00	-
Gasoline and Diesel	4,380.00	4,380.00	4,380.00	-	-	-
PERS	9,447.00	9,447.00	9,447.00	-	-	-
PFRS	69,277.00	69,277.00	69,277.00	-	-	-
Interlocal Municipal Service Agreements:						
Police Dispatch/911	38,796.71	38,796.71	38,796.71	-	-	-
Construction Office	40,850.00	40,850.00	30,725.00	-	10,125.00	-
Public Health Services	42,952.46	42,952.46	42,952.44	-	0.02	-
Animal Control Services	10,000.00	10,000.00	5,337.64	-	4,662.36	-
LBI Tolley	10,000.00	20,000.00	20,000.00	-	-	-
Municipal Court Services	32,000.00	32,000.00	-	32,000.00	-	-
Mobile Data Terminals	575.00	575.00	575.00	-	-	-
License Plate Recognition	900.00	900.00	650.00	-	250.00	-
Computer Aided Dispatch	2,700.00	2,700.00	2,700.00	-	-	-

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

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations					
	Original Budget	Budget After Modifications	Paid	Paid or Charged Encumbered	Reserved	Cancelled
Public and Private Programs Offset By Revenues:						
Local Recreation Improvement Grant	-	70,000.00	70,000.00	-	-	-
Stormwater Grant	-	25,000.00	25,000.00	-	-	-
Alcohol Education and Rehabilitation	-	259.59	259.59	-	-	-
Bulletproof Vest Partnership	-	835.00	835.00	-	-	-
Clean Communities Grant	-	6,296.06	6,296.06	-	-	-
COPS In Shops	-	1,440.00	1,440.00	-	-	-
Recycling Tonnage Grant	2,715.51	2,715.51	2,715.51	-	-	-
Body Armor Replacement Fund	983.46	983.46	983.46	-	-	-
Total Operations - Excluded From "CAPS"	325,972.87	439,803.52	355,816.68	32,000.00	51,986.84	-
Detail:						
Other Expenses	325,972.87	439,803.52	355,816.68	32,000.00	51,986.84	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	77,500.00	77,500.00	77,500.00	-	-	-
Cameras	10,000.00	10,000.00	-	-	10,000.00	-
Borough Hall Rehabilitation	50,000.00	50,000.00	-	3,897.88	46,102.12	-
Beach Rake	75,000.00	75,000.00	59,484.00	-	15,516.00	-
Sunset Park Rehabilitation	150,000.00	150,000.00	18,501.42	126,226.29	5,272.29	-
Bin Block	10,000.00	10,000.00	-	-	10,000.00	-
Bulkheads	50,000.00	50,000.00	-	-	50,000.00	-
ATV	10,000.00	10,000.00	8,799.00	-	1,201.00	-
Police Chief Vehicle	50,000.00	50,000.00	-	50,000.00	-	-
Alcotest Machine	20,000.00	20,000.00	-	19,305.00	695.00	-
Total Capital Improvements - Excluded From "CAPS"	502,500.00	502,500.00	164,284.42	199,429.17	138,786.41	-

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

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations					
	Original Budget	Budget After Modifications	Paid	Paid or Charged Encumbered	Reserved	Cancelled
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Anticipation Notes and Capital Notes Interest on Notes	135,561.00 40,493.39	135,561.00 40,493.39	135,561.00 40,493.39	-	-	-
Total Municipal Debt Service - Excluded From "CAPS"	176,054.39	176,054.39	176,054.39	-	-	-
Total General Appropriations - Excluded From "CAPS"	1,004,527.26	1,118,357.91	696,155.49	231,429.17	190,773.25	-
Subtotal General Appropriations	5,017,839.22	5,121,669.87	4,424,865.37	280,376.56	416,427.94	-
Reserve for Uncollected Taxes	250,000.00	250,000.00	250,000.00	-	-	-
Total General Appropriations	\$ 5,267,839.22	\$ 5,371,669.87	\$ 4,674,865.37	\$ 280,376.56	\$ 416,427.94	\$ -

Analysis of Modified Budget:

Original Budget	\$ 5,267,839.22
Special Item of Revenue	103,830.65
	<u>\$ 5,371,669.87</u>

Analysis of Paid or Charged:

Reserve for Uncollected Taxes	\$ 250,000.00
Cash Disbursements	4,317,335.75
Reserve for Grant Expenditures - Appropriated	<u>107,529.62</u>
	<u>\$ 4,674,865.37</u>

**BOROUGH OF HARVEY CEDARS
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	Ref.	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	B-4	\$ 281.93	\$ 311.73
Total Animal Control Fund		<u>281.93</u>	<u>311.73</u>
Trust - Other Fund:			
Cash	B-4	448,448.14	408,334.35
Total Trust - Other Fund		<u>448,448.14</u>	<u>408,334.35</u>
Municipal Open Space Trust Fund			
Cash	B-4	325,127.43	325,127.43
Due from Current Fund	A	527,700.64	393,202.55
Total Municipal Open Space Trust Fund		<u>852,828.07</u>	<u>718,329.98</u>
Payroll Fund:			
Cash	B-4	11,857.39	34,948.76
Total Payroll Fund		<u>11,857.39</u>	<u>34,948.76</u>
Total Assets		<u>\$ 1,313,415.53</u>	<u>\$ 1,161,924.82</u>
 LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-5	\$ 281.93	\$ 311.73
Total Animal Control Fund		<u>281.93</u>	<u>311.73</u>
Trust - Other Fund:			
Trust - Other Reserves	B-7	448,448.14	408,334.35
Total Trust - Other Fund		<u>448,448.14</u>	<u>408,334.35</u>
Municipal Open Space Trust Fund			
Reserve for Open Space	B-1	852,828.07	718,329.98
Total Municipal Open Space Trust Fund		<u>852,828.07</u>	<u>718,329.98</u>
Payroll Fund			
Reserve for Payroll Deductions	B-8	11,857.39	34,948.76
Total Payroll Fund		<u>11,857.39</u>	<u>34,948.76</u>
Total		<u>\$ 1,313,415.53</u>	<u>\$ 1,161,924.82</u>

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

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	Ref.	<u>2023</u>	<u>2022</u>
Cash	C-2:C-3	\$ 1,691,006.78	\$ 1,519,982.95
Grants Receivable	C-9	1,060,097.81	781,311.41
Due from Current Fund	A	24,154.35	24,154.35
Deferred Charges to Future Taxation:			
Unfunded	C-4	<u>3,509,877.76</u>	<u>3,047,692.36</u>
 Total Assets		 <u>\$ 6,285,136.70</u>	 <u>\$ 5,373,141.07</u>
 LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes	C-5	\$ 1,270,048.00	\$ 1,255,609.00
Improvement Authorizations:			
Funded	C-6	121,073.98	183,002.53
Unfunded	C-6	2,324,246.27	2,045,785.83
Encumbrances Payable	C-6	636,213.34	-
Capital Improvement Fund	C-7	675,234.03	610,234.03
Due Utility Capital	C-3	204,100.00	204,100.00
Reserve for Grants Receivable	C-9	760,097.81	781,311.41
Reserve for Debt Service	C-8	109,631.60	109,631.60
Fund Balance	C-1	<u>184,491.67</u>	<u>183,466.67</u>
 Total Liabilities, Reserves & Fund Balance		 <u>\$ 6,285,136.70</u>	 <u>\$ 5,373,141.07</u>

There were \$2,239,829.76 of bonds and notes authorized but not issued on December 31, 2023 and \$1,792,083.36 on December 31, 2022.

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
STATEMENTS OF CAPITAL FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Balance December 31, 2022	\$ 183,466.67
Increased by:	
Bond Anticipation Note Premium	<u>1,025.00</u>
Balance December 31, 2023	<u><u>\$ 184,491.67</u></u>

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

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
ASSETS			
Operating Fund:			
Cash	D-4	\$ 602,744.56	\$ 638,029.82
Total		<u>602,744.56</u>	<u>638,029.82</u>
Receivables With Full Reserves:			
Water Rents Receivable	D-6	36,190.43	25,388.70
Sewer Rents Receivable	D-8	26,558.88	21,343.71
Total		62,749.31	46,732.41
Deferred Charges:			
Overexpenditure of Appropriations		<u>21,946.99</u>	<u>4,469.94</u>
Total Operating Fund		<u>687,440.86</u>	<u>689,232.17</u>
Capital Fund:			
Cash	D-4	76,755.77	72,162.50
Fixed Capital	D-10	7,883,560.27	7,688,654.58
Fixed Capital Authorized and Uncompleted	D-11	3,753,609.50	3,753,609.50
Due from General Capital	C	<u>204,100.00</u>	<u>204,100.00</u>
Total Capital Fund		<u>11,918,025.54</u>	<u>11,718,526.58</u>
Total Operating & Capital Fund		<u>\$ 12,605,466.40</u>	<u>\$ 12,407,758.75</u>

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

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 149,348.39	\$ 184,985.89
Water Overpayments	D-7	4,449.62	2,356.02
Sewer Overpayments	D-9	-	5,725.70
Encumbrances Payable	D-13	41,287.14	44,913.28
Accounts Payable	D	8,475.65	8,475.65
Accrued Interest on Bonds and Notes	D-15	27,678.63	10,201.58
		<u>231,239.43</u>	<u>256,658.12</u>
Subtotal		<u>231,239.43</u>	<u>256,658.12</u>
Reserve for Receivables	D	62,749.31	46,732.41
Fund Balance	D-1	393,452.12	385,841.64
		<u>687,440.86</u>	<u>689,232.17</u>
Total Operating Fund		<u>687,440.86</u>	<u>689,232.17</u>
Capital Fund:			
Bond Anticipation Notes	D-16	1,299,952.00	1,454,391.00
Loans Payable	D-17	209,627.04	312,852.98
Improvement Authorizations:			
Funded	D-18	18,802.25	18,802.25
Unfunded	D-18	1,304,276.86	1,329,683.59
Capital Improvement Fund	D-19	265,954.00	235,954.00
Reserve for Amortization	D-20	7,966,656.43	7,514,085.80
Reserve for Deferred Amortization	D-21	785,682.50	785,682.50
Fund Balance	D-1a	67,074.46	67,074.46
		<u>11,918,025.54</u>	<u>11,718,526.58</u>
Total Capital Fund		<u>11,918,025.54</u>	<u>11,718,526.58</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 12,605,466.40</u>	<u>\$ 12,407,758.75</u>

There were \$1,375,251.80 of bonds and notes authorized but not issued on December 31, 2023 and \$1,375,251.80 on December 31, 2022.

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 126,595.61	\$ 178,829.26
Water/Sewer Rents	1,503,548.46	1,521,437.50
Miscellaneous Revenues Anticipated	23,896.57	6,724.26
Other Credits to Income:		
Lapsed Appropriation Reserves	<u>128,766.99</u>	<u>65,111.19</u>
Total Revenues	<u>1,782,807.63</u>	<u>1,772,102.21</u>
Expenditures:		
Budget Appropriations:		
Operating	1,035,018.14	1,046,904.09
Capital Improvements	212,000.00	157,000.00
Debt Service	326,508.54	274,003.67
Statutory Expenditures	91,355.24	89,963.87
Refund Prior Year Revenue	<u>1,196.67</u>	<u>2,910.32</u>
Total Expenditures	<u>1,666,078.59</u>	<u>1,570,781.95</u>
Add: Expenditures Included		
Above Which Are By Statute		
Deferred Charges To Budgets		
of Succeeding Years	<u>17,477.05</u>	<u>4,469.94</u>
Excess in Revenue	134,206.09	205,790.20
Fund Balance, January 1	<u>385,841.64</u>	<u>358,880.70</u>
	520,047.73	564,670.90
Decreased By:		
Utilized as Anticipated Revenue	<u>126,595.61</u>	<u>178,829.26</u>
Fund Balance, December 31	<u><u>\$ 393,452.12</u></u>	<u><u>\$ 385,841.64</u></u>

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

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
STATEMENTS OF FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Balance, December 31, 2023 and 2022

\$ 67,074.46

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 126,595.61	\$ 126,595.61	\$ -
Rents	1,521,000.00	1,503,548.46	(17,451.54)
Miscellaneous	3,500.00	23,896.57	20,396.57
	<u>\$ 1,651,095.61</u>	<u>\$ 1,654,040.64</u>	<u>\$ 2,945.03</u>

Analysis of Realized Rents

Consumer Accounts Receivable:
 Collected

\$ 1,503,548.46

Analysis of Miscellaneous Revenue

Interest on Delinquents
 Interest on Investments

\$ 1,884.76
22,011.81
\$ 23,896.57

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

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		PAID OR CHARGED				
	Original Budget	Budget After Modification	Paid	Encumbered	Reserved	Overexpenditure	Cancelled
Operating:							
Salaries and Wages	\$ 440,001.66	\$ 440,001.66	\$ 415,556.59	\$ -	\$ 24,445.07	\$ -	\$ -
Other Expenses	595,516.48	595,016.48	542,471.34	32,475.48	20,069.66	-	-
Total Operating	1,035,518.14	1,035,018.14	958,027.93	32,475.48	44,514.73	-	-
Capital Improvements:							
Capital Improvement Fund	30,000.00	30,000.00	30,000.00	-	-	-	-
Capital Outlay	20,000.00	20,000.00	13,900.00	-	6,100.00	-	-
Meters/ ERTS	45,000.00	45,000.00	11,347.44	8,634.16	25,018.40	-	-
Fire Hydrant Replacement Program	12,000.00	12,000.00	-	-	12,000.00	-	-
Water Plants	60,000.00	60,000.00	-	-	60,000.00	-	-
Watermains	45,000.00	45,000.00	44,822.50	177.50	-	-	-
Total Capital Improvements	212,000.00	212,000.00	100,069.94	8,811.66	103,118.40	-	-
Debt Service:							
Bond Anticipation Notes	154,439.00	154,439.00	154,439.00	-	-	-	-
Interest on Notes	46,904.11	46,904.11	64,381.16	-	-	(17,477.05)	-
Principal on NJEIT Loan	103,225.94	103,225.94	100,253.30	-	-	-	2,972.64
Interest on NJEIT Loan	8,153.18	8,153.18	7,435.08	-	-	-	718.10
Total Debt Service	312,722.23	312,722.23	326,508.54	-	-	(17,477.05)	3,690.74
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System	55,435.10	55,435.10	55,435.10	-	-	-	-
Social Security System (O.A.S.I.)	33,660.13	33,660.13	32,317.42	-	1,342.71	-	-
Unemployment Compensation Insurance	1,760.01	2,260.01	1,887.46	-	372.55	-	-
Total Statutory Expenditures	90,855.24	91,355.24	89,639.98	-	1,715.26	-	-
Total Water/Sewer Utility Fund Appropriations	\$ 1,651,095.61	\$ 1,651,095.61	\$ 1,474,246.39	\$ 41,287.14	\$ 149,348.39	\$ (17,477.05)	\$ 3,690.74
Ref.	D-2	D-3		D-13	D		D-1

Cash Disbursements	\$ 1,402,430.15
Deffered Charge	17,477.05
Accrued Interest on Bonds and Notes	54,339.19
	<u>\$ 1,474,246.39</u>

BOROUGH OF HARVEY CEDARS
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	<u>Ref.</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
Land	E-1	\$ 926,392.47	\$ 926,392.47
Land Improvements	E-1	500,288.00	500,288.00
Buildings and Improvements	E-1	1,506,982.00	1,506,982.00
Machinery and Equipment	E-1	<u>1,714,001.00</u>	<u>1,825,130.00</u>
Total General Fixed Assets		<u>\$ 4,647,663.47</u>	<u>\$ 4,758,792.47</u>
Investment in General Fixed Assets	E	<u>\$ 4,647,663.47</u>	<u>\$ 4,758,792.47</u>

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

BOROUGH OF HARVEY CEDARS
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

ASSETS	Ref.	<u>2023</u>	<u>2022</u>
Length of Service Award Program Fund ("LOSAP")			
Investments	F-1	<u>\$ 1,009,519.93</u>	<u>\$ 833,320.77</u>
Total Assets		<u><u>\$ 1,009,519.93</u></u>	<u><u>\$ 833,320.77</u></u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Length of Service Award Program Fund ("LOSAP")			
Miscellaneous Reserves	F-2	<u>\$ 1,009,519.93</u>	<u>\$ 833,320.77</u>
Total		<u><u>\$ 1,009,519.93</u></u>	<u><u>\$ 833,320.77</u></u>

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

**BOROUGH OF HARVEY CEDARS
COUNTY OF OCEAN, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity - The Borough of Harvey Cedars has operated under the Walsh Act Commission form of New Jersey municipal government since 1923. The governing body is a 3-member Board of Commissioners. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are not considered component units under GASB 14. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80, 90 and 97, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Borough are not presented in accordance with GAAP (as discussed below). Therefore, the Borough had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, 80, 90 and 97.

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

In accordance with the "Requirements", the Borough of Harvey Cedars accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Funds – various Trust Funds account for 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 capital facilities, other than those acquired in the Current Fund.

Water-Sewer Utility Operating and Capital Fund - is used to account for the operations and acquisition of capital facilities of the municipally-owned Water/Sewer Utility.

General Fixed Asset Account Group – is utilized to account for property, land, buildings and equipment that have been acquired by the other funds of the Borough.

LOSAP Trust Fund – is used to account for the Length of Service Award Program of the Borough.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued):

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

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value, but under regulatory basis of accounting, investments are stated at cost, with the exception of LOSAP investments which are reported at fair value. Therefore unrealized gains or losses on investments have not been recorded.

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

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

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

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued):

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

General Fixed Assets - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

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

Utility Fixed Assets – Property and equipment purchases by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization in the utility capital fund represent the cost of the utility fixed assets reduced by the outstanding balances of bonds, loans, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

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

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued):

Fund Balance - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

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

Utility Revenues - Utility charges are billed quarterly based upon flat service charge and, if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's utility operating fund.

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

School Taxes - The Borough is responsible for levying, collecting, and remitting school taxes for the Long Beach Island School District and the Southern Regional High School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district and the regional high school district. The Borough's share of the amount required to be raised by taxation for the period from July 1 to June 30 are increased by the amount deferred at December 31, 2022 and decreased by the amount deferred at December 31, 2023.

County Taxes - The Borough is responsible for levying, collecting, and remitting county taxes for the County of Ocean. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

Deferred School Taxes - School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Township's financial statements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 99, *Omnibus 2022*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

Management has determined that the implementation of this Statement did not have a significant impact on the Borough's financial statements.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Effective in Future Reporting Periods

The following accounting pronouncements will become effective in future reporting periods:

- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.
- Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.

Management has not yet determined the potential impact these Statements will have on the Borough’s financial statements.

Note 2. Deposits and Investments

The Borough is governed by the deposit and investment limitations of New Jersey state law.

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough’s deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023, the Borough’s bank balance of \$8,900,062.14 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 8,389,520.54
Uninsured and Uncollateralized	<u>510,541.60</u>
	<u>\$ 8,900,062.14</u>

New Jersey Asset and Rebate Management Program (NJ/ARM) – During the year, the Borough participated in the New Jersey Asset & Rebate Management Program. The program was created in 1989 as a joint investment trust under the Interlocal Service Act. NJ/ARM provides local governments in New Jersey with investment management services for capital, reserve, general operating funds, and for arbitrage rebate compliance for bond and note issue. The program advisory board is made up of New Jersey local government officials and is managed by PFM Asset Management LLC. The Program is designed to be in compliance with New Jersey statutes and regulations for allowable investments.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 2. Deposits and Investments (continued)

The fund deposits can be liquidated on a daily basis and have an “AAA” rating by Standard & Poor’s. NJ/ARM funds are not subject to custodial credit risk. Borough deposits with the fund are considered to be cash equivalents and at December 31, 2023 the balance was \$1,300,479.16.

Investments

Under the regulatory basis of accounting, investments are measured at cost in the Borough’s financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2023, the Borough had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Money Market Funds: Valued at the quoted NAV of shares held by the Borough at year-end.

Mutual Funds: Valued at quoted market prices which represent the net asset value (“NAV”) shares held by the Borough at year-end.

The Borough’s fair value, hierarchy level and maturities of its investments at December 31, 2023 was as follows:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Fair Value as of December 31, 2021</u>		<u>Investment Maturities (in Years)</u>
		<u>Level 1</u>	<u>Total</u>	<u>Less Than 1 Year</u>
Money Markets	\$ 34,713.58	\$ 34,713.58	\$ 34,713.58	\$ 34,713.58
Mutual Funds	734,066.90	734,066.90	734,066.90	734,066.90
	<u>\$768,780.48</u>	<u>\$ 768,780.48</u>	<u>\$ 768,780.48</u>	<u>\$ 768,780.48</u>
<u>Fund</u>				
Trust Fund - LOSAP	<u>\$768,780.48</u>	<u>\$ 768,780.48</u>	<u>\$ 768,780.48</u>	<u>\$ 768,780.48</u>
	<u>\$768,780.48</u>	<u>\$ 768,780.48</u>	<u>\$ 768,780.48</u>	<u>\$ 768,780.48</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 2. Deposits and Investments (continued)

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial (Lincoln) totaling \$240,739.45 as of December 31, 2023. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2023 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 768,780.48
Trust Fund - LOSAP (Contract Value)	<u>240,739.45</u>
	<u>\$ 1,009,519.93</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

<u>Investment Type:</u>	Standard & <u>Poor's</u>	<u>Moody's</u>
Fixed Annuity Contract	AAA	Aaa
Money Market Funds	AAA	Aaa
Mutual Funds	AAA	Aaa

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A; 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 3. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison Schedule of Tax Rates

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 0.983</u>	<u>\$ 0.967</u>	<u>\$ 0.940</u>
Apportionment of Tax Rate:			
Municipal	0.295	0.273	0.273
Municipal Open Space	0.010	0.010	0.010
County	0.442	0.398	0.381
Regional School District	0.044	0.044	0.044
Regional High School District	0.192	0.242	0.232

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2023	\$ 1,326,313,100.00
2022	\$ 1,320,140,100.00
2021	1,297,958,700.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 13,225,112.48	\$ 13,170,168.89	99.58%
2022	\$ 12,842,279.95	\$ 12,777,855.36	99.49%
2021	12,325,591.83	12,271,376.69	99.56%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2023	\$ 52,489.47	\$ 52,489.47	0.40%
2022	\$ 64,424.59	64,424.59	0.50%
2021	52,675.99	52,675.99	0.43%

There was no tax sale during the year ended December 31, 2023.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 4. Property Acquired by Tax Title Lien Liquidation

The Borough had no property acquired by liquidation of tax title liens on December 31, 2023, 2022 or 2021.

Note 5. Water-Sewer Utility Service Charges

The following is a three-year comparison of water-sewer utility charges (rents) and collections for the current and previous two years.

<u>Year</u>	<u>Beginning Balance</u>	<u>Charges</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 46,732.41	\$ 1,519,565.36	\$ 1,558,710.63	\$ 1,503,548.46	95.99%
2022	59,264.49	1,508,905.44	1,568,169.93	1,521,437.52	97.01%
2021	46,345.51	1,284,827.76	1,331,173.27	1,271,908.78	95.54%

Note 6. Fund Balance Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2023	\$ 2,477,465.60	\$ 550,000.00	22.20%
2022	2,174,642.97	555,000.00	25.52%
2021	1,984,558.53	501,500.00	25.27%
Utility Operating Fund:			
2023	\$ 389,820.02	\$ 77,000.00	19.75%
2022	385,841.64	126,595.61	32.81%
2021	358,880.70	178,829.26	49.83%

Note 7. Disaggregated Receivable and Payable Balances

There are no significant components of receivable and payable balances reported in the financial statements.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 8. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2023:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 588,468.17
State and Federal Grant Fund	36,613.18	-
Open Space Trust Fund	527,700.64	-
General Capital Fund	24,154.35	204,100.00
Utility Capital Fund	<u>204,100.00</u>	<u>-</u>
	<u>\$ 792,568.17</u>	<u>\$ 792,568.17</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers was as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ -	\$ 47,051.85
State and Federal Grant Fund	<u>47,051.85</u>	<u>-</u>
	<u>\$ 47,051.85</u>	<u>\$ 47,051.85</u>

The purpose of interfund transfers were for the creation and liquidation of interfund receivables and payables for payments made on behalf of other funds as well as to cover cash shortfalls.

Note 9. Fixed Assets

The following schedule is a summarization of changes in General Fixed Assets for the fiscal year ended December 31, 2023:

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 926,392.47	\$ -	\$ -	\$ 926,392.47
Land Improvements	500,288.00	-	-	500,288.00
Buildings and Improvements	1,506,982.00	-	-	1,506,982.00
Machinery & Equipment	<u>1,825,130.00</u>	<u>108,378.00</u>	<u>(219,507.00)</u>	<u>1,714,001.00</u>
	<u>\$4,758,792.47</u>	<u>\$ 108,378.00</u>	<u>\$(219,507.00)</u>	<u>\$ 4,647,663.47</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10. Pension Obligations

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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 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.

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. 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

**BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

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 will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Borough's contractually required contribution to PERS plan was \$158,386.00.

Components of Net Pension Liability - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$1,895,457.00. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.0125598706% which was an increase of 0.00027227% from its proportion measured as of June 30, 2021.

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 310,276	\$ 266,397
Deferred Inflows of Resources	381,817	1,075,789
Net Pension Liability	1,895,457	1,455,650
Borough's portion of the Plan's total Net Pension Liability	0.01256%	0.01229%

Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Borough's proportionate share of the PERS credit, calculated by the plan as of the June 30, 2022 measurement date is \$139,656.00. This credit is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$158,386.00 to the plan in 2022.

At December 31, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 13,681	\$ 12,064
Changes of Assumptions	5,873	283,825
Net Difference between Projected and Actual Earnings on Pension Plan Investments	78,451	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	212,271	85,928
	\$ 310,276	\$ 381,817

The Borough will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (137,321)
2024	(57,565)
2025	(15,128)
2026	113,399
2027	25,074
	\$ (71,541)

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

**BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

The actuarial valuations used the following actuarial assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2022 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. 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 will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date 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 net pension liability calculated using the discount rate as disclosed above, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,455,730</u>	<u>\$ 1,895,457</u>	<u>\$ 1,448,356</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

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 PFRS, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

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

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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, as defined, 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 if 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.

Basis of Presentation - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount less 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 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 will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough’s contractually required contributions to PFRS plan was \$306,232.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10. Pension Obligations (continued):

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

Net Pension Liability and Pension Expense - At December 31, 2022 the Borough's proportionate share of the PFRS net pension liability was \$2,695,192. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was 0.02354629%, which was a decrease of 0.0039026729% from its proportion measured as of June 30, 2021.

	<u>12/31/2022</u>	<u>12/30/2021</u>
	June 30, 2022	June 30, 2021
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 969,586	\$ 276,964
Deferred Inflows of Resources	1,086,730	1,936,128
Net Pension Liability	2,695,192	1,435,798
Borough's portion of the Plan's total net pension Liability	0.02355%	0.01964%

Pension Expense and Deferred Outflows/Inflows of Resources – At December 31, 2022, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2021 measurement date was \$23,661. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$306,232 to the plan in 2022.

At December 31, 2022, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	
Differences between Expected and Actual Experience	\$ 121,992	\$ 165,117	
Changes of Assumptions	7,386	339,271	
Net Difference between Projected and Actual Earnings on Pension Plan Investments	246,800	-	
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	593,408	582,342	
	<u>\$ 969,586</u>	<u>\$ 1,086,730</u>	

**BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ (132,590)
2024	(83,934)
2025	(79,852)
2026	173,634
2027	3,865
Thereafter	<u>1,733</u>
	<u>\$ (117,144)</u>

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 is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$479,665 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State’s proportion 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. The State’s proportion measured as of June 30, 2022 was 0.0235463%, which was an increase of 0.0039026729% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough’s. At December 31, 2021, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 2,695,192
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>479,665</u>
	<u>\$ 3,174,857</u>

**BOROUGH OF HARVEY CEDARS
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

At December 31, 2022, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$55,341.

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	PubS-2010 amount-weighted mortality table using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2022 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2076 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 10. Pension Obligations (continued):

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

Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 3,698,095	\$ 2,695,192	\$ 1,860,271
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	658,152	479,665	331,074
	\$ 4,356,247	\$ 3,174,857	\$ 2,191,345

Related Party Investments - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

Note 11. Postemployment Benefits Other Than Pensions

General Information about the OPEB Plan

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for pension obligations for the year ended June 30, 2023. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2022.

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) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11. Postemployment Benefits Other Than Pensions (continued):

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.

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.

Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

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 (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,321, respectively. 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, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 11. Postemployment Benefits Other Than Pensions (continued):

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. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation.

Additionally, the State's proportionate share of the OPEB liability attributable to the Borough is \$3,078,298 as of December 31, 2022. The OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the OPEB liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.091241%, which was an increase of 0.00508% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough's. At December 31, 2022, the Borough's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Borough	\$ 3,078,298.00

At December 31, 2022, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$504,905.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 12. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 1,270,048.00	\$ 1,255,609.00	\$ 1,309,007.00
Utility:			
Bonds, Notes and Loans	1,509,579.04	1,767,263.98	2,025,423.41
Total Debt Issued	<u>2,779,627.04</u>	<u>3,022,872.98</u>	<u>3,526,203.33</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	2,239,829.76	1,792,083.36	1,965,605.55
Utility:			
Bonds, Notes and Loans	1,375,251.80	1,375,251.80	879,351.80
Total Authorized But Not Issued	<u>3,615,081.56</u>	<u>3,167,335.16</u>	<u>2,844,957.35</u>
Total Gross Debt	<u>\$ 6,394,708.60</u>	<u>\$ 6,190,208.14</u>	<u>\$ 6,371,160.68</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 109,631.60	\$ 109,631.60	\$ 595,081.09
Utility:			
Self Liquidating Debt	2,884,830.84	3,142,515.78	2,904,775.21
Total Deductions	<u>2,994,462.44</u>	<u>3,252,147.38</u>	<u>3,499,856.30</u>
Total Net Debt	<u>\$ 3,400,246.16</u>	<u>\$ 2,938,060.76</u>	<u>\$ 2,871,304.38</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 3,509,877.76	\$ 109,631.60	\$ 3,400,246.16
Utility Debt	2,884,830.84	2,884,830.84	-
	<u>\$ 6,394,708.60</u>	<u>\$ 2,994,462.44</u>	<u>\$ 3,400,246.16</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 12. Municipal Debt (continued)

Net Debt \$3,400,246.16 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$1,737,549,830, equals 0.196%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$	60,814,244.05
Net Debt		3,400,246.16
Remaining Borrowing Power	\$	57,413,997.89

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year		\$ 1,649,211.87
Deductions:		
Operating and Maintenance Costs	\$	1,126,373.38
Debt Service		312,722.23
Total Deductions		1,439,095.61
Excess/(Deficit) in Revenue	\$	210,116.26

*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

The Borough had no serial bonds payable outstanding in the General Capital Fund at December 31, 2023.

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2021:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2023</u>
Series 2023	8/2/2023	5/1/2024	4.75%	\$ 1,270,048.00
				\$ 1,270,048.00

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued)

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023, the Borough had \$2,239,829.76 in various General Capital bonds and notes authorized but not issued.

Water-Sewer Utility Capital Debt

A. Serial Bonds Payable

The Borough had no serial bonds payable outstanding in the Utility Capital Fund at December 31, 2023.

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Utility Capital Fund at December 31, 2023:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2023</u>
Series 2023	8/2/2023	5/1/2024	4.75%	<u>\$ 1,299,952.00</u>
				<u><u>\$ 1,299,952.00</u></u>

The purpose of these short-term borrowings was to provide resources for utility capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023, the Borough had \$1,375,252.80 in various Utility Capital bonds and notes authorized but not issued.

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2005 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection, pursuant to the New Jersey Environmental Infrastructure Trust Financing Program.

The loan consists of two agreements, a Trust Loan Agreement of \$850,000.00 to be repaid over a 20year period at interest rates ranging from 4.25% to 4.50%, and a no interest Fund Loan Agreement of \$826,634.00 to be repaid over a 20 year period.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 12. Municipal Debt (continued)

A summary of the maturities for each of the subsequent five years and then each five year period thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	101,559.60	5,468.75	107,028.35
2025	108,067.44	2,843.76	110,911.20
	<u>\$ 209,627.04</u>	<u>\$ 8,312.51</u>	<u>\$ 217,939.55</u>

Summary of Principal Debt

A summary of the changes in long-term and short term debt of the Borough is as follows:

	Balance December 31, <u>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
Bond Anticipation Notes	\$ 1,255,609.00	\$ 1,270,048.00	\$ 1,255,609.00	\$ 1,270,048.00	\$ 1,270,048.00
	<u>\$ 1,255,609.00</u>	<u>\$ 1,270,048.00</u>	<u>\$ 1,255,609.00</u>	<u>\$ 1,270,048.00</u>	<u>\$ 1,270,048.00</u>
Utility Capital:					
Bond Anticipation Notes	\$ 1,454,411.00	\$ 1,299,952.00	\$ 1,454,411.00	\$ 1,299,952.00	\$ 1,299,952.00
Loans	312,852.98	-	103,225.94	209,627.04	101,559.60
	<u>\$ 1,767,263.98</u>	<u>\$ 1,299,952.00</u>	<u>\$ 1,557,636.94</u>	<u>\$ 1,509,579.04</u>	<u>\$ 1,401,511.60</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 13. Local District School and Regional High School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid regional school and regional high school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Regional School Taxes</u>	Balance, December 31,	
	<u>2023</u>	<u>2022</u>
Total Balance of Local Tax	\$ 145,754.25	\$ 146,231.00
Deferred Taxes	129,374.69	129,374.69
Local Tax Payable	\$ 16,379.56	\$ 16,856.31
<u>Regional High School Taxes</u>	Balance, December 31,	
	<u>2023</u>	<u>2022</u>
Total Balance of Regional Tax	\$ 1,274,721.49	\$ 1,599,693.49
Deferred Taxes	203,797.14	203,797.14
Regional Tax Payable	\$ 1,070,924.35	\$ 1,395,896.35

Note 14. Deferred Compensation Salary Account

The Borough offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

Note 15. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits its employees to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. Effective for financial statements dated December 31, 1987, the State has required all municipalities to disclose the estimated current cost of unused sick and vacation benefits at year-end. The Borough estimated the current cost of such unpaid compensation to be \$296,832.65 at December 31, 2023. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements. The Reserve for Accumulated Leave totaled \$85,313.84 at December 31, 2023.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 16. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster.

Joint Insurance Pool

The Borough is a member of the Ocean County Municipal Excess Liability Joint Insurance Fund (“Fund”). The Fund provides the Borough with the following coverage:

Worker’s Compensation	\$ 5,000,000.00
General Liability	5,000,000.00
Employer’s Liability	5,000,000.00
Auto Liability	5,000,000.00
Property Damage	125,000,000.00
Property/Boiler and Machinery	125,000,000.00
Auto Physical Damage	5,000,000.00
Employee Dishonesty Liability	50,000.00
Environmental Impairment Liability	1,000,000.00

Contributions to the Fund are payable in two installments and are based on actuarial assumptions determined by the Fund’s actuaries. The Fund publishes its own financial report for the year ended December 31, 2023, which can be obtained on the Fund’s website.

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The amounts paid for the years ended December 31, 2023 and 2022 were \$7,842.54 and \$6,752.56, respectively.

Note 17. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the Borough estimates that no material liabilities will result from such audits.

Litigation

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 17. Contingencies (continued)

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2023.

Note 18. Length of Service Awards Program

The Borough's Length of Service Awards Program (LOSAP) was created by a Borough Ordinance adopted in 2001 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Harvey Cedars approved the adoption of the LOSAP at the general election held on November 6, 2001, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2002. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency squad members.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors.

As required by *N.J.A.C.5:30-14.49*, the Borough must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$620.00 for the year ended December 31, 2023 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2023, the Borough contributed a total of \$31,570.00 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by Lincoln Financial Group ("Plan Administrator"), an approved Length of Service Awards Program provider. The Borough's

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 18. Length of Service Awards Program (continued):

practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2023 no payouts were made to vested participants.

Forfeited Accounts – There were no forfeited accounts that were forfeited to the Borough during the year ended December 31, 2023.

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

Note 19. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and April 3, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On March 18, 2024 the Borough adopted an ordinance providing for Improvements to the Downtown Business Districts Streetscape and appropriating \$900,000 therefore and providing for the issuance of \$900,000 in Bonds or Notes to finance the same.

On March 18, 2024 the Borough adopted an ordinance providing for the Borough's share of the Beach Replenishment Project and appropriating \$2,800,000 therefore and providing for the issuance of \$2,660,000 in Bonds or Notes to finance the same.

On March 18, 2024 the Borough adopted an ordinance providing for Watermain Replacement and Repairs and appropriating \$9750,000 therefore and providing for the issuance of \$300,000 in Bonds or Notes to finance the same.

On March 18, 2024 the Borough adopted an ordinance providing for Various Drainage and Stormwater Improvements in and for the Borough and appropriating \$250,000 therefore and providing for the issuance of \$237,500 in Bonds or Notes to finance the same.

On March 18, 2024 the Borough adopted an ordinance providing for Various Park Improvements and appropriating \$750,000 therefore and providing for the issuance of \$712,500 in Bonds or Notes to finance the same.

SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR/TREASURER
YEAR ENDED DECEMBER 31, 2023

	Current Fund	Federal & State Grant Fund
Balance, December 31, 2022	\$ 5,113,433.65	\$ 43,095.82
Increased By:		
Miscellaneous Revenue Not Anticipated	\$ 241,637.70	\$ -
State of New Jersey - Senior Citizens' and Veterans' Deductions	3,750.00	-
Taxes Receivable	13,015,083.07	-
Overpayments	29,021.06	-
Revenue Accounts Receivable	621,277.00	-
Due To State and Local Agencies	40,955.10	-
Prepaid Taxes	157,936.74	-
Federal & State Grants Receivable	61,892.33	2,975.10
Reserve for Federal & State Grants - Unappropriated	498.14	-
	14,172,051.14	2,975.10
	19,285,484.79	46,070.92
Decreased By:		
2023 Budget Appropriations	4,317,335.75	-
2022 Appropriation Reserves	179,092.53	-
Due To State and Local Agencies	48,498.50	-
Overpayments	18,221.66	-
County Taxes Payable	5,888,182.67	-
Regional School Tax	583,505.75	-
Regional High School Tax	2,874,415.00	-
Reserve for Federal & State Grants - Appropriated	56,761.93	441.24
	13,966,013.79	441.24
Balance, December 31, 2023	\$ 5,319,471.00	\$ 45,629.68

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 750.00
Increased By:	
2023 Deductions per Tax Duplicate	<u>3,750.00</u>
	4,500.00
Decreased By:	
Cash Receipts	<u>3,750.00</u>
Balance, December 31, 2023	<u><u>\$ 750.00</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2023**

<u>Year</u>	<u>Balance</u> <u>December 31,</u> <u>2022</u>	<u>2023</u> <u>Levy</u>	<u>Added</u>	<u>Collections</u> <u>2022</u>	<u>2023</u>	<u>Senior Citizens'</u> <u>and Veterans'</u> <u>Deductions</u> <u>Allowed/</u> <u>(Disallowed)</u>	<u>Transfer</u> <u>To Tax</u> <u>Title Liens</u>	<u>Cancelled</u>	<u>Balance</u> <u>December 31,</u> <u>2023</u>
2022	\$ 64,424.59	\$ -	\$ 2,602.11	\$ -	\$ 67,026.70	\$ -	\$ -	\$ -	\$ -
	64,424.59	-	2,602.11	-	67,026.70	-	-	-	-
2023	-	13,041,733.51	183,378.97	210,589.60	12,955,829.29	3,750.00	-	2,454.12	52,489.47
	\$ 64,424.59	\$ 13,041,733.51	\$ 185,981.08	\$ 210,589.60	\$ 13,022,855.99	\$ 3,750.00	\$ -	\$ 2,454.12	\$ 52,489.47

Current Year Cash Receipts \$ 13,015,083.07
 Overpayments Applied 7,772.92
\$ 13,022,855.99

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 13,041,733.51
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq.)	<u>183,378.97</u>
	<u>\$ 13,225,112.48</u>
Tax Levy:	
Regional School Taxes	\$ 583,029.00
Regional High School Taxes	2,549,443.00
County Taxes	
County Library Tax	\$ 5,162,726.79
County Open Space Tax	488,709.15
Due To County for Added and Omitted Taxes	205,135.37
	<u>82,175.18</u>
	5,938,746.49
Municipal Open Space Tax	132,631.33
Due To Municipal Open Space for Added and Omitted Taxes	<u>1,866.76</u>
	134,498.09
Local Tax for Municipal Purposes	3,908,303.33
Additional Tax Levied	<u>111,092.57</u>
	<u>\$ 13,225,112.48</u>

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collected</u>	Balance December 31, <u>2023</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 4,650.00	\$ 4,650.00	\$ -
Fees and Permits	-	22,625.00	22,625.00	-
Fines and Costs:				
Municipal Court	531.14	10,846.94	10,525.54	852.54
Interest and Costs on Taxes	-	17,017.71	17,017.71	-
Beach Badge Fees	-	288,872.00	288,872.00	-
Rents	-	122,213.77	122,213.77	-
Energy Receipts Tax	-	106,358.00	106,358.00	-
Uniform Construction Code Fees	-	43,505.00	43,505.00	-
Harvey Cedars Volunteers - Fire Truck	-	5,509.98	5,509.98	-
Reserve for Debt Service	-	51,208.29	51,208.29	-
FEMA - Superstorm Sandy 2012	-	36,110.64	36,110.64	-
Utility Operating Surplus of Prior Year	-	-	-	-
	<u>\$ 531.14</u>	<u>\$ 708,917.33</u>	<u>\$ 708,595.93</u>	<u>\$ 852.54</u>
		Recieved in Cash	\$ 621,277.00	
		Transferred from Budget	<u>87,318.93</u>	
			<u>\$ 708,595.93</u>	

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022		Balance After Transfer	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
GENERAL GOVERNMENT					
Department of Public Affairs and Safety					
Director's Office:					
Other Expenses	\$ 576.53	\$ -	\$ 576.53	\$ -	\$ 576.53
Municipal Clerk:					
Salaries and Wages	5,974.50	-	5,974.50	-	5,974.50
Other Expenses	359.19	50.00	409.19	213.83	195.36
Legal Services and Costs:					
Other Expenses	32,481.46	-	32,481.46	291.20	32,190.26
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Board of Adjustment:					
Salaries and Wages	996.07	-	996.07	-	996.07
Other Expenses	1,000.00	-	1,000.00	211.61	788.39
Zoning Enforcement:					
Other Expenses	621.63	737.15	1,358.78	621.84	736.94
Police Department:					
Salaries and Wages	10,990.58	-	10,990.58	-	10,990.58
Other Expenses	11,252.77	6,468.80	17,721.57	6,755.49	10,966.08
Office of Emergency Management:					
Salaries and Wages	3,000.00	-	3,000.00	-	3,000.00
Other Expenses	2,181.00	-	2,181.00	-	2,181.00
Lifeguards:					
Salaries and Wages	14,277.99	-	14,277.99	-	14,277.99
Other Expenses	555.32	6.00	561.32	18.00	543.32
Beach Operations:					
Salaries and Wages	5,089.24	-	5,089.24	-	5,089.24
Other Expenses	-	151.80	151.80	151.80	-
Department of Revenue and Finance					
Director's Office:					
Other Expenses	60.45	205.00	265.45	205.00	60.45
Financial Administration:					
Salaries and Wages	897.96	-	897.96	-	897.96
Other Expenses	1.87	3,082.55	3,084.42	3,082.55	1.87
Audit Services	1,249.25	-	1,249.25	-	1,249.25
Collector of Taxes:					
Salaries and Wages	901.64	-	901.64	-	901.64
Other Expenses	28.08	4,385.48	4,413.56	3,739.48	674.08
Tax Assessment Administration:					
Salaries and Wages	-	-	-	-	-
Other Expenses	3,232.51	-	3,232.51	8.06	3,224.45
Computer Data Processing					
Other Expenses	636.00	-	636.00	-	636.00
Department of Public Works, Parks, and Public Property					
Director's Office:					
Other Expenses	99.72	3.75	103.47	3.75	99.72
Engineering Services and Costs:					
Other Expenses	9,280.28	-	9,280.28	580.30	8,699.98
Road Repair and Maintenance:					
Salaries and Wages	12,021.04	-	12,021.04	-	12,021.04
Other Expenses	2,174.44	2,094.06	4,268.50	2,425.24	1,843.26
Garbage and Trash Removal:					
Other Expenses	23,000.00	-	23,000.00	23,000.00	-
Public Buildings and Grounds:					
Other Expenses	4,995.89	9,128.90	14,124.79	7,815.66	6,309.13
Vehicle Maintenance:					
Salaries and Wages	660.85	-	660.85	-	660.85
Other Expenses	5,705.39	5,986.80	11,692.19	2,876.18	8,816.01
Recreation:					

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	<u>Balance December 31, 2022</u>		<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Salaries and Wages	253.69	-	253.69	-	253.69
Park Maintenance:					
Other Expenses	215.62	-	215.62	-	215.62
Beachfront Maintenance:					
Other Expenses	23,923.19	1,743.38	25,666.57	1,025.15	24,641.42
Sanitary Landfill:					
Other Expenses	21,249.57	-	21,249.57	2,753.80	18,495.77
Municipal Court:					
Salaries and Wages	0.40	-	0.40	-	0.40
Other Expenses	353.91	14.99	368.90	14.99	353.91
Public Defender (P.L. 1997, c.256):					
Other Expenses	3,000.00	-	3,000.00	-	3,000.00
Insurance (N.J.S.A. 40A:4-45.3(00)):					
General Liability	34.00	-	34.00	-	34.00
Workers Compensation	4,950.89	-	4,950.89	-	4,950.89
Employee Group Health	30,856.83	927.49	31,784.32	1,824.85	29,959.47
Health Benefits Waiver	4,308.03	-	4,308.03	-	4,308.03
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS					
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official:					
Salaries and Wages	208.83	-	208.83	-	208.83
Other Expenses	30.72	-	30.72	-	30.72
UNCLASSIFIED					
Electricity	4,474.01		4,474.01	863.12	3,610.89
Street Lighting	5,701.87		5,701.87	4,063.17	1,638.70
Telecommunications	5,812.22		5,812.22	1,595.21	4,217.01
Natural Gas	4,295.93		4,295.93	2,071.18	2,224.75
Gasoline	3,902.07	-	3,902.07	852.39	3,049.68
Total General Operations - Within "CAPS"	267,873.43	34,986.15	302,859.58	67,063.85	235,795.73

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022		Balance After Transfer	Paid or Charged	Balance Lapsed
	<u>Reserved</u>	<u>Encumbered</u>			
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	11,106.62	-	11,106.62	-	11,106.62
Unemployment Insurance (N.J.S.A. 43:21-3 et seq.)	2,562.47	-	2,562.47	-	2,562.47
Defined Contribution Retirement Program	1.06	-	1.06	-	1.06
<hr/>					
Total General Appropriations for Municipal Purposes - Within "CAPS"	13,670.15	-	13,670.15	-	13,670.15
<hr/>					
Recycling Tax	1,483.12	-	1,483.12	52.23	1,430.89
LOSAP	35,000.00	-	35,000.00	17,980.00	17,020.00
<hr/>					
Interlocal Municipal Service Agreements:					
Construction Office	9,750.00	-	9,750.00	9,750.00	-
Animal Control Services	5,695.00	-	5,695.00	269.00	5,426.00
License Plate Recognition	25.00	-	25.00	-	25.00
Municipal Court Administrator	27,789.75	-	27,789.75	27,789.75	-
<hr/>					
Total Operations - Excluded from "CAPS"	79,742.87	-	79,742.87	55,840.98	23,901.89
<hr/>					
Capital Improvements:					
Cameras	5,000.00	-	5,000.00	5,000.00	-
Borough Hall Trim Rehab	27,021.63	1,651.77	28,673.40	21,684.45	6,988.95
Fencing	20,509.00	4,491.00	25,000.00	4,491.00	20,509.00
Beach Walkovers	7,500.00	-	7,500.00	4,441.00	3,059.00
Police Car Cameras	1,811.00	43,189.00	45,000.00	43,189.00	1,811.00
Body Worn Cameras	5,172.00	-	5,172.00	5,172.00	-
HVAC	29.00	-	29.00	-	29.00
Boat Ramp Gate	15,000.00	-	15,000.00	-	15,000.00
<hr/>					
Total Capital Improvements - Excluded from "CAPS"	82,042.63	49,331.77	131,374.40	83,977.45	47,396.95
<hr/>					
Total General Appropriation	\$ 443,329.08	\$ 84,317.92	\$ 527,647.00	\$ 206,882.28	\$ 320,764.72

	Cash Disbursements	\$ 179,092.53
	Accounts Payable	<u>27,789.75</u>
		<u>\$ 206,882.28</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 84,317.91
Increased By:	
Current Appropriations	<u>280,376.56</u>
	364,694.47
Decreased By:	
Transferred to Appropriation Reserves	<u>84,317.92</u>
Balance, December 31, 2023	<u><u>\$ 280,376.55</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 40,495.24
Increased By:		
Overpayments Created		29,021.06
		69,516.30
Decreased By:		
Cash Disbursements	\$ 18,221.66	
Adjustment	\$ 3,431.59	
Overpayments Applied to Taxes	7,772.92	
		29,426.17
Balance, December 31, 2023		\$ 40,090.13

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DUE TO/(FROM) STATE AND LOCAL AGENCIES
YEAR ENDED DECEMBER 31, 2023

<u>Description</u>	Balance December 31, <u>2022</u>	Cash <u>Received</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2023</u>
State of New Jersey:				
Training Fees	\$ 8,676.81	\$ 6,018.00	\$ 7,139.00	\$ 7,555.81
Ocean County Construction Department:				
Plumbing/Fire Sub Code	10,829.95	34,937.10	41,359.50	4,407.55
	<u>\$ 19,506.76</u>	<u>\$ 40,955.10</u>	<u>\$ 48,498.50</u>	<u>\$ 11,963.36</u>

SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2023</u>
Debt Service	\$ 88,828.56	\$ -	\$ -	\$ 88,828.56
FEMA Proceeds	51,208.29	-	51,208.29	-
Municipal Relief	5,509.98	11,017.66	5,509.98	11,017.66
	<u>\$ 145,546.83</u>	<u>\$ 11,017.66</u>	<u>\$ 56,718.27</u>	<u>\$ 99,846.22</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	210,589.60
Increased By:		
Prepaid Taxes Collected		157,936.74
		368,526.34
Decreased By:		
Applied To Taxes Receivable		210,589.60
Balance, December 31, 2023	\$	157,936.74

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 31,611.36
Increased By:		
2023 Tax Levy:		
County Taxes	\$ 5,162,726.79	
County Library Taxes	488,709.15	
County Open Space Taxes	205,135.37	
Due To County for Added and Omitted Taxes	82,175.18	
		5,938,746.49
		5,970,357.85
Decreased By:		
Cash Disbursements		5,888,182.67
Balance, December 31, 2023		\$ 82,175.18

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DUE MUNICIPAL OPEN SPACE TRUST FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 393,202.55
Increased By:		
2023 Tax Levy:		
Open Space Preservation	\$ 132,631.33	
Added & Omitted Taxes	<u>1,866.76</u>	
		<u>134,498.09</u>
Balance, December 31, 2023		<u><u>\$ 527,700.64</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022:		
School Tax Payable	\$ 16,856.31	
School Tax Deferred	<u>129,374.69</u>	
		\$ 146,231.00
Increased By:		
Levy - July 1, 2023 to June 30, 2024		<u>583,029.00</u>
		729,260.00
Decreased By:		
Cash Disbursements		<u>583,505.75</u>
Balance, December 31, 2023:		
School Tax Payable	16,379.56	
School Tax Deferred	<u>129,374.69</u>	
		<u>\$ 145,754.25</u>
 <u>2023 Liability for Regional School Tax</u>		
Tax Payable, December 31, 2023		\$ 16,379.56
Tax Paid		<u>583,505.75</u>
		599,885.31
Less:		
Taxes Payable, December 31, 2022		<u>16,856.31</u>
Amount Charged To 2023 Operations		<u>\$ 583,029.00</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022:		
School Tax Payable	\$ 1,395,896.35	
School Tax Deferred	<u>203,797.14</u>	
		\$ 1,599,693.49
Increased By:		
Levy - July 1, 2023 to June 30, 2024		<u>2,549,443.00</u>
		4,149,136.49
Decreased By:		
Cash Disbursements	<u>2,874,415.00</u>	
		<u>2,874,415.00</u>
Balance, December 31, 2023:		
School Tax Payable	1,070,924.35	
School Tax Deferred	<u>203,797.14</u>	
		<u>\$ 1,274,721.49</u>
<u>2023 Liability for Regional High School Tax</u>		
Tax Payable, December 31, 2023		\$ 1,070,924.35
Tax Paid		<u>2,874,415.00</u>
		3,945,339.35
Less:		
Tax Payable, December 31, 2022		<u>1,395,896.35</u>
Amount Charged To 2023 Operations		<u>\$ 2,549,443.00</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ 50,777.45
Increased By:	
Transfer From Appropriation Reserves	<u>27,789.75</u>
Balance, December 31, 2023	<u><u>\$ 78,567.20</u></u>

**BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
DUE FROM (TO) CURRENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 83,665.03
Increased By:		
Cash Receipts by Current Fund - Grants Receivable		59,415.37
		143,080.40
Decreased By:		
Cancelled	49,705.29	
Cash Disbursed by Current Fund - Reserve for Grants - Appropriated	56,761.93	
		106,467.22
Balance, December 31, 2023		\$ 36,613.18

**BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

<u>Program</u>	Balance December 31, <u>2022</u>	Revenue Anticipated <u>2023</u>	Cash Received	Cancelled	Balance December 31, <u>2023</u>
<u>Federal Grants:</u>					
FY 15 Homeland Security AM Radio Grant	\$ 1,121.00	\$ -	-	\$ 1,121.00	\$ -
CDBG Handicapped Equipment for Beach Access	1,490.59	-	-	1,490.59	-
CDBG Handicapped Equipment for Beach Access - 2022	35,000.00	-	34,999.35	0.65	-
COPS In Shops	4,600.00	1,440.00	960.00	4,600.00	480.00
Distracted Driving Crackdown	5,500.00	-	-	5,500.00	-
ARP Firefighter Grant	27,000.00	-	-	-	27,000.00
<u>State Grants:</u>					
Alcohol Education and Rehabilitation	0.44	259.59	259.59	0.44	-
Bulleproof Vest Partnership	5,298.01	835.00	835.00	3,126.80	2,171.21
Body Worn Camera Grant Program	1,325.00	-	-	-	1,325.00
Body Armor Grant	(156.64)	983.46	826.82	-	-
Clean Communities Program	87.59	6,296.06	6,296.06	87.59	-
Generator Fuel Tank	3,172.92	-	-	3,172.92	-
Pedestrian Safety Enforcement & Education Fund	0.28	-	-	0.28	-
Recycling Tonnage Grant	-	2,715.51	2,715.51	-	-
Stormwater Assistance Grant	-	25,000.00	15,000.00	-	10,000.00
<u>Local Grants:</u>					
Local Recreation Improvement Grant	-	70,000.00	-	-	70,000.00
	\$ 84,439.19	\$ 107,529.62	\$ 61,892.33	\$ 19,100.27	\$ 110,976.21
Ref.	A	A-4	C-3	A	A

Adopted Budget
Ch. 159 Budget Amendments

\$ 3,698.97
103,830.65
\$ 107,529.62

Cash Receipt in Grant Fund \$ 2,975.10
Cash Receipt in Current Fund \$ 58,917.23
\$ 61,892.33

**BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED
YEAR ENDED DECEMBER 31, 2023**

Program	Balance	Transferred		Transferred		Expended	Encumbrances	Cancelled	Balance
	December 31, 2022	From Budget	From Encumbrances	From Encumbrances	December 31, 2023				
Federal Grants:									
Community Development Block Grant	\$ 1,490.49	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,490.49	\$ -
FEMA Hazard Mitigation Grant - 80th Street Electrical Panel - Township Match	5,000.00	-	-	-	-	-	-	-	5,000.00
FEMA Hazard Mitigation Grant - 80th Street Generator - Township Match	2,540.00	-	-	-	-	-	-	-	2,540.00
FY 15 Homeland Security AM Radio Grant	1,121.00	-	-	-	-	-	-	1,121.00	-
CDBG Handicapped Equipment for Beach Access - 2022	1,978.74	-	22,574.35	-	22,574.35	-	-	1,561.24	417.50
COPS in Shops	4,960.00	1,440.00	-	960.00	-	-	-	4,960.00	480.00
Distracted Driving Crackdown	5,500.00	-	-	-	-	-	-	5,500.00	-
Drive Sober or Get Pulled Over/Drink, Drive, Lose	1,570.83	-	-	-	-	-	-	-	1,570.83
ARP Firefighter Grant	27,000.00	-	-	21,246.00	-	-	5,075.00	-	679.00
State Grants:									
Alcohol Education Rehabilitation Program	1,592.29	259.59	-	-	-	-	-	-	1,851.88
Body Worn Camera Grant Program	26,494.00	-	-	8,484.00	-	-	-	-	18,010.00
Body Armor Fund	3,102.37	983.46	-	498.79	-	498.79	-	-	3,088.25
Bulletproof Vest Partnership	3,510.01	835.00	835.00	498.79	-	1,333.79	(496.20)	-	3,843.63
Clean Communities Program	19,763.12	6,296.06	-	-	-	-	-	-	26,059.18
Drunk Driving Enforcement Fund	2,301.47	-	-	-	-	-	-	-	2,301.47
Generator Fuel Tank	12,185.00	-	-	-	-	-	12,185.00	-	-
Pedestrian Safety Enforcement & Education Fund (Safe Route to Schools)	0.28	-	-	-	-	-	-	0.28	-
Recycling Tonnage Grant	2,096.84	2,715.51	-	441.24	-	-	-	-	4,371.11
Stormwater Assistance Grant	-	25,000.00	-	-	-	-	-	-	25,000.00
Local Grants:									
Local Recreation Improvement Grant	-	70,000.00	-	-	-	-	70,000.00	-	-
Ocean County Tourism Grant	14.36	-	-	-	-	-	-	14.36	-
Local Donations - Lifeguard Boat	10,000.00	-	-	-	-	-	-	-	10,000.00
Ocean County JIF Police Accreditation Program	2,500.00	-	-	2,500.00	-	-	-	-	-

Ref.	A	A-3	A-4	A-11	C-6	A
	\$ 134,720.80	\$ 107,529.62	\$ 23,409.35	\$ 57,203.17	\$ 76,907.58	\$ 105,212.85

Cash Disbursed by Current Fund	\$ 56,761.93
Cash Disbursed by Grant Fund	441.24
	<u>\$ 57,203.17</u>

**BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2023**

<u>Program</u>	Balance December 31, <u>2022</u>	<u>Receipts</u>	<u>Appropriated</u>	<u>Adjustment</u>	Balance December 31, <u>2023</u>
Recycling Tonnage Grant	\$ 6,652.80	\$ -	\$ -	\$ 2,147.46	\$ 4,505.34
Drive Sober or Get Pulled Over/Drink, Drive, Lose	3,690.00	-	-	(1,150.00)	4,840.00
Body Armor Grant	1,255.16	498.14	-	-	1,753.30
Clean Communities Grant	5,361.29	-	-	5,361.29	-
ARP Funds	36,110.64	-	36,110.64	-	-
	<u>\$ 53,069.89</u>	<u>\$ 498.14</u>	<u>\$ 36,110.64</u>	<u>\$ 6,358.75</u>	<u>\$ 11,098.64</u>

TRUST FUND

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**BOROUGH OF HARVEY CEDARS
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENTS OF OPERATIONS AND CHANGES IN RESERVE
FOR FUTURE USE - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Amount to be Raised by Taxation	<u>\$ 134,498.09</u>	<u>\$ 132,813.95</u>
Total Revenues	<u>134,498.09</u>	<u>132,813.95</u>
Expenditures:		
Budget Appropriations:		
Reserve for Future Use	<u>-</u>	<u>2,250.00</u>
Total Expenditures	<u>-</u>	<u>2,250.00</u>
Excess in Revenue	134,498.09	130,563.95
Fund Balance, January 1	<u>718,329.99</u>	<u>587,766.04</u>
Fund Balance, December 31	<u><u>\$ 852,828.08</u></u>	<u><u>\$ 718,329.99</u></u>

**BOROUGH OF HARVEY CEDARS
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Amount to be Raised by Taxation	\$ 132,631.33	\$ 134,498.09	\$ 1,866.76
	<u>\$ 132,631.33</u>	<u>\$ 134,498.09</u>	<u>\$ 1,866.76</u>

**BOROUGH OF HARVEY CEDARS
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		PAID OR CHARGED		
	Original Budget	Budget After Modification	Paid	Reserved	Cancelled
Reserve for Future Use	\$ 132,631.33	\$ 132,631.33	\$ -	\$ 132,631.33	\$ -
Total Open Space Appropriations	\$ 132,631.33	\$ 132,631.33	\$ -	\$ 132,631.33	\$ -

BOROUGH OF HARVEY CEDARS
TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2023

	<u>Animal Control</u>	<u>Open Space</u>	<u>Trust - Other</u>	<u>Payroll</u>
Balance, December 31, 2022	\$ 311.73	\$ 325,127.43	\$ 408,334.35	\$ 34,948.76
Increased By Receipts:				
Dog License Fees - Borough Share	156.40	-	-	-
Dog License Fees - Due to State	36.60	-	-	-
Trust - Other Reserves	-	-	234,444.85	-
Reserve for Payroll Deductions	-	-	-	3,155,092.72
	<u>193.00</u>	<u>-</u>	<u>234,444.85</u>	<u>3,155,092.72</u>
	<u>504.73</u>	<u>325,127.43</u>	<u>642,779.20</u>	<u>3,190,041.48</u>
Decreased By Disbursements:				
Animal Control Statutory Excess				
Expenditures Under R.S. 4:19-15.11	222.80	-	-	-
Trust - Other Reserves	-	-	194,331.06	-
Reserve for Payroll Deductions	-	-	-	3,178,184.09
	<u>222.80</u>	<u>-</u>	<u>194,331.06</u>	<u>3,178,184.09</u>
Balance, December 31, 2023	<u>\$ 281.93</u>	<u>\$ 325,127.43</u>	<u>\$ 448,448.14</u>	<u>\$ 11,857.39</u>

**BOROUGH OF HARVEY CEDARS
ANIMAL CONTROL FUND
SCHEDULE RESERVE FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 311.73
Dog License Fees Collected		<u>193.00</u>
		504.73
Decreased By:		
Cash Disbursements	\$ 185.00	
Due to State of NJ	<u>37.80</u>	
		<u>222.80</u>
Balance, December 31, 2023		<u><u>\$ 281.93</u></u>

<u>Year</u>	<u>Amount</u>
2021	\$ 142.80
2022	<u>167.00</u>
	<u><u>\$ 309.80</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 1.20
Increased By:		
Registration Fees Collected		<u>36.60</u>
		37.80
Decreased By:		
Cash Disbursements		<u>37.80</u>
Balance, December 31, 2023		<u><u>\$ -</u></u>

**BOROUGH OF HARVEY CEDARS
TRUST - OTHER FUND
SCHEDULE OF TRUST - OTHER RESERVES
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
Recreation Special Activities:				
Trust Fund	\$ 60,768.61	\$ 72,644.47	\$ 65,941.79	\$ 67,471.29
P.O.A.A.	270.00	4.00	-	274.00
Forfeited Funds	5,030.37	1,712.00	-	6,742.37
Cash Bonds	30,767.60	500.00	-	31,267.60
Public Defender	95.00	-	-	95.00
Green Acres Trust Fund	31,576.25	-	-	31,576.25
Trust Special	1,461.00	13,105.18	1,100.00	13,466.18
Lifeguard in Training	75,311.81	46,130.00	72,338.19	49,103.62
Inspection Costs	36,981.37	14,747.99	23,294.48	28,434.88
Street Opening Bonds	30,810.00	-	-	30,810.00
Traffic Control	29,330.00	53,720.00	9,157.50	73,892.50
Accumulated Absences	105,313.84	10,000.00	22,499.10	92,814.74
Canine Trust	618.50	-	-	618.50
Police Donations	-	21,881.21	-	21,881.21
	<u>\$ 408,334.35</u>	<u>\$ 234,444.85</u>	<u>\$ 194,331.06</u>	<u>\$ 448,448.14</u>

**BOROUGH OF HARVEY CEDARS
PAYROLL FUND
SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 34,948.76
Increased By:		
Cash Receipts	<u>\$3,155,092.72</u>	<u>3,155,092.72</u>
		3,190,041.48
Decreased By:		
Cash Disbursements	<u>3,178,184.09</u>	<u>3,178,184.09</u>
Balance, December 31, 2023		<u>\$ 11,857.39</u>

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GENERAL CAPITAL FUND

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**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 1,519,982.95
Increased By:		
Capital Improvement Fund	\$ 77,500.00	
Grants Receipts	139,753.60	
Premium on Bond Anticipation Notes	1,025.00	
Bond Anticipation Notes	<u>1,270,048.00</u>	
		<u>1,488,326.60</u>
		3,008,309.55
Decreased By:		
Improvement Authorizations	197,254.77	
Bond Anticipation Notes Rollover	<u>1,120,048.00</u>	
		<u>1,317,302.77</u>
Balance, December 31, 2023		<u><u>\$ 1,691,006.78</u></u>

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

Fund Balance	Balance		Receipts		Bond Anticipation		Disbursements		Balance
	December 31, 2022	December 31, 2023	Budget Appropriation	Grants	Notes	Improvement Authorization	Transfers/ Cancellations	December 31, 2023	
Grant Receivable	\$ 183,466.67	\$ -	\$ -	\$ -	\$ 1,025.00	\$ -	\$ -	\$ -	\$ 184,491.67
Reserve For Debt Service	(781,311.41)	-	-	-	-	-	-	(278,786.40)	(1,060,097.81)
Reserve for Grants Receivable	109,631.60	-	-	-	-	-	-	-	109,631.60
Capital Improvement Fund	781,311.41	-	-	-	-	-	-	(21,213.60)	760,097.81
Due Utility Capital	610,234.03	77,500.00	-	-	-	-	-	(12,500.00)	675,234.03
Due Current Fund	204,100.00	-	-	-	-	-	-	-	204,100.00
	(24,154.35)	-	-	-	-	-	-	-	(24,154.35)
Ordinance Number									
07-16/12-02/13-08/13/11	(895.32)	-	-	-	-	332.56	-	-	(1,227.88)
Certain Capital Improvements	6,444.54	-	-	-	-	-	-	-	6,444.54
Reconstruction of Holly Avenue	32,355.91	-	-	-	-	332.56	-	-	32,023.35
Improvements to 85th and 86th Street	(0.39)	-	-	-	-	-	-	-	(0.39)
Improvements to Holly Avenue	83,376.51	-	-	-	-	332.56	-	-	83,043.95
Repair and Maintenance of Beaches	78,720.26	-	-	-	-	332.56	-	-	78,387.70
Improvements to Cedar Ave	30,371.20	-	-	-	-	332.56	-	-	30,038.64
Certain Capital Improvements	16,678.98	-	-	-	-	-	-	-	16,678.98
Improvements to Various Roads	(4,131.54)	-	-	139,753.60	-	1,012.56	-	-	134,609.50
Certain Capital Improvements	5,123.81	-	-	-	-	-	-	-	5,123.81
Improvements to Various Roads	1,080.00	-	-	-	-	-	-	-	1,080.00
Certain Capital Improvements	18,675.20	-	-	-	-	18,295.75	-	-	379.45
Improvements to Downtown Streetscape	33,905.84	-	-	-	-	99,801.78	-	-	(65,895.94)
Certain Capital Improvements	100,000.00	-	-	-	-	16,100.70	-	-	83,899.30
Storm Water Drainage Improvements	35,000.00	-	-	-	-	27,150.00	-	-	7,850.00
Improvements to Various Roads	-	-	-	-	150,000.00	-	-	300,000.00	416,768.82
Improvements to Various Roads	-	-	-	-	-	33,231.18	-	12,500.00	12,500.00
	\$ 1,519,982.95	\$ 77,500.00	\$ 139,753.60	\$ 151,025.00	\$ 197,254.77	\$ -	\$ -	\$ 1,691,006.78	
	C	C-7	C-5	C-1/C-4	C-6			C	

Ref.

BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2023

Improvement Authorizations	Ordinance Number	Balance December 31, 2022	2023 Authorized	Due From Current	Cash Receipts	Bond Anticipation Note Paid By Budget	Cancelled	Balance December 31, 2023	Bond Anticipation Notes	Analysis of Balance		Unexpended Improvement Authorizations
										Expenditures	Unexpended Improvement Authorizations	
Acquisition of Easements for Public Access To Beach	07-16/08-15/09-01/10-01/10-19/10-24/11-11/12-02/13-08	\$ 1,031,586.56	\$ -	\$ -	\$ -	\$ 37,942.00	\$ -	\$ 993,644.56	\$ -	\$ 1,227.88	\$ 992,416.68	
Reconstruction of Holly Avenue	17-08	168,419.00	-	-	-	43,778.00	-	124,641.00	124,641.00	-	-	
Improvements to 85th and 86th Streets	17-22	210,525.39	-	-	-	13,158.00	-	197,367.39	197,367.00	0.39	-	
Improvements to Holly Avenue	18-15	134,504.36	-	-	-	5,264.00	-	129,240.36	89,472.00	-	39,768.36	
Repair and Maintenance of Beaches	19-09	395,961.00	-	-	-	31,539.00	-	364,422.00	346,922.00	-	17,500.00	
Improvements to Cedar Ave	19-13	121,365.75	-	-	-	3,880.00	-	117,485.75	65,943.00	-	51,542.75	
Improvements to Various Roads	21-04	435,330.30	-	-	139,753.60	-	-	295,576.70	218,200.00	-	77,376.70	
Improvements to Downtown Streetscape	22-05/23-12	550,000.00	200,000.00	-	-	-	-	750,000.00	77,503.00	620,109.18	52,387.82	
Improvements to Various Roads	23-03	-	300,000.00	-	-	-	-	300,000.00	150,000.00	-	150,000.00	
Improvements to Various Roads	23-13	-	237,500.00	-	-	-	-	237,500.00	-	69,118.00	168,382.00	
		\$ 3,047,692.36	\$ 737,500.00	\$ -	\$ 139,753.60	\$ 135,561.00	\$ -	\$ 3,509,877.76	\$ 1,270,048.00	\$ 690,455.45	\$ 1,549,374.31	

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:

Ordinance 17-08	\$ 32,023.35
Ordinance 18-15	83,043.95
Ordinance 19-09	78,387.70
Ordinance 19-13	30,038.64
Ordinance 21-04	134,609.50
Ordinance 23-03	416,768.82
	<u>774,871.96</u>
	\$ 2,324,246.27

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increase	Decrease	Balance December 31, 2023						
12-02	Acquisition of Easements	12/06/13	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	\$ 37,942.00	-	\$ 37,942.00	\$ -						
17-08	Reconstruction of Holly Avenue	11/9/17	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	168,419.00	124,641.00	168,419.00	-						
17-22	Improvements to 85th and 86th Streets	11/9/17	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	210,525.00	197,367.00	210,525.00	-						
18-15	Reconstruction of Holly Avenue	11/7/19	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	94,736.00	89,472.00	94,736.00	-						
19-09	Repair and Maintenance of Beaches	11/6/20	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	378,461.00	346,922.00	378,461.00	-						
19-13	Improvements to Cedar Ave	11/6/20	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	69,823.00	65,943.00	69,823.00	-						
21-04	Various Road Improvements	11/5/21	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	218,200.00	218,200.00	218,200.00	-						
22-05/23-12	Improvements to Downtown Streetscape	11/7/19	11/3/22 8/2/23	8/3/23 5/24/24	4.30% 4.75%	77,503.00	77,503.00	77,503.00	-						
23-03	Various Road Improvements	8/2/23	8/2/23	5/24/24	4.75%	-	150,000.00	-	150,000.00						
						\$ 1,255,609.00	\$ 1,270,048.00	\$ 1,255,609.00	\$ 1,270,048.00						
						<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">Renewal Issued - Cash Receipts</td> <td style="width: 50%; text-align: right;">\$ 1,120,048.00</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Paid By Budget Appropriation</td> <td style="text-align: right; border-bottom: 1px solid black;">150,000.00</td> </tr> <tr> <td></td> <td style="text-align: right;">135,561.00</td> </tr> </table>				Renewal Issued - Cash Receipts	\$ 1,120,048.00	Paid By Budget Appropriation	150,000.00		135,561.00
Renewal Issued - Cash Receipts	\$ 1,120,048.00														
Paid By Budget Appropriation	150,000.00														
	135,561.00														
						\$ 1,270,048.00	\$ 1,255,609.00	\$ 1,255,609.00	\$ 1,270,048.00						

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023**

Improvement Authorizations	Ordinance Number	Balance December 31, 2022		2023 Authorizations	Encumbrances Reclassified	Paid (Reimbursed)	Encumbered	Cancelled	Balance December 31, 2023	
		Funded	Unfunded						Funded	Unfunded
Acquisition of Easements for Public Access To the Beach	07-16/08-15/09-01/10-01/10-19/10-24/11-11/12-02/13-08	\$ -	\$ 992,749.24	-	-	\$ 332.56	-	\$ -	-	\$ 992,416.68
Certain Capital Improvements	11-15	6,444.54	-	-	-	-	-	-	6,444.54	-
Improvements to Holly Avenue	17-08	-	32,355.91	-	-	332.56	-	-	-	32,023.35
Improvements to Holly Avenue	18-15	-	123,144.87	-	-	332.56	-	-	-	122,812.31
Repair and Maintenance of Beaches	19-09	-	96,220.26	-	-	332.56	-	-	-	95,887.70
Improvements to Cedar Ave	19-13	-	81,913.95	-	-	332.56	-	-	-	81,581.39
Certain Capital Improvements	20-10	16,678.98	-	-	-	-	-	-	16,678.98	-
Improvements to Various Roads	21-04	-	212,998.76	-	-	1,012.56	-	-	-	211,986.20
Certain Capital Improvements	21-14	5,123.81	-	-	-	-	-	-	5,123.81	-
Certain Capital Improvements	21-18	1,080.00	-	-	-	-	-	-	1,080.00	-
Certain Capital Improvements	22-03	18,675.20	-	-	-	18,295.75	-	-	379.45	-
Improvements to Downtown Streetscape	22-05/23-12	-	506,402.84	200,000.00	-	99,801.78	554,213.24	-	-	52,387.82
Certain Capital Improvements	22-14	100,000.00	-	-	-	16,100.70	382.10	-	-	83,517.20
Storm Water Drainage Improvements	22-22	35,000.00	-	-	-	27,150.00	-	-	7,850.00	-
Improvements to Various Roads	23-03	-	-	600,000.00	-	33,231.18	-	-	-	566,768.82
Improvements to Various Roads	23-13	-	-	250,000.00	-	-	81,618.00	-	-	168,382.00
		\$ 183,002.53	\$ 2,045,785.83	\$ 1,050,000.00	\$ -	\$ 197,254.77	\$ 636,213.34	\$ -	\$ 121,073.98	\$ 2,324,246.27

Ref. C C C-8 C C C

Deferred Charges - Unfunded Capital Improvement Fund \$ 1,037,500.00
12,500.00
\$ 1,050,000.00

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	610,234.03
Increased By:		
2023 Budget Appropriation		77,500.00
		687,734.03
Decreased By:		
Utilized To Finance Improvement Authorizations		12,500.00
Balance, December 31, 2023	\$	675,234.03

**SCHEDULE OF RESERVE FOR DEBT SERVICE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022 & 2023	\$	109,631.60
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**SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	781,311.41
Increased By:		
Ordinance 2023-03		418,540.00
		1,199,851.41
Decreased By:		
Cash Receipt		139,753.60
Balance, December 31, 2023	\$	1,060,097.81
Analysis of Grants Receivable Balance:		
Holly Avenue Project	\$	63,922.71
Cedar Avenue Project		27,388.40
NJ DOT 2021		77,376.70
Ordinance 2022-05/2023-12		472,870.00
Ordinance 2023-03		418,540.00
	\$	1,060,097.81

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Improvement Authorizations	Balance	2023	Bond	Cash	Balance
		December 31, 2022	Authorization	Anticipation Notes Issued	Receipts	December 31, 2023
12-02	Amend Ord 2007-16, Acquisition of Easements	\$ 43,644.56	\$ -	\$ -	-	\$ 43,644.56
13-08	Amend Ord 2007-16, Acquisition of Easements	825,000.00	-	-	-	825,000.00
13-11	Improvement of Various Municipal Roadways	125,000.00	-	-	-	125,000.00
17-22	Improvements to 85th and 86th Streets	0.39	-	-	-	0.39
18-15	Improvements to Holly Avenue	39,768.36	-	-	-	39,768.36
19-09	Repair and Maintenance of Beaches	17,500.00	-	-	-	17,500.00
19-13	Improvements to Cedar Ave	51,542.75	-	-	-	51,542.75
21-04	Improvements to Various Roads	217,130.30	-	-	139,753.60	77,376.70
22-05/23-12	Improvements to Downtown Streetscape	472,497.00	200,000.00	-	-	672,497.00
23-03	Improvements to Various Roads	-	300,000.00	150,000.00	-	150,000.00
23-13	Improvements to Various Roads	-	237,500.00	-	-	237,500.00
		<u>\$ 1,792,083.36</u>	<u>\$ 737,500.00</u>	<u>\$ 150,000.00</u>	<u>\$ 139,753.60</u>	<u>\$ 2,239,829.76</u>

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WATER-SEWER UTILITY FUND

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BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2023

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2022	\$ 638,029.82	\$ 72,162.50
Increased By Receipts:		
Miscellaneous Income	\$ 23,896.57	\$ -
Water Utility Rents	1,062,615.56	-
Sewer Utility Rents	431,115.69	-
Overpayments	4,988.44	-
Bond Anticipation Notes	-	1,299,952.00
Capital Improvement Fund	-	30,000.00
	<u>1,522,616.26</u>	<u>1,329,952.00</u>
	2,160,646.08	1,402,114.50
Decreased By Disbursements:		
2023 Budget Appropriations	1,402,430.15	-
2022 Appropriation Reserves	101,132.18	-
Accrued Interest Paid	54,339.19	-
Bond Anticipation Notes	-	1,299,952.00
Improvement Authorization	-	25,406.73
	<u>1,557,901.52</u>	<u>1,325,358.73</u>
Balance, December 31, 2023	<u>\$ 602,744.56</u>	<u>\$ 76,755.77</u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER-SEWER UTILITY CAPITAL FUND CASH
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	Receipts		Disbursements		Balance December 31, 2023
		Budget Appropriation	Improvement Authorization	Transfers		
Capital Improvement Fund	\$ 235,954.00	\$ 30,000.00	\$ -	\$ -	\$ -	\$ 265,954.00
Due To/(From) General Capital	(204,100.00)	-	-	-	-	(204,100.00)
Fund Balance	67,074.46	-	-	-	-	67,074.46
Ordinance <u>Number</u>	<u>Improvement Authorizations</u>					
12-11/14-05/14-07/14-16	10,689.30	-	332.56	-	-	10,356.74
15-11	24,215.76	-	332.56	-	-	23,883.20
16-03	5,027.48	-	332.56	-	-	4,694.92
17-05/22-18	(192,463.38)	-	24,076.49	-	-	(216,539.87)
	43.46	-	-	-	-	43.46
18-03	106,919.17	-	332.56	-	-	106,586.61
21-01	9,326.77	-	-	-	-	9,326.77
21-13	9,475.48	-	-	-	-	9,475.48
	<u>\$ 72,162.50</u>	<u>\$ 30,000.00</u>	<u>\$ 25,406.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,755.77</u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 25,388.70
Increased By:		
2023 Water Rents Levied		<u>1,078,405.73</u>
		1,103,794.43
Decreased By:		
Cash Collections	1,062,615.56	
Overpayments Applied	<u>4,988.44</u>	
		<u>1,067,604.00</u>
Balance, December 31, 2023		<u><u>\$ 36,190.43</u></u>

**SCHEDULE OF WATER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 2,356.02
Increased By:		
Adjustment	2,093.60	
Overpayments	<u>4,988.44</u>	
		<u>7,082.04</u>
		9,438.06
Decreased By:		
Applied to Current Year Rents		<u>4,988.44</u>
Balance, December 31, 2023		<u><u>\$ 4,449.62</u></u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 21,343.71
Increased By:		
2023 Sewer Rents Levied	\$ 441,159.63	441,159.63
		462,503.34
Decreased By:		
Cash Collections	431,115.69	
Overpayments Applied	4,828.77	435,944.46
Balance, December 31, 2023		\$ 26,558.88

**SCHEDULE OF SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 5,725.70
Decreased By:		
Adjustment	896.93	
Applied to Current Year Rents	4,828.77	5,725.70
Balance, December 31, 2023		\$ -

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2022</u>	Paid By <u>Utility Operating</u>	Transfer Completed <u>Projects</u>	Balance, December 31, <u>2023</u>
Water Tower	\$ 1,230,630.75	\$ -	\$ -	\$ 1,230,630.75
Structure, Springs and Wells	793,457.68	-	-	793,457.68
Pumping and Distribution	592,139.32	-	-	592,139.32
Meters and Meter Accessories	440,746.88	-	-	440,746.88
Fire Hydrants	24,503.10	-	-	24,503.10
Furniture and Equipment	267,922.92	-	-	267,922.92
Sewer Collection System	1,661,367.16	-	-	1,661,367.16
Construction of Generator Housing and Generator Installation	120,000.00	-	-	120,000.00
Construction of Utility Garage and Purchase of Replacement Aerator	274,817.56	-	-	274,817.56
Vehicles / Pick Up Truck	63,291.00	-	-	63,291.00
Dump Truck/Roller/Trailer	43,000.00	-	-	43,000.00
Salem Plant Motor	6,559.00	-	-	6,559.00
Purchase of Utility Truck	28,194.00	-	-	28,194.00
Water Department Fence	10,000.00	-	-	10,000.00
Purchase of Utility Truck	49,890.50	-	-	49,890.50
Aluminum Feeder	36,533.93	-	-	36,533.93
Capital Outlay	10,121.00	194,905.69	-	205,026.69
Repaired Filter Media and Filler Vessel	36,576.42	-	-	36,576.42
Reconstruction Water Main	1,844,705.08	-	-	1,844,705.08
Utility Dump Truck	51,935.00	-	-	51,935.00
South Holly Water Main	19,653.94	-	-	19,653.94
Purchase of Utility Truck	52,150.00	-	-	52,150.00
80th Street & Salem Repairs	15,400.19	-	-	15,400.19
VFD for 80th Street & Salem Water Plants	15,059.15	-	-	15,059.15
	<u>\$ 7,688,654.58</u>	<u>\$ 194,905.69</u>	<u>\$ -</u>	<u>\$ 7,883,560.27</u>
		<u>\$ 194,905.69</u>		

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEARENDED DECEMBER 31, 2023**

Ordinance Number	Purpose	Ordinance		Balance December 31, 2022	Increased	Transfer to Completed	Balance December 31, 2023
		Date	Amount				
14-07/14-16	Improvements to Elevated Water Tank	11/2/12	755,000.00	\$ 755,000.00	\$ -	\$ -	\$ 755,000.00
15-11	Improvements to 80th Street Water Plant	11/10/15	300,000.00	300,000.00	-	-	300,000.00
16-03	Acquisition of Utility Truck and Related Expenses	4/1/16	56,000.00	6,109.50	-	-	6,109.50
17-05/22-18	Installation of a Well and Related Improvements	2/21/17	1,825,000.00	1,825,000.00	-	-	1,825,000.00
17-09	Improvements to the Salem Avenue Water Plant	5/5/17	300,000.00	300,000.00	-	-	300,000.00
18-03	Improvements to 80th Street Water Plant	2/2/18	400,000.00	400,000.00	-	-	400,000.00
21-01	Bay Terrace Loop	2/25/21	150,000.00	150,000.00	-	-	150,000.00
21-13	Meters and Related Expenses	5/27/21	17,500.00	17,500.00	-	-	17,500.00
				\$ 3,753,609.50	\$ -	\$ -	\$ 3,753,609.50

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

<u>Appropriation</u>	<u>Balance Decemehr 31, 2022</u>	<u>Encumbered</u>	<u>Balance After Transfers</u>	<u>Expended</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 97,695.23	\$ -	\$ 97,695.23	\$ -	\$ 97,695.23
Other Expenses	1,928.22	17,613.28	19,541.50	6,296.43	13,245.07
Capital Improvements:					
Capital Outlay	16,599.81	-	16,599.81	12,000.00	4,599.81
Meters/ERTS	285.65	27,300.00	27,585.65	27,300.00	285.65
Truck	60,000.00	-	60,000.00	55,535.75	4,464.25
Statutory Expenditures:			-		
Social Security System (O.A.S.I.)	8,090.70	-	8,090.70	-	8,090.70
Unemployment Compensation Insurance	386.28	-	386.28	-	386.28
	<u>\$ 184,985.89</u>	<u>\$ 44,913.28</u>	<u>\$ 229,899.17</u>	<u>\$ 101,132.18</u>	<u>\$ 128,766.99</u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	44,913.28
Increased By:		
Current Appropriations		<u>41,287.14</u>
		86,200.42
Decreased By:		
Transfer to Appropriation Reserves		<u>44,913.28</u>
Balance, December 31, 2023	\$	<u><u>41,287.14</u></u>

**WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM GENERAL CAPITAL
YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022 and 2023	\$	<u><u>204,100.00</u></u>
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**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 10,201.58
Increased By:		
Deferred Charge	\$ 17,477.05	
Budget Appropriation	54,339.19	
		71,816.24
		82,017.82
Decreased By:		
Cash Disbursements		54,339.19
Balance, December 31, 2023		\$ 27,678.63

Analysis of Balance - December 31, 2023

	Outstanding December 31, <u>2023</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Note	\$ 1,299,952.00	4.75%	8/2/2023	12/31/2023	148 Days	\$ 25,385.17
Loan	125,000.00	4.375%	08/01/2023	12/31/2023	5 Months	2,293.45
						\$ 27,678.63

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2023**

Ordinance	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Change		Balance December 31, 2023
							Increased	Decreased	
14-05/14-07/14-16	Improvements to Elevated Water Tank	12/5/14	11/3/22	8/1/23	0.24%	57,737.00	\$ -	\$ 57,737.00	\$ -
15-11	Improvements to 80th Street Water Plant	12/4/15	11/3/22 8/2/23	8/3/23 5/24/24	0.24% 4.30%	254,494.00	-	254,494.00	-
16-03	Acquisition of Utility Truck and Related Expenses	11/10/16	11/3/22 8/2/23	8/3/23 5/24/24	0.24% 4.30%	31,108.00	-	31,108.00	-
16-08	Improvements to 77th Street Water Well	11/10/16	11/3/22 8/2/23	8/3/23 5/24/24	0.24% 4.30%	10,344.00	-	10,344.00	-
17-09	Improvements to the Salem Avenue Water Plant	11/9/17	11/3/22 8/2/23	8/3/23 5/24/24	0.24% 4.30%	276,920.00	-	276,920.00	-
17-05	Installation of a Well and Related Improvements	11/7/19	11/3/22 8/2/23	8/3/23 5/24/24	0.24% 4.30%	444,303.00	-	444,303.00	-
18-03	Repairs to 80th Street Water Plant	11/8/18	11/3/22 8/2/23	8/3/23 5/24/24	0.24% 4.30%	379,485.00	-	379,485.00	-
						\$ 1,454,391.00	\$ 1,299,952.00	\$ 1,454,391.00	\$ 1,299,952.00

Renewal	\$ 1,299,952.00	\$ 1,299,952.00
Paid by Budget Appropriation	-	154,439.00
	\$ 1,299,952.00	\$ 1,454,391.00

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
YEAR ENDED DECEMBER 31, 2023**

<u>Improvement Description</u>	<u>Amount</u>	<u>Date of Loan</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Decreases</u>	<u>Balance December 31, 2023</u>
Trust Loan	\$ 850,000.00	11/01/05	8/01/24 8/01/25	60,000.00 65,000.00	4.375% 4.375%	\$ 185,000.00	\$ 60,000.00	\$ 125,000.00
Fund Loan	826,634.00	11/01/05	2/01/24 8/01/24 2/01/25 8/01/25	1,735.78 39,823.82 902.60 42,164.84	0.00% 0.00% 0.00% 0.00%	127,852.98	43,225.94	84,627.04
						<u>\$ 312,852.98</u>	<u>\$ 103,225.94</u>	<u>\$ 209,627.04</u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Purpose	Date	Ordinance Amount	December 31, 2022		2023 Authorization	Paid	December 31, 2023	
				Funded	Unfunded			Funded	Unfunded
12-11/14-05/ 14-07/14-16	Improvements to Elevated Water Tank	11/02/12-9/5/14	\$ 755,000.00	\$ -	\$ 10,939.30	\$ -	\$ 332.56	\$ -	\$ 10,606.74
15-11	Improvements to 80th Street Water Plant	11/10/15	300,000.00	-	24,215.76	-	332.56	-	23,883.20
16-03	Acquisition of Utility Truck and Related Expenses	4/1/16	56,000.00	-	5,027.48	-	332.56	-	4,694.92
17-05/22-18	Installation of a Well and Related Improvements	2/21/17	1,125,000.00	-	1,182,536.62	-	24,076.49	-	1,158,460.13
17-09	Improvements to the Salem Avenue Water Plant	5/5/17	300,000.00	-	44.33	-	-	-	44.33
18-03	Improvements to 80th Street Water Plant	2/2/18	400,000.00	-	106,920.10	-	332.56	-	106,587.54
21-01	Bay Terrace Loop	2/25/21	150,000.00	9,326.77	-	-	-	9,326.77	-
21-13	Meters and Related Expenses	5/27/21	17,500.00	9,475.48	-	-	-	9,475.48	-
				\$ 18,802.25	\$ 1,329,683.59	\$ -	\$ 25,406.73	\$ 18,802.25	\$ 1,304,276.86

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 235,954.00
2022 Budget Appropriations		<u>30,000.00</u>
		265,954.00
Balance, December 31, 2023		<u><u>\$ 265,954.00</u></u>

**SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 7,514,085.80
Increased By:		
Purchased by Operating Fund	\$ 194,905.69	
Bond Anticipation Notes Paid	154,439.00	
Infrastructure Trust Loans Paid	<u>103,225.94</u>	
		<u>452,570.63</u>
Balance, December 31, 2023		<u><u>\$ 7,966,656.43</u></u>

**BOROUGH OF HARVEY CEDARS
 WATER-SEWER UTILITY CAPITAL FUND
 SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
 YEAR ENDED DECEMBER 31, 2023**

Balance as of December 31, 2023 and 2022	\$	785,682.50
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Analysis of Balance

Ordinance <u>Number</u>			
98-08	\$		24,900.00
01-05			36,576.42
03-07/05-15			109,521.08
06-10/06-17			77,750.00
07-06			280,000.00
12-11/14-05/14-07/14-16			37,500.00
15-10			51,935.00
21-01			150,000.00
21-13			17,500.00
			17,500.00
	\$		785,682.50

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023**

<u>Ordinance Number</u>	<u>Purpose</u>	Balance December 31, <u>2022</u>	Increased	Decreased	Balance December 31, <u>2023</u>
12-11/14-05/14-07/14-16	Improvements to Elevated Water Tank	\$ 250.00	-	-	\$ 250.00
17-05/22-18	Installation of a Well and Related Improvements	1,375,000.00	-	-	1,375,000.00
17-09	Improvements to the Salem Avenue Water Plant	0.87	-	-	0.87
18-03	Repairs to 80th Street Water Plant	0.93	-	-	0.93
		<u>\$ 1,375,251.80</u>	-	-	<u>\$ 1,375,251.80</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF HARVEY CEDARS
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 926,392.47	\$ -	\$ -	\$ 926,392.47
Land Improvements	500,288.00	-	-	500,288.00
Buildings and Improvements	1,506,982.00	-	-	1,506,982.00
Machinery and Equipment	1,825,130.00	108,378.00	219,507.00	1,714,001.00
	<u>\$ 4,758,792.47</u>	<u>\$ 108,378.00</u>	<u>\$ 219,507.00</u>	<u>\$ 4,647,663.47</u>

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LENGTH OF SERVICE AWARDS PROGRAM ("LOSAP")

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**BOROUGH OF HARVEY CEDARS
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	833,320.77
Increased By:		
Borough Contributions	\$	23,440.00
Appreciation on Investments		161,159.67
		184,599.67
		1,017,920.44
Decreased By:		
Withdrawals	\$	7,225.51
Accounting Charges		1,175.00
		8,400.51
Balance, December 31, 2023	\$	1,009,519.93

**BOROUGH OF HARVEY CEDARS
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 833,320.77
Increased By:		
Borough Contributions	\$ 23,440.00	
Appreciation on Investments	161,159.67	
	<u> </u>	<u>184,599.67</u>
		1,017,920.44
Decreased By:		
Withdrawals	\$ 7,225.51	
Accounting Charges	1,175.00	
	<u> </u>	<u>8,400.51</u>
Balance, December 31, 2023		<u><u>\$ 1,009,519.93</u></u>

BOROUGH OF HARVEY CEDARS

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2023

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**BOROUGH OF HARVEY CEDARS
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF HARVEY CEDARS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

This section identifies the status of prior year findings related to the financial statements.

Financial Statement Findings

None.

FEDERAL AWARDS

N/A – No Federal Single Audit in prior year.

STATE FINANCIAL ASSISTANCE

N/A – No State Single Audit in prior year.

BOROUGH OF HARVEY CEDARS

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2023:

<u>Name of Officials</u>	<u>Title</u>
Jonathan Oldham	Mayor
Paul G. Rice	Commissioner
John M. Imperiale	Commissioner
Anna Grmste	Clerk/Utility Collector
Rebecca Wessler	Chief Financial Officer Tax Collector
Stacey Kerr	Municipal Court Judge
Chelsea Havens	Court Administrator
Bernard Haney	Assessor
William Hering, Jr., Esq.	Attorney
Owen, Little & Associates	Engineer

During 2023, the Borough of Harvey Cedars was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Government Crime Policy coverage is as follows:

Forgery or Alteration	\$ 1,000,000.00
Theft, Disappearance and Destruction	1,000,000.00
Robbery or Safe Burglary	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

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

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Honorable Mayor and Members
of the Board of Commissioners
Borough of Harvey Cedars
County of Ocean
Harvey Cedars, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2023.

GENERAL COMMENTS:

Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the period from January 1, 2023 through December 31, 2023.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

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

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.54:4-67, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on December 18, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes during 2023:

NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and

BE IT FURTHER RESOLVED, by the Board of Commissioners of the Borough of Harvey Cedars, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and

BE IT FURTHER RESOLVED, by the Board of Commissioners of the Borough of Harvey Cedars, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

April 3, 2024
Lakewood, New Jersey