

**BOROUGH OF HARVEY CEDARS
AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2024**

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COUNTY OF OCEAN, NEW JERSEY
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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, 2024**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Board of Commissioners
Borough of Harvey Cedars
County of Ocean
Harvey Cedars, New Jersey 08008

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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, 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, 2024, 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, 2024 and 2023, 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 control(s) 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. The schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2025, 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
June 29, 2025

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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 08008

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, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 29, 2025. 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
June 29, 2025

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, 2024 AND 2023**

	Ref.	2024	2023
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 7,203,823.99	\$ 5,319,471.00
Change Fund	A	400.00	400.00
Total		7,204,223.99	5,319,871.00
Other Receivable:			
Due from State of NJ - Senior Citizens' and Veterans Deductions	A-5	1,165.00	750.00
Total		1,165.00	750.00
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	114,876.48	52,489.47
Due from Animal Control Trust Fund	B	71.53	-
Revenue Accounts Receivable	A-7	676.08	852.54
Total Receivables & Other Assets With Full Reserves		115,624.09	53,342.01
Deferred Charges:			
Emergency Authorization (N.J.S. 40A:4-46)	A-23	65,000.00	-
		65,000.00	-
Total Regular Funds		7,386,013.08	5,373,963.01
Federal & State Grants:			
Cash	A-4	45,349.11	45,629.68
Federal and State Grants Receivable	A-20	160,909.67	110,976.21
Due From Current Fund		29,985.35	36,613.18
Total State & Federal Grants		236,244.13	193,219.07
Total Assets		\$ 7,622,257.21	\$ 5,567,182.08

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, 2024 AND 2023**

	Ref.	<u>2024</u>	<u>2023</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 236,568.48	\$ 416,427.94
Encumbrances Payable	A-9	134,006.42	280,376.55
Accounts Payable	A-18	32,000.00	78,567.20
Due to General Capital Fund	C	24,154.35	24,154.35
Due to Federal & State Grant Fund	A-19	29,985.35	36,613.18
Tax Overpayments	A-10	41,215.15	40,090.13
Prepaid Taxes	A-13	298,882.11	157,936.74
County Taxes Payable	A-14	132,528.88	82,175.18
Due Municipal Open Space Trust Fund	A-15	665,113.19	527,700.64
Regional School Tax Payable	A-16	33,477.81	16,379.56
Regional High School Tax Payable	A-17	1,529,611.35	1,070,924.35
Due to State and Local Agencies	A-11	13,985.66	11,963.36
Various Reserves	A-12	88,828.56	99,846.22
		<u>3,260,357.31</u>	<u>2,843,155.40</u>
Subtotal Regular Fund		3,260,357.31	2,843,155.40
Reserve for Receivables & Other Assets	A	115,624.09	53,342.01
Fund Balance	A-1	4,010,031.68	2,477,465.60
		<u>7,386,013.08</u>	<u>5,373,963.01</u>
Total Regular Fund		7,386,013.08	5,373,963.01
Federal and State Grant Fund:			
Encumbrances Payable	A-21	66,593.05	76,907.58
Reserve for Grants Expenditures:			
Appropriated	A-21	169,651.08	105,212.85
Unappropriated	A-22	-	11,098.64
		<u>236,244.13</u>	<u>193,219.07</u>
Total State & Federal Grants		236,244.13	193,219.07
Total Liabilities, Reserves & Fund Balance		<u>\$ 7,622,257.21</u>	<u>\$ 5,567,182.08</u>

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, 2024 AND 2023

	2024	2023
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 550,000.00	\$ 555,000.00
Miscellaneous Revenue Anticipated	833,332.38	816,125.55
Receipts From Delinquent Taxes	52,489.47	64,424.59
Non-Budget Revenue	1,233,112.34	241,637.70
Receipts From Current Taxes	15,333,690.80	13,170,168.89
Other Credits To Income:		
Unexpended Balance of Appropriation		
Reserves	407,336.68	320,764.72
Statutory Excess from Animal Control	71.53	-
Cancellation of Grant Balances	-	19,100.27
Interfunds Returned	6,627.83	-
Cancel Stale Reconciling Items	83,763.66	-
Total Revenues	<u>18,500,424.69</u>	<u>15,187,221.72</u>
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	2,173,204.38	2,109,575.03
Other Expenses	1,490,273.73	1,387,479.71
Deferred Charges and Statutory		
Expenditures	595,188.72	506,257.22
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages		
Other Expenses	392,923.13	439,803.52
Capital Improvements	337,500.00	502,500.00
Municipal Debt Service	190,078.88	176,054.39
Deferred Charges	65,000.00	-
County Taxes	6,847,440.03	5,856,571.31
County Share of Added Taxes	132,528.88	82,175.18
Regional School Tax	651,422.00	583,029.00
Regional High School Tax	3,466,817.00	2,549,443.00
Municipal Open Space Tax	137,412.55	134,498.09
Interfunds Advanced	71.53	-
Refund of Prior Year Revenue	2,997.78	2,004.49
Total Expenditures	<u>16,482,858.61</u>	<u>14,329,390.94</u>
Excess in Revenue	2,017,566.08	857,830.78
Add: Expenditures Included Above Which Are		
By Statute Deferred Charges To Budgets of		
Succeeding Years	<u>65,000.00</u>	<u>-</u>
Statutory Excess To Fund Balance	2,082,566.08	857,830.78
Fund Balance, January 1	<u>2,477,465.60</u>	<u>2,174,634.82</u>
	4,560,031.68	3,032,465.60
Decreased By:		
Utilized as Anticipated Revenue	<u>550,000.00</u>	<u>555,000.00</u>
Fund Balance, December 31	<u><u>\$ 4,010,031.68</u></u>	<u><u>\$ 2,477,465.60</u></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, 2024

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Fund Balance Anticipated	\$ 550,000.00	\$ -	\$ 550,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	4,650.00	-	4,650.00	-
Fees and Permits	20,000.00	-	28,296.00	8,296.00
Fines and Costs:				
Municipal Court	9,000.00	-	11,039.38	2,039.38
Interest and Costs on Taxes	15,000.00	-	20,123.25	5,123.25
Beach Badge Fees	280,000.00	-	295,694.00	15,694.00
Rents	120,000.00	-	126,575.30	6,575.30
Energy Receipts Tax	106,887.00	-	106,887.41	0.41
Reserve for Municipal Property Tax Relief Aid	11,017.66	-	11,017.66	-
Uniform Construction Code Fees	40,000.00	-	60,913.00	20,913.00
Local Recreation Improvement Grant	-	68,000.00	68,000.00	-
ARP - Firefighter Grant	75,000.00	-	75,000.00	-
Bulletproof Vest Partnership	-	987.64	987.64	-
Clean Communities Grant	-	7,151.23	7,151.23	-
COPS In Shops	1,440.00	-	1,440.00	-
Drive Sober or Get Pulled Over/Drink, Drive, Lose	4,840.00	-	4,840.00	-
Recycling Tonnage Grant	7,033.29	-	7,033.29	-
Body Armor Replacement Fund	2,580.12	1,104.10	3,684.22	-
	697,448.07	77,242.97	833,332.38	58,641.34
Receipts From Delinquent Taxes	50,000.00	-	52,489.47	2,489.47
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	4,054,645.38	-	4,348,070.34	293,424.96
Budget Totals	5,352,093.45	77,242.97	5,783,892.19	354,555.77
Non-Budget Revenue	-	-	1,233,112.34	1,233,112.34
	\$ 5,352,093.45	\$ 77,242.97	\$ 7,017,004.53	\$ 1,587,668.11

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, 2024

Analysis of Realized Revenue

Allocation of Current Tax Collection:

Revenue from Collections	\$ 15,333,690.80
Allocated to School, County, and Municipal Open Space Taxes	11,235,620.46

Balance for Support of Municipal Budget	4,098,070.34
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Add:

Appropriation for Uncollected Taxes	250,000.00
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Balance for Support of Municipal Budget	<u>\$ 4,348,070.34</u>
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Miscellaneous Revenue Not Anticipated:

Copies	\$ 435.45
Tax Searches	30.00
Resale CO's	1,950.00
Assessor Lists	240.00
Plumbing/Fire Fees	512.80
Sale of Asset	990,000.00
Re-Entry Passes	50.00
Tax Costs of Sale	505.62
Miscellaneous	15,692.88
Payment in Lieu of Taxes	34,273.14
Interest Income	165,387.35
Certified Copies	15.00
Yard Sale Permits	25.00
Street Openings	2,850.00
Administration Fee:	
Senior Citizens' and Veterans'	85.00
TV Cable Franchise Fees	12,435.10
Public Property Use Fee	6,025.00
Bid Specs	1,700.00
Pickle Ball fees	600.00
Fire Arm Permits	300.00
	<u>\$ 1,233,112.34</u>

Fees and Permits:

Marriage Licenses - Municipal Share	\$ 6.00
Certificate of Occupancy	1,100.00
Tennis Court Fees	9,990.00
Land Use Board App Fee	3,100.00
Beach Buggy Permits	950.00
Zoning Permits	10,400.00
Police Vendor Permits	1,450.00
Boat Permits	1,300.00
	<u>\$ 28,296.00</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	Appropriations		Paid or Charged		Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	
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	1,500.00	2,000.00	1,789.53	200.19	10.28
Administrator:					
Salaries and Wages	10,000.00	-	-	-	-
Municipal Clerk:					
Salaries and Wages	69,038.00	53,538.00	53,310.60	-	227.40
Other Expenses	9,000.00	10,000.00	9,982.21	-	17.79
Legal Services and Costs:					
Other Expenses	37,500.00	68,700.00	68,654.20	-	45.80
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Land Use Board					
Salaries and Wages	27,190.00	29,595.00	29,594.40	-	0.60
Other Expenses	8,000.00	8,000.00	7,275.85	624.73	99.42
Police Department:					
Salaries and Wages	1,107,963.64	1,091,263.64	1,081,681.17	-	9,582.47
Other Expenses	89,264.00	88,756.00	56,579.94	31,846.60	329.46
Office of Emergency Management:					
Salaries and Wages	2,000.00	-	-	-	-
Other Expenses	3,181.00	400.00	400.00	-	-
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	8,800.00	8,800.00	6,150.00	-	2,650.00
Contributions to Senior Citizens Center	500.00	-	-	-	-
Lifeguards:					
Salaries and Wages	375,000.00	371,300.00	371,185.50	-	114.50
Other Expenses	22,287.51	22,787.51	20,358.61	2,211.57	217.33

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, 2024**

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	
GENERAL GOVERNMENT (continued)					
Beach Operations					
Salaries and Wages	35,000.00	35,000.00	35,000.00	-	-
Other Expenses	7,282.80	7,882.80	7,876.70	-	-
Department of Revenue and Finance					
Director's Office:					
Salaries and Wages	7,500.00	7,500.00	7,500.00	-	-
Other Expenses	1,000.00	1,000.00	686.47	23.31	290.22
Financial Administration:					
Salaries and Wages	63,440.00	69,540.00	69,516.29	-	23.71
Other Expenses	6,000.00	7,300.00	3,715.67	3,413.70	170.63
Audit Services	31,720.00	31,720.00	31,720.00	-	-
Collector of Taxes:					
Salaries and Wages	74,100.00	62,600.00	62,113.81	-	486.19
Other Expenses	8,000.00	8,500.00	3,473.46	4,878.98	147.56
Tax Assessment Administration:					
Salaries and Wages	23,465.00	23,465.00	23,194.25	-	270.75
Other Expenses	4,000.00	3,000.00	2,978.55	-	21.45
Computer Data Processing					
Other Expenses	6,800.00	8,200.00	8,012.90	-	187.10
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	500.00	385.72	114.28	-
Engineering Services and Costs:					
Other Expenses	35,000.00	56,920.00	47,572.34	9,342.66	5.00
Road Repair and Maintenance:					
Salaries and Wages	339,210.24	334,810.24	334,794.03	-	16.21
Other Expenses	35,000.00	35,500.00	30,938.38	4,303.42	258.20
Garbage and Trash Removal:					
Other Expenses	286,000.00	286,000.00	262,166.74	-	23,833.26
Public Buildings and Grounds:					
Other Expenses	75,000.00	85,000.00	81,500.21	2,520.24	979.55
Vehicle Maintenance:					
Salaries and Wages	36,233.50	38,033.50	37,993.13	-	40.37
Other Expenses	34,000.00	30,800.00	25,300.04	5,446.89	53.07

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, 2024**

	Appropriations				Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After Modifications					
			Paid	Encumbered			
Recreation:							
Salaries and Wages	5,325.00	5,325.00	5,325.00	-	-	-	-
Other Expenses	1,000.00	1,000.00	935.83	-	-	64.17	-
GENERAL GOVERNMENT (continued)							
Park Maintenance:							
Other Expenses	10,400.00	8,900.00	8,222.21	500.00	177.79	-	-
Beachfront Maintenance:							
Other Expenses	30,000.00	29,000.00	25,362.34	3,542.70	94.96	-	-
Sanitary Landfill:							
Other Expenses	73,000.00	79,600.00	79,547.71	-	52.29	-	-
Municipal Court:							
Salaries and Wages	17,340.00	17,340.00	17,340.00	-	-	-	-
Other Expenses	2,500.00	1,000.00	942.49	-	57.51	-	-
Public Defender (P.L. 1997, c.256):							
Other Expenses	2,750.00	2,750.00	750.00	-	2,000.00	-	-
Insurance (N.J.S.A. 40A:4-45.3(00)):							
General Liability	57,737.50	57,926.50	57,926.50	-	-	-	-
Workers Compensation	53,170.65	53,170.66	53,170.66	-	-	-	-
Employee Group Health	322,262.66	312,457.66	271,953.54	468.18	40,035.94	-	-
Health Benefits Waiver	18,148.31	19,758.31	19,753.68	-	4.63	-	-
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS							
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)							
Construction Code Official:							
Salaries and Wages	8,894.00	8,894.00	8,519.93	-	374.07	-	-
Other Expenses	3,000.00	1,999.99	1,970.16	-	29.83	-	-
UNCLASSIFIED							
Electricity	16,320.00	12,190.00	12,174.89	-	15.11	-	-
Street Lighting	50,955.30	54,655.30	54,635.58	-	19.72	-	-
Telecommunications	23,000.00	24,600.00	23,072.70	1,516.47	10.83	-	-
Natural Gas	13,699.00	8,499.00	8,458.90	-	40.10	-	-
Petroleum Products	35,000.00	29,500.00	29,263.61	-	236.39	-	-
Accumulated Leave Compensation	10,000.00	10,000.00	10,000.00	-	-	-	-
Total Operations - Within "CAPS"	3,671,978.11	3,663,478.11	3,509,226.43	70,953.92	83,297.76	-	-

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, 2024**

	Appropriations				Paid or Charged Encumbered	Reserved	Cancelled
	Original Budget	Budget After Modifications	Paid				
Detail:							
Salaries and Wages		2,173,204.38	2,162,068.11	-		11,136.27	-
Other Expenses	3,671,978.11	1,490,273.73	1,347,158.32	70,953.92		72,161.49	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"							
Statutory Expenditures:							
Contribution To:							
Public Employees' Retirement System of NJ	103,093.90	103,093.90	103,093.90	-		-	-
Social Security System (O.A.S.I.)	165,844.56	165,844.56	162,761.92	-		3,082.64	-
Police and Firemen's Retirement System of NJ	310,652.00	310,652.00	310,652.00	-		-	-
Unemployment Insurance (N.J.S.A. 43:21-3 et seq.)	10,839.51	10,839.51	9,713.81	-		1,125.70	-
Defined Contribution Retirement Program	4,758.75	4,758.75	2,877.68	-		1,881.07	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	595,188.72	595,188.72	589,099.31	-		6,089.41	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	4,267,166.83	4,258,666.83	4,098,325.74	70,953.92		89,387.17	-
Recycling Tax	3,358.73	1,858.73	1,769.61	-		89.12	-
LOSAP	60,000.00	60,000.00	-	4,650.00		55,350.00	-
Employee Group Health	5,365.00	5,365.00	5,365.00	-		-	-
Interlocal Municipal Service Agreements:							
Construction Office	41,660.00	41,660.00	31,332.50	10,327.50		-	-
Public Health Services	47,878.02	47,878.02	47,878.02	-		-	-
Animal Control Services	10,000.00	10,000.00	4,077.00	-		5,923.00	-
LBI Trolley	10,000.00	20,000.00	20,000.00	-		-	-
Municipal Court Services	33,600.00	33,600.00	-	-		33,600.00	-
Mobile Data Terminals	575.00	575.00	575.00	-		-	-
License Plate Recognition	700.00	700.00	700.00	-		-	-
Computer Aided Dispatch	3,150.00	3,150.00	3,150.00	-		-	-

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, 2024**

	Appropriations			Paid or Charged		Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	Reserved	
Public and Private Programs Offset By Revenues:						
Local Recreation Improvement Grant	-	68,000.00	68,000.00	-	-	-
ARP - Firefighter Grant	75,000.00	75,000.00	75,000.00	-	-	-
Bulletproof Vest Partnership	-	987.64	987.64	-	-	-
Clean Communities Grant	-	7,151.23	7,151.23	-	-	-
COPS In Shops	1,440.00	1,440.00	1,440.00	-	-	-
Drive Sober or Get Pulled Over/Drink, Drive, Lose	4,840.00	4,840.00	4,840.00	-	-	-
Recycling Tonnage Grant	7,033.29	7,033.29	7,033.29	-	-	-
Body Armor Replacement Fund	2,580.12	3,684.22	3,684.22	-	-	-
Total Operations - Excluded From "CAPS"	307,180.16	392,923.13	282,983.51	14,977.50	94,962.12	-
Detail:						
Other Expenses	307,180.16	392,923.13	282,983.51	14,977.50	94,962.12	-
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	142,500.00	142,500.00	142,500.00	-	-	-
Borough Hall Rehabilitation	20,000.00	20,000.00	19,230.72	-	769.28	-
Bulkheads	45,000.00	45,000.00	-	3,825.01	41,174.99	-
Lifeguard Truck	50,000.00	50,000.00	49,397.00	-	603.00	-
Radios (Badge Checkers)	60,000.00	60,000.00	58,750.97	-	1,249.03	-
Server	20,000.00	20,000.00	12,224.29	4,250.00	3,525.71	-
Total Capital Improvements - Excluded From "CAPS"	337,500.00	337,500.00	282,102.98	8,075.01	47,322.01	-

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Paid or Charged</u>		<u>Cancelled</u>
	<u>Original Budget</u>	<u>Budget After Modifications</u>	<u>Paid</u>	<u>Encumbered</u>	
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	145,001.00	145,001.00	145,001.00	-	-
Interest on Notes	45,245.46	45,245.46	45,077.88	-	167.58
Total Municipal Debt Service - Excluded From "CAPS"	190,246.46	190,246.46	190,078.88	-	167.58
Deferred Charges - Municipal - Excluded From "CAPS"					
Emergency Authorizations					
Fish Kills	-	65,000.00	20,102.82	40,000.00	4,897.18
Total Deferred Charges - Municipal - Excluded From "CAPS"	-	65,000.00	20,102.82	40,000.00	4,897.18
Total General Appropriations - Excluded From "CAPS"	834,926.62	985,669.59	775,268.19	63,052.51	147,181.31
Subtotal General Appropriations	5,102,093.45	5,244,336.42	4,873,593.93	134,006.43	236,568.48
Reserve for Uncollected Taxes	250,000.00	250,000.00	250,000.00	-	-
Total General Appropriations	\$ 5,352,093.45	\$ 5,494,336.42	\$ 5,123,593.93	\$ 134,006.43	\$ 236,568.48
Analysis of Modified Budget:					
Original Budget	\$ 5,352,093.45				
Chapter 159's	77,242.97				
Emergency Authorizations	65,000.00				
	\$ 5,494,336.42				
Analysis of Paid or Charged:					
Reserve for Uncollected Taxes	\$ 250,000.00				
Cash Disbursements	4,705,457.55				
Reserve for Grant Expenditures - Appropriated	168,136.38				
	\$ 5,123,593.93				

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

**BOROUGH OF HARVEY CEDARS
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2024 AND 2023**

ASSETS	Ref.	2024	2023
Animal Control Fund:			
Cash	B-4	\$ 431.53	\$ 281.93
Total Animal Control Fund		431.53	281.93
Trust - Other Fund:			
Cash	B-4	527,217.28	448,448.14
Total Trust - Other Fund		527,217.28	448,448.14
Municipal Open Space Trust Fund			
Cash	B-4	325,889.45	325,127.43
Due from Current Fund	A	665,113.19	527,700.64
Total Municipal Open Space Trust Fund		991,002.64	852,828.07
Payroll Fund:			
Cash	B-4	17,646.22	11,857.39
Total Payroll Fund		17,646.22	11,857.39
Length of Service Awards Program Fund (LOSAP)			
Funds Held by Trustee	B-9	1,182,173.03	1,009,519.93
Total Length of Service Awards Program Fund (LOSAP)		1,182,173.03	1,009,519.93
Total Assets		\$ 2,718,470.70	\$ 2,322,935.46
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-5	\$ 360.00	\$ 281.93
Due to Current Fund	B-5	71.53	-
Total Animal Control Fund		431.53	281.93
Trust - Other Fund:			
Trust - Other Reserves	B-7	527,217.28	448,448.14
Total Trust - Other Fund		527,217.28	448,448.14
Municipal Open Space Trust Fund			
Reserve for Open Space	B-1	991,002.64	852,828.07
Total Municipal Open Space Trust Fund		991,002.64	852,828.07
Payroll Fund			
Reserve for Payroll Deductions	B-8	17,646.22	11,857.39
Total Payroll Fund		17,646.22	11,857.39
Length of Service Awards Program Fund (LOSAP)			
Reserve for Length of Service Awards Program	B-10	1,182,173.03	1,009,519.93
Total Length of Service Awards Program Fund (LOSAP)		1,182,173.03	1,009,519.93
Total		\$ 2,718,470.70	\$ 2,322,935.46

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, 2024 AND 2023**

ASSETS	Ref.	<u>2024</u>	<u>2023</u>
Cash	C-2:C-3	\$ 1,240,554.45	\$ 1,691,006.78
Grants Receivable	C-9	683,488.64	1,060,097.81
Due from Current Fund	A	24,154.35	24,154.35
Deferred Charges to Future Taxation:			
Unfunded	C-4	<u>4,837,732.59</u>	<u>3,509,877.76</u>
Total Assets		<u><u>\$ 6,785,930.03</u></u>	<u><u>\$ 6,285,136.70</u></u>
LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes	C-5	\$ 1,515,047.00	\$ 1,270,048.00
Improvement Authorizations:			
Funded	C-6	130,536.48	121,073.98
Unfunded	C-6	3,216,950.30	2,324,246.27
Encumbrances Payable	C-6	390,364.49	636,213.34
Capital Improvement Fund	C-7	645,221.03	675,234.03
Due Utility Capital	C-3	204,100.00	204,100.00
Reserve for Grants Receivable	C-9	383,488.64	760,097.81
Reserve for Debt Service	C-8	109,631.60	109,631.60
Fund Balance	C-1	<u>190,590.49</u>	<u>184,491.67</u>
Total Liabilities, Reserves & Fund Balance		<u><u>\$ 6,785,930.03</u></u>	<u><u>\$ 6,285,136.70</u></u>

There were \$3,330,527.59 of bonds and notes authorized but not issued on December 31, 2024 and \$2,239,829.76 on December 31, 2023.

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
STATEMENTS OF CAPITAL FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

Balance December 31, 2023	\$ 184,491.67
Increased by:	
Bond Anticipation Note Premium	<u>6,098.82</u>
Balance, December 31, 2024	<u><u>\$ 190,590.49</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, 2024 AND 2023**

	Ref.	2024	2023
ASSETS			
Operating Fund:			
Cash	D-4	\$ 697,478.27	\$ 602,744.56
Total		697,478.27	602,744.56
Receivables With Full Reserves:			
Water Rents Receivable	D-6	73,260.29	36,190.43
Sewer Rents Receivable	D-8	49,938.07	26,558.88
Total		123,198.36	62,749.31
Deferred Charges:			
Overexpenditure of Appropriations		-	21,946.99
Total Operating Fund		820,676.63	687,440.86
Capital Fund:			
Cash	D-4	103,473.65	76,755.77
Fixed Capital	D-10	8,190,479.54	7,883,560.27
Fixed Capital Authorized and Uncompleted	D-11	5,928,609.50	3,753,609.50
Due from General Capital	C	204,100.00	204,100.00
Total Capital Fund		14,426,662.69	11,918,025.54
Total Operating & Capital Fund		\$ 15,247,339.32	\$ 12,605,466.40

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, 2024 AND 2023**

	Ref.	2024	2023
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 143,982.33	\$ 149,348.39
Water Overpayments	D-7	4,386.48	4,449.62
Encumbrances Payable	D-13	32,840.05	41,287.14
Accounts Payable	D-12	58,441.41	8,475.65
Accrued Interest on Bonds and Notes	D-15	70,872.10	27,678.63
Subtotal		310,522.37	231,239.43
Reserve for Receivables	D	123,198.36	62,749.31
Fund Balance	D-1	386,955.90	393,452.12
Total Operating Fund		820,676.63	687,440.86
Capital Fund:			
Bond Anticipation Notes	D-16	2,089,953.00	1,299,952.00
Loans Payable	D-17	108,067.44	209,627.04
Improvement Authorizations:			
Funded	D-18	29,158.99	18,802.25
Unfunded	D-18	1,420,708.05	1,304,276.86
Capital Improvement Fund	D-19	345,954.00	265,954.00
Reserve for Amortization	D-20	8,840,816.80	7,966,656.43
Reserve for Deferred Amortization	D-21	205,000.00	785,682.50
Encumbrances Payable	D-18	1,311,516.84	-
Fund Balance	D-1a	75,487.57	67,074.46
Total Capital Fund		14,426,662.69	11,918,025.54
Total Liabilities, Reserves & Fund Balance		\$ 15,247,339.32	\$ 12,605,466.40

There were \$2,875,251.80 of bonds and notes authorized but not issued on December 31, 2024 and \$1,375,251.80 on December 31, 2023.

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 175,507.98	\$ 126,595.61
Water/Sewer Rents	1,508,062.23	1,503,548.46
Miscellaneous Revenues Anticipated	40,055.82	23,896.57
Other Credits to Income:		
Lapsed Appropriation Reserves	90,307.26	128,766.99
Accrued Interest Cancelled	-	-
Cancel Stale Reconciling Items	20,372.59	-
Accounts Payable Cancelled	8,538.47	-
	<hr/>	<hr/>
Total Revenues	1,842,844.35	1,782,807.63
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations:		
Operating	1,048,521.32	1,035,018.14
Capital Improvements	134,000.00	212,000.00
Debt Service	377,952.18	326,508.54
Deferred Charges	21,946.99	-
Statutory Expenditures	91,412.10	91,355.24
Refund Prior Year Revenue	-	1,196.67
	<hr/>	<hr/>
Total Expenditures	1,673,832.59	1,666,078.59
	<hr/>	<hr/>
Excess in Revenue		
Add: Expenditures Included		
Above Which Are By Statute		
Deferred Charges To Budgets		
of Succeeding Years	<hr/>	<hr/>
	-	17,477.05
	<hr/>	<hr/>
Excess in Revenue	169,011.76	134,206.09
Fund Balance, January 1	<hr/>	<hr/>
	393,452.12	385,841.64
	562,463.88	520,047.73
Decreased By:		
Utilized as Anticipated Revenue	<hr/>	<hr/>
	175,507.98	126,595.61
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 386,955.90</u>	<u>\$ 393,452.12</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, 2024 AND 2023**

Balance, December 31, 2023	\$ 67,074.46
Increased By:	
Bond Anticipation Note Premium	<u>8,413.11</u>
Balance, December 31, 2024 and 2023	<u><u>\$ 75,487.57</u></u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 175,507.98	\$ 175,507.98	\$ -
Rents	1,498,000.00	1,508,062.23	10,062.23
Miscellaneous	6,000.00	40,055.82	34,055.82
	<u>\$ 1,679,507.98</u>	<u>\$ 1,723,626.03</u>	<u>\$ 44,118.05</u>

Analysis of Realized Rents

Consumer Accounts Receivable:

Collected \$ 1,508,062.23

Analysis of Miscellaneous Revenue

Interest on Delinquents	\$	2,384.36
Interest on Investments		12,520.09
Miscellaneous		<u>25,151.37</u>
	<u>\$</u>	<u>40,055.82</u>

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, 2024

	APPROPRIATIONS		PAID OR CHARGED			
	Original Budget	Budget After Modification	Paid	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 453,004.84	\$ 453,004.84	\$ 389,941.79	\$ -	\$ 63,063.05	\$ -
Other Expenses	595,516.48	595,516.48	537,782.01	29,844.46	27,890.01	-
Total Operating	1,048,521.32	1,048,521.32	927,723.80	29,844.46	90,953.06	-
Capital Improvements:						
Capital Improvement Fund	80,000.00	80,000.00	80,000.00	-	-	-
Capital Outlay	12,000.00	12,000.00	-	2,995.59	9,004.41	-
Meters/ ERTS	25,000.00	25,000.00	-	-	25,000.00	-
Fire Hydrant Replacement Program	12,000.00	12,000.00	-	-	12,000.00	-
Watermains	5,000.00	5,000.00	2,832.51	-	2,167.49	-
Total Capital Improvements	134,000.00	134,000.00	82,832.51	2,995.59	48,171.90	-
Debt Service:						
Bond Anticipation Notes	184,999.00	184,999.00	184,999.00	-	-	-
Interest on Notes	90,500.00	90,500.00	90,419.20	-	-	80.80
Principal on NJEIT Loan	102,558.20	102,558.20	99,050.23	-	-	3,507.97
Interest on NJEIT Loan	5,570.37	5,570.37	3,483.75	-	-	2,086.62
Total Debt Service	383,627.57	383,627.57	377,952.18	-	-	5,675.39
Deferred Charges:						
Overexpenditure of Appropriations	21,946.99	21,946.99	21,946.66	-	0.33	-
Total Deferred Charges	21,946.99	21,946.99	21,946.66	-	0.33	-
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	55,512.10	55,512.10	55,512.10	-	-	-
Social Security System (O.A.S.I.)	34,000.00	34,000.00	29,421.38	-	4,578.62	-
Unemployment Compensation Insurance	1,900.00	1,900.00	1,621.58	-	278.42	-
Total Statutory Expenditures	91,412.10	91,412.10	86,555.06	-	4,857.04	-
Total Water/Sewer Utility Fund Appropriations	\$ 1,679,507.98	\$ 1,679,507.98	\$ 1,497,010.21	\$ 32,840.05	\$ 143,982.33	\$ 5,675.39
Ref.	D-2	D-3	D-13	D	D-1	

Cash Disbursements	\$ 1,431,870.08
Deferred Charge	21,946.66
Accrued Interest on Bonds and Notes	43,193.47
	<u>\$ 1,497,010.21</u>

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

BOROUGH OF HARVEY CEDARS
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2024 AND 2023

	<u>Ref.</u>	Balance December 31, <u>2024</u>	Balance December 31, <u>2023</u>
Land	E-1	\$ 926,392.47	\$ 926,392.47
Land Improvements	E-1	531,886.00	500,288.00
Buildings and Improvements	E-1	1,571,415.00	1,506,982.00
Machinery and Equipment	E-1	<u>1,831,835.00</u>	<u>1,714,001.00</u>
Total General Fixed Assets		<u>\$ 4,861,528.47</u>	<u>\$ 4,647,663.47</u>
Investment in General Fixed Assets	E	<u>\$ 4,861,528.47</u>	<u>\$ 4,647,663.47</u>

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

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

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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**BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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, 2024

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, 2024

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, 2024

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, 2023 and decreased by the amount deferred at December 31, 2024.

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, 2024

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, 2024:

- 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. Management has determined that the implementation of this Statement did not have a significant impact on the Borough's financial statements.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. Implementation of this Statement resulted in additional footnote disclosures on the Borough's financial statements. See Note 15 for further detail.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

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. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024.
- Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.
- Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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, 2024, the Borough's bank balance of \$8,966,547.49 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 8,716,547.49
Uninsured and Uncollateralized	<u>250,000.00</u>
	<u>\$ 8,966,547.49</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, 2024

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, 2024 the balance was \$1,369,514.20.

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, 2024, 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, 2024 was as follows:

	Carrying Value	Fair Value as of December 31, 2024		Investment Maturities (in Years)
		Level 1	Total	Less Than 1 Year
<u>Investment type</u>				
Money Markets	\$ 35,998.98	\$ 35,998.98	\$ 35,998.98	\$ 35,998.98
Mutual Funds	900,112.60	900,112.60	900,112.60	900,112.60
	<u>\$936,111.58</u>	<u>\$ 936,111.58</u>	<u>\$ 936,111.58</u>	<u>\$ 936,111.58</u>
<u>Fund</u>				
Trust Fund - LOSAP	\$936,111.58	\$ 936,111.58	\$ 936,111.58	\$ 936,111.58
	<u>\$936,111.58</u>	<u>\$ 936,111.58</u>	<u>\$ 936,111.58</u>	<u>\$ 936,111.58</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

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 \$246,061.45 as of December 31, 2024. 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, 2024 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 936,111.58
Trust Fund - LOSAP (Contract Value)	<u>246,061.45</u>
	<u><u>\$ 1,182,173.03</u></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.

	Standard &	
<u>Investment Type:</u>	<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, 2024

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>2024</u>	<u>2023</u>	<u>2022</u>
Tax Rate	<u>\$ 1.125</u>	<u>\$ 0.983</u>	<u>\$ 0.967</u>
Apportionment of Tax Rate:			
Municipal	0.301	0.295	0.273
Municipal Open Space	0.010	0.010	0.010
County	0.508	0.442	0.398
Regional School District	0.049	0.044	0.044
Regional High School District	0.257	0.192	0.242

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2024	\$ 1,347,808,200.00
2023	1,326,313,100.00
2022	1,320,140,100.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 15,456,412.47	\$ 15,333,690.80	99.20%
2023	13,225,112.48	13,170,168.89	99.58%
2022	12,842,279.95	12,777,855.36	99.49%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2024	\$ 114,846.48	\$ 114,846.48	0.74%
2023	52,489.47	52,489.47	0.40%
2022	64,424.59	64,424.59	0.50%

There was no tax sale during the year ended December 31, 2024.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 4. Property Acquired by Tax Title Lien Liquidation

The Borough had no property acquired by liquidation of tax title liens on December 31, 2024, 2023 or 2022.

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>
2024	\$ 62,749.31	\$ 1,574,098.88	\$ 1,636,848.19	\$ 1,513,649.83	92.47%
2023	46,732.41	1,519,565.36	1,566,297.77	1,503,548.46	95.99%
2022	59,264.49	1,508,905.44	1,568,169.93	1,521,437.52	97.01%

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:			
2024	\$ 4,010,031.68	\$ 1,550,000.00	38.65%
2023	2,477,465.60	550,000.00	22.20%
2022	2,174,642.97	555,000.00	25.52%
Utility Operating Fund:			
2024	\$ 386,955.90	\$ 250,000.00	64.61%
2023	393,452.12	175,507.98	44.61%
2022	385,841.64	126,595.61	32.81%

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, 2024

Note 8. Interfunds Receivables and Payables

The following interfunds remained as of December 31, 2024:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 71.53	\$ 719,252.89
State and Federal Grant Fund	29,985.35	-
Animal Control Trust	-	71.53
Open Space Trust Fund	665,113.19	-
General Capital Fund	24,154.35	204,100.00
Utility Capital Fund	204,100.00	-
	<u>\$ 923,424.42</u>	<u>\$ 923,424.42</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	\$ 104,576.33	\$ 253,704.16
State and Federal Grant Fund	111,204.16	104,576.33
General Capital Fund	142,500.00	-
Utility Operating Fund	-	80,000.00
Utility Capital Fund	80,000.00	-
	<u>\$ 438,280.49</u>	<u>\$ 438,280.49</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (i.e. interest earning), (2) provide cash flow to other funds to temporary finance expenditures that are on a reimbursable basis (i.e. grants), (3) when no bank account exists for a fund, and (4) utilizing surplus or fund balance from one fund as budgeted revenue in another.

Note 9. Fixed Assets

The following schedule is a summarization of changes in General Fixed Assets for the fiscal year ended December 31, 2024:

	Balance December 31, 2023	Additions	Deletions	Balance December 31, 2024
Land	\$ 926,392.47	\$ -	\$ -	\$ 926,392.47
Land Improvements	500,288.00	31,598.00	-	531,886.00
Buildings and Improvements	1,506,982.00	64,433.00	-	1,571,415.00
Machinery & Equipment	1,714,001.00	117,834.00	-	1,831,835.00
	<u>\$4,647,663.47</u>	<u>\$ 213,865.00</u>	<u>\$ -</u>	<u>\$4,861,528.47</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

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 Public Employees' Retirement System (PERS) for year ended June 30, 2024. 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, 2023.

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 Annual Comprehensive Financial Report (ACFR) 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 $1/55^{\text{th}}$ 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 $1/60^{\text{th}}$ 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.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

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 more 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 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 \$158,606.00.

Components of Net Pension Liability - At December 31, 2023, the Borough's proportionate share of the PERS net pension liability was \$1,718,864.00. The net pension liability was measured as of June 30, 2023. 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, 2022, which was rolled forward to June 30, 2023. 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, 2023. The Borough's proportion measured as of June 30, 2023, was 0.0118670232% which was a decrease of 0.0006928474% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/30/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 169,907	\$ 310,276
Deferred Inflows of Resources	238,778	381,817
Net Pension Liability	1,718,864	1,895,457
 Borough's portion of the Plan's total Net Pension Liability	 0.01187%	 0.01256%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2023, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is (\$20,657.00). This expense/(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 \$158,606.00 to the plan in 2023.

At December 31, 2023, 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, 2024

Note 10. Pension Obligations (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 16,435	\$ 7,026
Changes of Assumptions	3,776	104,171
Net Difference between Projected and Actual Earnings on Pension Plan Investments	7,916	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>141,780</u>	<u>127,581</u>
	<u>\$ 169,907</u>	<u>\$ 238,778</u>

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>
2024	\$ (87,910)
2025	(47,813)
2026	73,624
2027	(9,828)
2028	<u>3,056</u>
	<u>\$ (68,871)</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

Special Funding Situation – Under N.J.S.A. 43:15A-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, are Chapter 366, P.L. 2001 and Chapter 133, 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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2023. At December 31, 2023, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$5,360.00.

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:	
	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

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

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 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	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the 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:

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 2,256,460</u>	<u>\$ 1,718,864</u>	<u>\$ 1,288,124</u>

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

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 Police and Firemen's Retirement System (PFRS) for year ended June 30, 2024. 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, 2023.

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 Annual Comprehensive Financial Report (ACFR) 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.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

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 2023, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability 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 contributions to PFRS plan was \$310,652.

Net Pension Liability and Pension Expense - At December 31, 2023 the Borough's proportionate share of the PFRS net pension liability was \$2,578,368. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023. The Borough's proportion measured as of June 30, 2023, was 0.02333622%, which was a decrease of 0.00021007% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 679,236	\$ 969,586
Deferred Inflows of Resources	760,859	1,086,730
Net Pension Liability	2,578,368	2,695,192
 Borough's portion of the Plan's total net pension Liability	 0.02334%	 0.02355%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2023, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2022 measurement date was \$158,342. This expense/(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 \$310,652 to the plan in 2023.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

At December 31, 2023, 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	\$ 110,401	\$ 122,965
Changes of Assumptions	5,565	174,102
Net Difference between Projected and Actual Earnings on Pension Plan Investments	131,311	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contribution:	<u>431,959</u>	<u>463,792</u>
	<u>\$ 679,236</u>	<u>\$ 760,859</u>

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 December 31,</u>	<u>Amount</u>
2024	\$ (106,708)
2025	(102,662)
2026	148,562
2027	(19,692)
2028	(1,611)
Thereafter	<u>488</u>
	<u>\$ (81,623)</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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$475,094 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023 was 0.02333601%, which was a decrease of 0.00021029% from its proportion measured as of June 30, 2022, which is the same proportion as the Borough's. At December 31, 2023, 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	\$ 2,578,368
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>475,094</u>
	<u>\$ 3,053,462</u>

At December 31, 2023, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$54,041.

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%

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

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 10. Pension Obligations (continued)

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

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 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	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

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	\$ 3,592,504	\$ 2,578,368	\$ 1,733,835
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>661,961</u>	<u>475,094</u>	<u>319,479</u>
	<u><u>\$ 4,254,465</u></u>	<u><u>\$ 3,053,462</u></u>	<u><u>\$ 2,053,314</u></u>

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

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, 2024. 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, 2023.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), 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.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 11. Postemployment Benefits Other Than Pensions (continued)

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

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

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, 2023 were \$3,461,898,890 and \$11,427,677,896, 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, 2022 through June 30, 2023.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 11. Postemployment Benefits Other Than Pensions (continued)

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. 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.

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.

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each employer are provided as each 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 under the special funding situation and include their proportionate share of the collective net OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on eligible plan members subject to the special funding situation. This data considers active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

State of New Jersey's	
Proportionate Share of OPEB Liability	
Associated with the Borough	\$ 2,658,305.00

At December 31, 2023, the State's proportionate share of the OPEB expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$482,003.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

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>2024</u>	<u>2023</u>	<u>2022</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 1,515,047.00	\$ 1,270,048.00	\$ 1,255,609.00
Utility:			
Bonds, Notes and Loans	2,198,020.44	1,509,579.04	1,767,263.98
Total Debt Issued	<u>3,713,067.44</u>	<u>2,779,627.04</u>	<u>3,526,203.33</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	3,330,527.59	2,239,829.76	1,792,083.36
Utility:			
Bonds, Notes and Loans	2,875,251.80	1,375,251.80	1,375,251.80
Total Authorized But Not Issued	<u>6,205,779.39</u>	<u>3,615,081.56</u>	<u>3,167,335.16</u>
Total Gross Debt	<u>\$ 9,918,846.83</u>	<u>\$ 6,394,708.60</u>	<u>\$ 6,693,538.49</u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	\$ 109,631.60	\$ 109,631.60	\$ 109,631.60
Utility:			
Self Liquidating Debt	5,073,272.24	2,884,830.84	3,142,515.78
Total Deductions	<u>5,182,903.84</u>	<u>2,994,462.44</u>	<u>3,252,147.38</u>
Total Net Debt	<u>\$ 4,735,942.99</u>	<u>\$ 3,400,246.16</u>	<u>\$ 3,441,391.11</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	\$ 4,845,574.59	\$ 109,631.60	\$ 4,735,942.99
Utility Debt	5,073,272.24	5,073,272.24	-
	<u>\$ 9,918,846.83</u>	<u>\$ 5,182,903.84</u>	<u>\$ 4,735,942.99</u>

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 12. Municipal Debt (continued)

Net Debt \$4,735,942.99 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,022,930,596.13 , equals 0.234%. 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, 2024 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 70,802,570.87
Net Debt	<u>4,735,942.99</u>
Remaining Borrowing Power	<u><u>\$ 66,066,627.88</u></u>

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

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 1,723,626.03
Deductions:	
Operating and Maintenance Costs	\$ 1,139,933.42
Debt Service	<u>383,627.57</u>
Total Deductions	<u>1,523,560.99</u>
Excess/(Deficit) in Revenue	<u><u>\$ 200,065.04</u></u>

*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, 2024.

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, 2024:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, 2024
Series 2024	4/30/2024	4/30/2025	5.00%	<u>\$ 1,515,047.00</u>
				<u><u>\$ 1,515,047.00</u></u>

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, 2024

Note 12. Municipal Debt (continued)

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2024, the Borough had \$3,330,527.59 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, 2024.

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, 2024:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2024</u>
Series 2024	4/30/2024	4/30/2025	5.00%	<u>\$ 2,089,953.00</u>
				<u>\$ 2,089,953.00</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, 2024, the Borough had \$2,875,251.80 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, 2024

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>
2025	108,067.44	2,843.76	110,911.20
	<u>\$ 108,067.44</u>	<u>\$ 2,843.76</u>	<u>\$ 110,911.20</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>2023</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2024</u>	Balance Due Within <u>One Year</u>
General Capital:					
Bond Anticipation Notes	\$ 1,270,048.00	\$ 1,515,047.00	\$ 1,270,048.00	\$ 1,515,047.00	\$ 1,515,047.00
	<u>\$ 1,270,048.00</u>	<u>\$ 1,515,047.00</u>	<u>\$ 1,270,048.00</u>	<u>\$ 1,515,047.00</u>	<u>\$ 1,515,047.00</u>
Utility Capital:					
Bond Anticipation Notes	\$ 1,299,952.00	\$ 2,089,953.00	\$ 1,299,952.00	\$ 2,089,953.00	\$ 2,089,953.00
Loans	209,627.04	-	101,559.60	108,067.44	108,067.44
	<u>\$ 1,509,579.04</u>	<u>\$ 2,089,953.00</u>	<u>\$ 1,401,511.60</u>	<u>\$ 2,198,020.44</u>	<u>\$ 2,198,020.44</u>

Note 13. Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2024, the following deferred charges are shown on the Statement of Assets, Liabilities, Reserves and Fund Balances of the following funds:

<u>Description</u>	Balance December 31, <u>2024</u>	2025 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
Current Fund:			
Emergency Authorization (40A:4-46)	\$ 65,000.00	\$ 65,000.00	\$ -

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

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>2024</u>	<u>2023</u>
Total Balance of Local Tax	\$ 162,852.50	\$ 145,754.25
Deferred Taxes	<u>129,374.69</u>	<u>129,374.69</u>
Local Tax Payable	<u>\$ 33,477.81</u>	<u>\$ 16,379.56</u>

<u>Regional High School Taxes</u>	Balance, December 31,	
	<u>2024</u>	<u>2023</u>
Total Balance of Regional Tax	\$ 1,733,408.49	\$ 1,274,721.49
Deferred Taxes	<u>203,797.14</u>	<u>203,797.14</u>
Regional Tax Payable	<u>\$ 1,529,611.35</u>	<u>\$ 1,070,924.35</u>

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

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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, sick pay and compensation time. The Borough permits certain employees, within limits, to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absence amount is not reported as a liability in the accompanying financial statements.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 15. Accrued Sick and Vacation Benefits (continued)

Under current policies and in accordance with N.J.S.A. 40A:9-10.2, unused sick leave is paid at an agreed upon rate upon separation of employment. Excess unused sick leave above the statutory cap is not paid out upon separation and lapses unless used. However, a liability is recognized under GASB 101 to the extent such leave is expected to be used as time off. It is estimated that accrued benefits for compensated absences, in accordance with GASB Statement No. 101, are valued at \$481,192.68 at December 31, 2024.

This estimate includes leave that is expected to be paid upon separation from service, and sick leave and compensation time to the extent that such leave is more likely than not to be used by employees as paid time off, based on historical usage patterns.

The Borough adopted GASB Statement No. 101 during the year ended December 31, 2024. As a result, the compensated absences liability disclosed above reflects the revised recognition criteria under this standard.

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, 2024, 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, 2024 and 2023 were \$11,335.39 and \$7,842.54, respectively.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024, 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.

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, 2024.

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. During the year ended December 31, 2024, the Borough did not have any contributions to the plan.

BOROUGH OF HARVEY CEDARS
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 18. Length of Service Awards Program (continued)

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 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, 2024 payouts totaling \$11,000.00 were made to vested participants.

Forfeited Accounts - There were no forfeited accounts that were forfeited to the Borough during the year ended December 31, 2024.

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, 2024 and June 29, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On March 17, 2025, an Ordinance authorizing Improvements to the Downtown Business District's Streetscape Phase 3, in the Borough of Harvey Cedars, and appropriating \$650,000.00 therefor and authorizing the issuance of \$650,000.00 in Bonds or Notes of the Borough of Harvey Cedars to finance the same.

On March 17, 2025, an Ordinance authorizing Bulkhead Improvements, in the Borough of Harvey Cedars, and appropriating \$500,000.00 therefor and authorizing the issuance of \$450,000.00 in Bonds or Notes of the Borough of Harvey Cedars to finance the same.

On March 17, 2025, an Ordinance authorizing an Emergency Appropriation in the amount of \$250,000.00 for the Preparation of a Tax Map and Execution of a Complete Program Revaluation of Real Property for the Use of the Local Assessor.

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, 2024

	Current Fund	Federal & State Grant Fund
Balance, December 31, 2023	\$ 5,319,471.00	\$ 45,629.68
Increased By:		
Miscellaneous Revenue Not Anticipated	\$ 1,233,112.34	\$ -
State of New Jersey - Senior Citizens' and Veterans' Deductions	4,335.00	-
Taxes Receivable	15,202,372.38	-
Overpayments	6,793.02	-
Cancel Outstanding Items	83,763.66	-
Revenue Accounts Receivable	654,178.34	-
Due To State and Local Agencies	57,063.20	-
Prepaid Taxes	298,882.11	-
Federal & State Grants Receivable	104,576.33	2,527.95
	<u>17,645,076.38</u>	<u>2,527.95</u>
	22,964,547.38	48,157.63
Decreased By:		
2024 Budget Appropriations	4,705,457.55	-
2023 Appropriation Reserves	316,951.82	-
Due To State and Local Agencies	55,040.90	-
County Taxes Payable	6,929,615.21	-
Regional School Tax	634,323.75	-
Regional High School Tax	3,008,130.00	-
Reserve for Federal & State Grants - Appropriated	111,204.16	2,808.52
	<u>15,760,723.39</u>	<u>2,808.52</u>
Balance, December 31, 2024	<u>\$ 7,203,823.99</u>	<u>\$ 45,349.11</u>

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2023		\$	750.00
Increased By:			
2024 Deductions per Tax Duplicate	\$	4,000.00	
2024 Deductions Allowed By Collector		<u>750.00</u>	
			<u>4,750.00</u>
			5,500.00
Decreased By:			
Cash Receipts			<u>4,335.00</u>
Balance, December 31, 2024		\$	<u><u>1,165.00</u></u>

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2024

<u>Year</u>	<u>Balance December 31, 2023</u>	<u>2024 Levy</u>	<u>Added</u>	<u>2023</u>	<u>Collections 2024</u>	<u>Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)</u>	<u>Transfer To Tax Title Liens</u>	<u>Cancelled</u>	<u>Balance December 31, 2024</u>
2023	\$ 52,489.47	\$ -	\$ -	\$ -	\$ 52,489.47	\$ -	\$ -	\$ -	-
	52,489.47	-	-	-	52,489.47	-	-	-	-
2024	-	15,162,844.96	293,567.51	157,936.74	15,171,004.06	4,750.00	-	7,845.19	114,876.48
	\$ 52,489.47	\$ 15,162,844.96	\$ 293,567.51	\$ 157,936.74	\$ 15,223,493.53	\$ 4,750.00	\$ -	\$ 7,845.19	\$ 114,876.48

**Current Year Cash Receipts
Overpayments Applied**

\$ 15,202,372.38
21,121.15
\$ 15,223,493.53

Analysis of Property Tax Levy

Tax Yield:

General Purpose Tax \$ 15,162,844.96
 Added and Omitted Taxes
 (N.J.S.A. 54:4-63.1 et seq.)
293,567.51

\$ 15,456,412.47

Tax Levy:

Regional School Taxes
 Regional High School Taxes \$ 651,422.00
3,466,817.00

\$ 15,456,412.47

County Taxes \$ 5,986,443.37
 County Library Tax 606,311.89
 County Open Space Tax 254,684.77
 Due To County for Added
 and Omitted Taxes 132,528.88

6,979,968.91

Municipal Open Space Tax
 Due To Municipal Open Space for
 Added and Omitted Taxes 2,631.73

137,412.55

Local Tax for Municipal
 Purposes 4,054,645.38
 Additional Tax Levied 166,146.63

4,054,645.38
166,146.63

\$ 15,456,412.47

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024

	Balance December 31, <u>2023</u>	Accrued in <u>2024</u>	<u>Collected</u>	Balance December 31, <u>2024</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 4,650.00	\$ 4,650.00	\$ -
Fees and Permits	-	28,296.00	28,296.00	-
Fines and Costs:				
Municipal Court	852.54	10,862.92	11,039.38	676.08
Interest and Costs on Taxes	-	20,123.25	20,123.25	-
Beach Badge Fees	-	295,694.00	295,694.00	-
Rents	-	126,575.30	126,575.30	-
Energy Receipts Tax	-	106,887.41	106,887.41	-
Uniform Construction Code Fees	-	60,913.00	60,913.00	-
Harvey Cedars Volunteers - Fire Truck	-	11,017.66	11,017.66	-
	<u>\$ 852.54</u>	<u>\$ 665,019.54</u>	<u>\$ 665,196.00</u>	<u>\$ 676.08</u>

Recieved in Cash	\$ 654,178.34
Transferred from Budget	<u>11,017.66</u>
	<u><u>\$ 665,196.00</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024**

	<u>Balance December 31, 2023</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfer</u>		
GENERAL GOVERNMENT					
Department of Public Affairs and Safety					
Director's Office:					
Other Expenses	\$ -	\$ 212.85	\$ 212.85	\$ 212.85	\$ -
Administrator:					
Salaries and Wages	6,615.34	-	6,615.34	-	6,615.34
Municipal Clerk:					
Salaries and Wages	4,961.53	-	4,961.53	-	4,961.53
Other Expenses	49.32	26.25	75.57	75.57	-
Legal Services and Costs:					
Other Expenses	7,104.47	122.50	22,226.97	21,765.40	461.57
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Land Use Board:					
Other Expenses	41.50	13.98	55.48	13.98	41.50
Police Department:					
Salaries and Wages	47,059.87	-	32,059.87	-	32,059.87
Other Expenses	2,823.04	26,024.58	28,847.62	21,098.19	7,749.43
Office of Emergency Management:					
Salaries and Wages	2,000.00	-	2,000.00	362.58	1,637.42
Other Expenses	1,137.42	-	1,137.42	1,137.42	-
Municipal Prosecutor's Office:					
Other Expenses	5,000.00	-	5,000.00	-	5,000.00
Contributions to Senior Citizens Center	1,500.00	-	1,500.00	-	1,500.00
Lifeguards:					
Other Expenses	601.00	815.44	1,416.44	597.80	818.64
Beach Operations:					
Salaries and Wages	0.40	-	0.40	-	0.40
Department of Revenue and Finance					
Director's Office:					
Salaries and Wages	70.00	-	70.00	-	70.00
Other Expenses	568.25	-	568.25	-	568.25
Financial Administration:					
Salaries and Wages	2,092.69	-	2,092.69	-	2,092.69
Other Expenses	185.40	-	185.40	-	185.40
Collector of Taxes:					
Salaries and Wages	2,671.39	-	2,671.39	-	2,671.39
Other Expenses	201.96	-	201.96	-	201.96
Tax Assessment Administration:					
Other Expenses	3,881.28	-	3,881.28	-	3,881.28
Computer Data Processing					
Other Expenses	330.92	-	330.92	-	330.92
Department of Public Works, Parks, and Public Property					
Director's Office:					
Other Expenses	218.25	94.97	313.22	94.97	218.25
Engineering Services and Costs:					
Other Expenses	545.41	-	545.41	-	545.41
Road Repair and Maintenance:					
Salaries and Wages	8,770.91	-	8,770.91	-	8,770.91
Other Expenses	6,404.80	2,312.84	8,717.64	205.88	8,511.76
Garbage and Trash Removal:					
Other Expenses	23,493.26	-	23,493.26	23,493.26	-
Public Buildings and Grounds:					
Other Expenses	2,657.51	9,831.83	12,489.34	9,534.06	2,955.28
Vehicle Maintenance:					
Salaries and Wages	219.87	-	219.87	-	219.87
Other Expenses	4,084.65	3,419.25	7,503.90	2,687.36	4,816.54
Recreation:					
Salaries and Wages	272.25	-	272.25	-	272.25

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024**

	<u>Balance December 31, 2023</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfer</u>		
Other Expenses	444.81	-	444.81	-	444.81
Park Maintenance:					
Other Expenses	267.42	1,653.41	1,920.83	1,054.40	866.43
Beachfront Maintenance:					
Other Expenses	5,236.33	3,577.53	8,813.86	303.61	8,510.25
Sanitary Landfill:					
Other Expenses	6,306.27	-	6,306.27	1,505.42	4,800.85
Municipal Court:					
Other Expenses	1,758.40	-	1,758.40	-	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	2,200.00		2,200.00	2,200.00	-
Employee Group Health	25,420.70	563.16	25,983.86	563.16	25,420.70
Health Benefits Waiver	676.78	-	676.78	-	676.78
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS					
OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official:					
Salaries and Wages	217.31	-	217.31	-	217.31
Other Expenses	545.83	67.35	613.18	82.66	530.52
UNCLASSIFIED					
Electricity	4,973.35	-	4,973.35	1,036.89	3,936.46
Street Lighting	4,375.06	-	4,375.06	-	4,375.06
Telecommunications	7,594.58	211.45	7,806.03	211.45	7,594.58
Natural Gas	2,188.91	-	2,188.91	1,617.27	571.64
Gasoline	9,595.99	-	9,595.99	1,225.66	8,370.33
<hr/>					
Total General Operations - Within "CAPS"	210,364.43	48,947.39	259,311.82	91,079.84	168,231.98

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024**

	<u>Balance December 31, 2023</u>		<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbered</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	12,988.90	-	12,988.90	-	12,988.90
Unemployment Insurance (N.J.S.A. 43:21-3 et seq.)	2,219.37	-	2,219.37	-	2,219.37
Defined Contribution Retirement Program	81.99	-	81.99	-	81.99
Total General Appropriations for Municipal Purposes - Within "CAPS"	15,290.26	-	15,290.26	-	15,290.26
Recycling Tax	1,609.46	-	1,609.46	38.01	1,571.45
LOSAP	35,000.00	-	35,000.00	18,832.00	16,168.00
Solid Waste Collection	340.00	-	340.00	-	340.00
Interlocal Municipal Service Agreements:					
Construction Office	10,125.00	-	10,125.00	10,125.00	-
Public Health Services	0.02	-	0.02	-	0.02
Animal Control Services	4,662.36	-	4,662.36	269.00	4,393.36
License Plate Recognition	250.00	-	250.00	-	250.00
Municipal Court Services	-	32,000.00	32,000.00	32,000.00	-
				-	
Total Operations - Excluded from "CAPS"	51,986.84	32,000.00	83,986.84	61,264.01	22,722.83
Capital Improvements:					
Cameras	10,000.00	-	10,000.00	10,000.00	-
Borough Hall Trim Rehab	46,102.12	3,897.88	50,000.00	15,392.90	34,607.10
Beach Rake	15,516.00	-	15,516.00	(59,484.00)	75,000.00
Sunset Park Rehabilitation	5,272.29	126,226.29	131,498.58	131,402.44	96.14
Bin Block	10,000.00	-	10,000.00	-	10,000.00
Bulkheads	50,000.00	-	50,000.00	15,483.00	34,517.00
ATV	1,201.00	-	1,201.00	-	1,201.00
Police Chief Vehicle	-	50,000.00	50,000.00	5,024.63	44,975.37
Alcotest Machine	695.00	19,305.00	20,000.00	19,305.00	695.00
Total Capital Improvements - Excluded from "CAPS"	138,786.41	199,429.17	338,215.58	137,123.97	201,091.61
Total General Appropriation	\$ 416,427.94	\$ 280,376.56	\$ 696,804.50	\$ 289,467.82	\$ 407,336.68

Cash Disbursements	\$ 316,951.82
Accounts Payable	32,000.00
Reimbursement	(59,484.00)
	<u>\$ 289,467.82</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 280,376.55
Increased By:	
Current Appropriations	<u>134,006.43</u>
	414,382.98
Decreased By:	
Transferred to Appropriation Reserves	<u>280,376.56</u>
Balance, December 31, 2024	<u><u>\$ 134,006.42</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
STATEMENT OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$	40,090.13
Increased By:			
Overpayments Created	\$	6,793.02	
Adjustment		<u>15,453.15</u>	<u>22,246.17</u>
			62,336.30
Decreased By:			
Overpayments Applied to Taxes			<u>21,121.15</u>
Balance, December 31, 2024		\$	<u><u>41,215.15</u></u>

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DUE TO/(FROM) STATE AND LOCAL AGENCIES
YEAR ENDED DECEMBER 31, 2024

<u>Description</u>	Balance December 31, <u>2023</u>	Cash <u>Received</u>	Cash <u>Disbursed</u>	Balance December 31, <u>2024</u>
State of New Jersey:				
Marriage Licenses	\$ -	\$ 50.00	\$ -	\$ 50.00
Training Fees	7,555.81	7,430.00	7,038.00	7,947.81
Ocean County Construction Department:				
Plumbing/Fire Sub Code	4,407.55	49,583.20	48,002.90	5,987.85
	<u>\$ 19,506.76</u>	<u>\$ 57,063.20</u>	<u>\$ 55,040.90</u>	<u>\$ 13,985.66</u>

SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2024

	Balance December 31, <u>2023</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2024</u>
Debt Service	\$ 88,828.56	\$ -	\$ -	\$ 88,828.56
Municipal Relief	11,017.66	-	11,017.66	-
	<u>\$ 99,846.22</u>	<u>\$ -</u>	<u>\$ 11,017.66</u>	<u>\$ 88,828.56</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF PREPAID TAXES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 157,936.74
Increased By:	
Prepaid Taxes Collected	<u>298,882.11</u>
	456,818.85
Decreased By:	
Applied To Taxes Receivable	<u>157,936.74</u>
Balance, December 31, 2024	<u><u>\$ 298,882.11</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$	82,175.18
Increased By:			
2024 Tax Levy:			
County Taxes	\$	5,986,443.37	
County Library Taxes		606,311.89	
County Open Space Taxes		254,684.77	
Due To County for Added and Omitted Taxes		<u>132,528.88</u>	
			<u>6,979,968.91</u>
			7,062,144.09
Decreased By:			
Cash Disbursements			<u>6,929,615.21</u>
Balance, December 31, 2024		\$	<u><u>132,528.88</u></u>

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DUE MUNICIPAL OPEN SPACE TRUST FUND
YEAR ENDED DECEMBER 31, 2024

Balance, December 31, 2023		\$	527,700.64
Increased By:			
2024 Tax Levy:			
Open Space Preservation	\$	134,780.82	
Added & Omitted Taxes		<u>2,631.73</u>	
			<u>137,412.55</u>
Balance, December 31, 2024		\$	<u><u>665,113.19</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL TAXES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023:		
School Tax Payable	\$ 16,379.56	
School Tax Deferred	<u>129,374.69</u>	
		\$ 145,754.25
Increased By:		
Levy - July 1, 2024 to June 30, 2025		<u>651,422.00</u>
		797,176.25
Decreased By:		
Cash Disbursements		<u>634,323.75</u>
Balance, December 31, 2024:		
School Tax Payable	33,477.81	
School Tax Deferred	<u>129,374.69</u>	
		<u>\$ 162,852.50</u>
<u>2024 Liability for Regional School Tax</u>		
Tax Payable, December 31, 2024	\$ 33,477.81	
Tax Paid	<u>634,323.75</u>	
		667,801.56
Less:		
Taxes Payable, December 31, 2023	<u>16,379.56</u>	
Amount Charged To 2024 Operations		<u>\$ 651,422.00</u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023:			
School Tax Payable	\$	1,070,924.35	
School Tax Deferred		<u>203,797.14</u>	
	\$		1,274,721.49
Increased By:			
Levy - July 1, 2024 to June 30, 2025			<u>3,466,817.00</u>
			4,741,538.49
Decreased By:			
Cash Disbursements			<u>3,008,130.00</u>
Balance, December 31, 2024:			
School Tax Payable		1,529,611.35	
School Tax Deferred		<u>203,797.14</u>	
	\$		<u><u>1,733,408.49</u></u>
<u>2024 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2024	\$	1,529,611.35	
Tax Paid		<u>3,008,130.00</u>	
			4,537,741.35
Less:			
Tax Payable, December 31, 2023		<u>1,070,924.35</u>	
Amount Charged To 2024 Operations	\$		<u><u>3,466,817.00</u></u>

**BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 78,567.20
Increased By:	
Transfer From Appropriation Reserves	<u>32,000.00</u>
	110,567.20
Decreased By:	
Cancelled	<u>78,567.20</u>
Balance, December 31, 2024	<u><u>\$ 32,000.00</u></u>

**BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
DUE FROM (TO) CURRENT FUND
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 36,613.18
Increased By:	
Cash Receipts by Current Fund - Grants Receivable	<u>104,576.33</u>
	141,189.51
Decreased By:	
Cash Disbursed by Current Fund - Reserve for Grants - Appropriated	<u>111,204.16</u>
Balance, December 31, 2024	<u><u>\$ 29,985.35</u></u>

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

<u>Program</u>	Balance December 31, <u>2023</u>	Revenue Anticipated <u>2024</u>	Transferred From Grants <u>Unappropriated</u>	Cash <u>Received</u>	Balance December 31, <u>2024</u>
<u>Federal Grants:</u>					
COPS In Shops	\$ 480.00	\$ 1,440.00	\$ -	\$ -	\$ 1,920.00
Drive Sober or Get Pulled Over/Drink, Drive, Lose	-	4,840.00	4,840.00	-	-
ARP Firefighter Grant	27,000.00	75,000.00	-	26,321.00	75,679.00
<u>State Grants:</u>					
Bulletproof Vest Partnership	2,171.21	987.64	-	-	3,158.85
Body Worn Camera Grant Program	1,325.00	-	-	-	1,325.00
Body Armor Grant	-	3,684.22	1,753.30	1,104.10	826.82
Clean Communities Program	-	7,151.23	-	7,151.23	-
Recycling Tonnage Grant	-	7,033.29	4,505.34	2,527.95	-
Stormwater Assistance Grant	10,000.00	-	-	-	10,000.00
<u>Local Grants:</u>					
Local Recreation Improvement Grant	70,000.00	68,000.00	-	70,000.00	68,000.00
Ref.	\$ 110,976.21	\$ 168,136.38	\$ 11,098.64	\$ 107,104.28	\$ 160,909.67
	A		A-22	A-4	A

Adopted Budget	\$ 90,893.41
Ch. 159 Budget Amendments	77,242.97
	<u>\$ 168,136.38</u>

Cash Receipt in Grant Fund	\$ 2,527.95
Cash Receipt in Current Fund	104,576.33
	<u>\$ 107,104.28</u>

BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED
YEAR ENDED DECEMBER 31, 2024

Program	Balance December 31, 2023	Transferred From Budget	Transferred From Encumbrances	Expended	Encumbrances	Balance December 31, 2024
<u>Federal Grants:</u>						
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
CDBG Handicapped Equipment for Beach Access - 2022	417.50	-	-	-	-	417.50
COPS in Shops	480.00	1,440.00	-	-	-	1,920.00
Drive Sober or Get Pulled Over/Drink, Drive, Lose	1,570.83	4,840.00	-	-	-	6,410.83
Bulletproof Vest Partnership	3,843.63	987.64	1,333.79	997.58	-	5,167.48
ARP Firefighter Grant	679.00	75,000.00	5,075.00	30,731.00	1,671.05	48,351.95
<u>State Grants:</u>						
Alcohol Education Rehabilitation Program	1,851.88	-	-	-	-	1,851.88
Body Worn Camera Grant Program	18,010.00	-	-	-	-	18,010.00
Body Armor Fund	3,088.25	3,684.22	498.79	997.58	-	6,273.68
Clean Communities Program	26,059.18	7,151.23	-	5,400.00	-	27,810.41
Drunk Driving Enforcement Fund	2,301.47	-	-	224.00	-	2,077.47
Recycling Tonnage Grant	4,371.11	7,033.29	-	2,584.52	-	8,819.88
Stormwater Assistance Grant	25,000.00	-	-	-	-	25,000.00
<u>Local Grants:</u>						
Local Recreation Improvement Grant	-	68,000.00	70,000.00	73,078.00	64,922.00	-
Local Donations - Lifeguard Boat	10,000.00	-	-	-	-	10,000.00
Ref.	\$ 105,212.85	\$ 168,136.38	\$ 76,907.58	\$ 114,012.68	\$ 66,593.05	\$ 169,651.08
	A	A-3	A-4	A-9	A	A
Cash Disbursed by Current Fund				\$ 111,204.16		
Cash Disbursed by Grant Fund				2,808.52		
				<u>\$ 114,012.68</u>		

**BOROUGH OF HARVEY CEDARS
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2024**

<u>Program</u>	Balance December 31, <u>2023</u>	Utilized in <u>2024 Budget</u>	Balance December 31, <u>2024</u>
Recycling Tonnage Grant	\$ 4,505.34	\$ 4,505.34	\$ -
Drive Sober or Get Pulled Over/Drink, Drive, Lose	4,840.00	4,840.00	-
Body Armor Grant	1,753.30	1,753.30	-
	\$ 11,098.64	\$ 11,098.64	\$ -

BOROUGH OF HARVEY CEDARS
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-46
YEAR ENDED DECEMBER 31, 2024

<u>Date Authorized</u>	<u>Improvement Description</u>	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2023</u>	<u>2024 Authorization</u>	<u>Balance Dec. 31, 2024</u>	<u>Balance Raised In Subsequent Year's Budget</u>
8/19/2024	Fish Kills	\$ 65,000.00	\$ -	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
			\$ -	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00

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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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized:		
Amount to be Raised by Taxation	\$ 137,412.55	\$ 134,498.09
Interest Earnings	762.02	-
	<u>138,174.57</u>	<u>134,498.09</u>
Total Revenues	<u>138,174.57</u>	<u>134,498.09</u>
Fund Balance, January 1	<u>852,828.08</u>	<u>718,329.99</u>
Fund Balance, December 31	<u><u>\$ 991,002.65</u></u>	<u><u>\$ 852,828.08</u></u>

**BOROUGH OF HARVEY CEDARS
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Amount to be Raised by Taxation	\$ 134,780.82	\$ 137,412.55	\$ 2,631.73
	<u>\$ 134,780.82</u>	<u>\$ 137,412.55</u>	<u>\$ 2,631.73</u>

**BOROUGH OF HARVEY CEDARS
MUNICIPAL OPEN SPACE TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2024**

	<u>APPROPRIATIONS</u>		<u>PAID OR CHARGED</u>		
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid</u>	<u>Reserved</u>	<u>Cancelled</u>
Reserve for Future Use	\$ 134,780.82	\$ 134,780.82	\$ -	\$ 134,780.82	\$ -
Total Open Space Appropriations	\$ 134,780.82	\$ 134,780.82	\$ -	\$ 134,780.82	\$ -

BOROUGH OF HARVEY CEDARS
TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2024

	Animal <u>Control</u>	Open <u>Space</u>	Trust - <u>Other</u>	<u>Payroll</u>
Balance, December 31, 2023	\$ 281.93	\$ 325,127.43	\$ 448,448.14	\$ 11,857.39
Increased By Receipts:				
Dog License Fees - Borough Share	149.60	-	-	-
Dog License Fees - Due to State	32.40	-	-	-
Due from Trust - Other Fund	-	762.02	-	-
Trust - Other Reserves	-	-	332,725.71	-
Reserve for Payroll Deductions	-	-	-	3,296,536.03
	182.00	762.02	332,725.71	3,296,536.03
	463.93	325,889.45	781,173.85	3,308,393.42
Decreased By Disbursements:				
Animal Control Statutory Excess				
Expenditures Under R.S. 4:19-15.11	32.40	-	-	-
Trust - Other Reserves	-	-	253,956.57	-
Reserve for Payroll Deductions	-	-	-	3,290,747.20
	32.40	-	253,956.57	3,290,747.20
Balance, December 31, 2024	\$ 431.53	\$ 325,889.45	\$ 527,217.28	\$ 17,646.22

**BOROUGH OF HARVEY CEDARS
ANIMAL CONTROL FUND
SCHEDULE RESERVE FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$ 281.93
Increased By:		
Dog License Fees Collected		<u>182.00</u>
		463.93
Decreased By:		
Statutory Excess	\$ 71.53	
Due to State of NJ	<u>32.40</u>	
		<u>103.93</u>
Balance, December 31, 2024		<u><u>\$ 360.00</u></u>

<u>Year</u>	<u>Amount</u>
2022	\$ 167.00
2023	<u>193.00</u>
	<u><u>\$ 360.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ -
Increased By:	
Registration Fees Collected	<u>32.40</u>
	32.40
Decreased By:	
Cash Disbursements	<u>32.40</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

**BOROUGH OF HARVEY CEDARS
TRUST - OTHER FUND
SCHEDULE OF TRUST - OTHER RESERVES
YEAR ENDED DECEMBER 31, 2024**

	Balance December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2024</u>
Recreation Special Activities:				
Trust Fund	\$ 67,471.29	\$ 44,725.94	\$ 70,805.28	\$ 41,391.95
P.O.A.A.	274.00	2.00	-	276.00
Forfeited Funds	6,742.37	1,886.60	-	8,628.97
Cash Bonds	31,267.60	110,000.00	-	141,267.60
Public Defender	95.00	-	-	95.00
Green Acres Trust Fund	31,576.25	-	-	31,576.25
Trust Special	13,466.18	19,743.78	19,843.78	13,366.18
Lifeguard in Training	49,103.62	39,787.20	41,843.89	47,046.93
Inspection Costs	28,434.88	15,451.63	16,573.80	27,312.71
Street Opening Bonds	30,810.00	3,450.00	15,140.00	19,120.00
Traffic Control	73,892.50	64,475.00	81,370.00	56,997.50
Accumulated Absences	92,814.74	10,000.00	8,379.82	94,434.92
Canine Trust	618.50	-	-	618.50
Police Donations	21,881.21	23,203.56	-	45,084.77
	<u>\$ 448,448.14</u>	<u>\$ 332,725.71</u>	<u>\$ 253,956.57</u>	<u>\$ 527,217.28</u>

**BOROUGH OF HARVEY CEDARS
PAYROLL FUND
SCHEDULE OF RESERVE FOR PAYROLL DEDUCTIONS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 11,857.39
Increased By:	
Cash Receipts	<u>3,296,536.03</u>
	3,308,393.42
Decreased By:	
Cash Disbursements	<u>3,290,747.20</u>
Balance, December 31, 2024	<u><u>\$ 17,646.22</u></u>

**BOROUGH OF HARVEY CEDARS
OTHER TRUST FUND
SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$	1,009,519.93
Increased By:			
Appreciation on Investments			<u>184,778.10</u>
			1,194,298.03
Decreased By:			
Withdrawals	\$	11,000.00	
Accounting Charges		<u>1,125.00</u>	
			<u>12,125.00</u>
Balance, December 31, 2024		\$	<u><u>1,182,173.03</u></u>

**BOROUGH OF HARVEY CEDARS
OTHER TRUST FUND
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$	1,009,519.93
Increased By:			
Appreciation on Investments			<u>184,778.10</u>
			1,194,298.03
Decreased By:			
Withdrawals	\$	11,000.00	
Accounting Charges		<u>1,125.00</u>	
			<u>12,125.00</u>
Balance, December 31, 2024		\$	<u><u>1,182,173.03</u></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, 2024**

Balance, December 31, 2023		\$	1,691,006.78
Increased By:			
Capital Improvement Fund	\$	142,500.00	
Grants Receipts		814,644.17	
Premium on Bond Anticipation Notes		6,098.82	
Bond Anticipation Notes		<u>1,515,047.00</u>	
			<u>2,478,289.99</u>
			4,169,296.77
Decreased By:			
Improvement Authorizations		1,803,695.32	
Bond Anticipation Notes Rollover		<u>1,125,047.00</u>	
			<u>2,928,742.32</u>
Balance, December 31, 2024		\$	<u><u>1,240,554.45</u></u>

	Balance		Receipts				Disbursements		Balance	
	December 31, 2023	Budget Appropriation	Grants	Bond Anticipation Notes	Miscellaneous	Improvement Authorization	Excess Financing	Transfers/ Cancellations	December 31, 2024	
Fund Balance	\$ 184,491.67	\$ -	\$ -	\$ -	\$ 6,098.82	\$ -	\$ -	\$ -	\$ 190,590.49	
Grant Receivable	(1,060,097.81)	-	-	-	-	-	-	376,609.17	(683,488.64)	
Reserve For Debt Service	109,631.60	-	-	-	-	-	-	-	109,631.60	
Excess Financing	-	-	-	-	7,842.00	-	-	-	7,842.00	
Reserve for Grants Receivable	760,097.81	-	-	-	-	-	-	(376,609.17)	383,488.64	
Capital Improvement Fund	675,234.03	142,500.00	-	-	-	-	-	(172,513.00)	645,221.03	
Due Utility Capital	204,100.00	-	-	-	-	-	-	-	204,100.00	
Due Current Fund	(24,154.35)	-	-	-	-	-	-	-	(24,154.35)	
Ordinance Number										
	Improvement Authorizations									
12-02/13-08/13-11										
11-15	Amend Ord 2007-16, Acquisition of Easements	(1,227.88)	-	-	-	-	-	-	(1,227.88)	
17-08	Certain Capital Improvements	6,444.54	-	-	-	-	-	-	6,444.54	
17-22	Reconstruction of Holly Avenue	32,023.35	-	-	-	1,194.99	-	-	30,828.36	
18-15	Improvements to 85th and 86th Street	(0.39)	-	-	-	-	-	-	(0.39)	
18-15	Improvements to Holly Avenue	83,043.95	-	-	-	1,195.03	-	-	81,848.92	
19-09	Repair and Maintenance of Benches	78,387.70	-	-	-	1,195.03	-	-	77,192.67	
19-13	Improvements to Cedar Ave	30,038.64	-	-	-	1,195.03	-	-	28,843.61	
20-10	Certain Capital Improvements	16,678.98	-	-	-	1,195.03	-	-	16,678.98	
21-04	Improvements to Various Roads	134,609.50	-	-	-	1,195.03	-	-	133,414.47	
21-14	Certain Capital Improvements	5,123.81	-	-	-	-	-	-	5,123.81	
21-18	Improvements to Various Roads	1,080.00	-	-	-	-	-	-	1,080.00	
22-03	Certain Capital Improvements	379.45	-	-	-	-	-	-	379.45	
22-05/23-12/24-18	Improvements to Downtown Streetscape	(65,895.94)	-	354,652.50	200,000.00	608,702.03	-	-	(119,945.47)	
22-14	Certain Capital Improvements	83,899.30	-	-	-	-	-	-	83,899.30	
22-22	Storm Water Drainage Improvements	7,850.00	-	-	-	-	-	-	7,850.00	
22-23	Improvements to Various Roads	416,768.82	-	157,842.00	-	351,535.55	7,842.00	-	215,233.27	
23-13	Improvements to Various Roads	12,500.00	-	-	90,000.00	82,676.78	-	-	19,823.22	
24-03	Improvements to Downtown Streetscape - Phase 2	-	-	302,149.67	100,000.00	468,643.05	-	-	(66,493.38)	
24-04	Beach Replenishment Project	-	-	-	-	40,013.00	-	40,013.00	-	
24-07/24-22	Various Drainage and Stormwater Improvements	-	-	-	-	47,468.84	-	-	12,500.00	
24-08	Various Park Improvements	-	-	-	-	198,680.96	-	-	37,500.00	
24-13	Various Road Improvements	-	-	-	-	-	-	70,000.00	70,000.00	
24-26	Various Capital Improvements	-	-	-	-	-	-	12,500.00	12,500.00	
		\$ 1,691,006.78	\$ 142,500.00	\$ 814,644.17	\$ 390,000.00	\$ 13,940.82	\$ 1,803,695.32	\$ 7,842.00	\$ 1,240,554.45	

BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2024

Improvement Authorizations	Ordinance Number	Balance December 31, 2023	2024 Authorized	Cash Receipts	Bond Anticipation Note Paid By Budget	Cancelled	Balance December 31, 2024	Analysis of Balance			
								Bond Anticipation Notes	Excess Financing	Expenditures	Unexpended Improvement Authorizations
Acquisition of Easements for Public Access	07-16/08-15/09-01/10-01/10-19/10-24/11-11/12-02/13-08	\$ 993,644.56	\$ -	\$ -	\$ -	\$ -	\$ 993,644.56	\$ -	\$ -	\$ 1,227.88	992,416.68
Reconstruction of Holly Avenue	17-08	124,641.00	-	-	79,675.00	-	44,966.00	44,966.00	-	-	-
Improvements to 85th and 86th Streets	17-22	197,367.39	-	-	13,158.00	-	184,209.39	184,209.00	-	0.39	-
Improvements to Holly Avenue	18-15	129,240.36	-	-	5,264.00	-	123,976.36	84,208.00	-	-	39,768.36
Repair and Maintenance of Beaches	19-09	364,422.00	-	-	31,539.00	-	332,883.00	315,383.00	-	-	17,500.00
Improvements to Cedar Ave	19-13	117,485.75	-	-	3,880.00	-	113,605.75	62,063.00	-	-	51,542.75
Improvements to Various Roads	21-04	295,576.70	-	-	11,485.00	-	284,091.70	206,715.00	-	-	77,376.70
Improvements to Downtown Streetscape	22-05/23-12/24-18	750,000.00	200,000.00	354,652.50	-	-	595,347.50	277,503.00	-	198,402.63	119,441.87
Improvements to Various Roads	23-03	300,000.00	-	157,842.00	-	-	142,158.00	150,000.00	(7,842.00)	-	-
Improvements to Various Roads	23-13	237,500.00	-	-	-	-	237,500.00	90,000.00	-	-	147,500.00
Improvements to Downtown Streetscape Phase 2	24-03	-	900,000.00	302,149.67	-	-	597,850.33	100,000.00	-	80,560.61	417,289.72
Beach Replenishment Project	24-04	-	2,660,000.00	-	-	2,660,000.00	-	-	-	-	-
Various Drainage and Stormwater Improvements	24-07/24-22	-	237,500.00	-	-	-	237,500.00	-	-	40,565.55	196,934.45
Various Park Improvements	24-08	-	712,500.00	-	-	-	712,500.00	-	-	374,192.00	338,308.00
Various Capital Improvements	24-26	-	237,500.00	-	-	-	237,500.00	-	-	-	237,500.00
		\$ 3,509,877.76	\$ 4,947,500.00	\$ 814,644.17	\$ 145,001.00	\$ 2,660,000.00	\$ 4,837,732.59	\$ 1,515,047.00	\$ (7,842.00)	\$ 694,949.06	\$ 2,635,578.53

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes - Issued:

Ordinance 17-08
Ordinance 18-15
Ordinance 19-09
Ordinance 19-13
Ordinance 21-04
Ordinance 23-03
Ordinance 23-13

\$ 3,216,950.30

\$ 30,828.36
81,848.92
77,192.67
28,843.61
133,414.47
209,556.77
19,686.97

581,371.77

\$ 2,635,578.53

BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2024

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2023	Increase	Decrease	Balance December 31, 2024
17-08	Reconstruction of Holly Avenue	11/9/17	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	\$ 124,641.00 -	\$ - 44,966.00	\$ 124,641.00 -	\$ - 44,966.00
17-22	Improvements to 85th and 86th Streets	11/9/17	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	197,367.00 -	- 184,209.00	197,367.00 -	- 184,209.00
18-15	Reconstruction of Holly Avenue	11/7/19	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	89,472.00 -	- 84,208.00	89,472.00 -	- 84,208.00
19-09	Repair and Maintenance of Beaches	11/6/20	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	346,922.00 -	- 315,383.00	346,922.00 -	- 315,383.00
19-13	Improvements to Cedar Ave	11/6/20	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	65,943.00 -	- 62,063.00	65,943.00 -	- 62,063.00
21-04	Various Road Improvements	11/5/21	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	218,200.00 -	- 206,715.00	218,200.00 -	- 206,715.00
22-05/23-12/24-18	Improvements to Downtown Streetscape	11/7/19	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	77,503.00 -	- 277,503.00	77,503.00 -	- 277,503.00
23-03	Various Road Improvements	8/2/23	8/2/23 4/30/24	5/1/24 4/30/25	4.75% 5.00%	150,000.00 -	- 150,000.00	150,000.00 -	- 150,000.00
23-13	Various Road Improvements	4/30/24	4/30/24	4/30/25	5.00%	-	90,000.00	-	90,000.00
24-03	Improvements to Downtown Streetscape - Phase 2	4/30/24	4/30/24	4/30/25	5.00%	-	100,000.00	-	100,000.00
						\$ 1,270,048.00	\$ 1,515,047.00	\$ 1,270,048.00	\$ 1,515,047.00

Renewal		
Issued - Cash Receipts	\$ 1,125,047.00	\$ 1,125,047.00
Paid By Budget Appropriation	390,000.00	-
	-	145,001.00
	\$ 1,515,047.00	\$ 1,270,048.00

BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2024

Improvement Authorizations	Ordinance Number	Balance December 31, 2023		2024 Authorizations	Encumbrances Reclassified	Paid (Reimbursed)	Encumbered	Cancelled	Balance December 31, 2024	
		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	\$ -	\$ 992,416.68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 992,416.68
Certain Capital Improvements	11-15	6,444.54	-	-	-	-	-	-	6,444.54	-
Improvements to Holly Avenue	17-08	-	32,023.35	-	-	1,194.99	-	-	-	30,828.36
Improvements to Holly Avenue	18-15	-	122,812.31	-	-	1,195.03	-	-	-	121,617.28
Repair and Maintenance of Beaches	19-09	-	95,887.70	-	-	1,195.03	-	-	-	94,692.67
Improvements to Cedar Ave	19-13	-	81,581.39	-	-	1,195.03	-	-	-	80,386.36
Certain Capital Improvements	20-10	16,678.98	-	-	-	-	-	-	16,678.98	-
Improvements to Various Roads	21-04	-	211,986.20	-	-	1,195.03	-	-	-	210,791.17
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	379.45	-	-	-	-	-	-	379.45	-
Improvements to Downtown Streetscape	22-05/23-12/24-18	-	52,387.82	200,000.00	554,213.24	608,702.03	78,457.16	-	-	119,441.87
Certain Capital Improvements	22-14	83,517.20	-	-	382.10	-	-	-	83,899.30	-
Storm Water Drainage Improvements	22-22	7,850.00	-	-	-	-	-	-	7,850.00	-
Improvements to Various Roads	23-03	-	566,768.82	-	-	351,535.55	5,676.50	-	-	209,556.77
Improvements to Various Roads	23-13	-	168,382.00	-	81,618.00	82,676.78	136.25	-	-	167,186.97
Improvements to Downtown Streetscape Phase 2	24-03	-	-	900,000.00	-	468,643.05	14,067.23	-	-	417,289.72
Beach Replenishment Project	24-04	-	-	2,800,000.00	-	40,013.00	-	2,759,987.00	-	-
Various Drainage and Stormwater Improvements	24-07/24-22	-	-	250,000.00	-	47,468.84	5,596.71	-	-	196,934.45
Various Park Improvements	24-08	-	-	750,000.00	-	198,680.96	213,011.04	-	-	338,308.00
Various Capital Improvements	24-13	-	-	70,000.00	-	-	70,000.00	-	-	-
Various Capital Improvements	24-26	-	-	250,000.00	-	-	3,419.60	-	9,080.40	237,500.00
Ref.		C	C	C	C	C	C	C-8	C	C
		\$ 121,073.98	\$ 2,324,246.27	\$ 5,220,000.00	\$ 636,213.34	\$ 1,803,695.32	\$ 390,364.49	\$ 2,759,987.00	\$ 130,536.48	\$ 3,216,950.30

Deferred Charges - Unfunded Capital Improvement Fund

\$ 4,947,500.00

272,500.00

\$ 5,220,000.00

**BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 675,234.03
Increased By:	
2024 Budget Appropriation	\$ 142,500.00
Cancel Ordinance 2024-04	<u>99,987.00</u>
	<u>242,487.00</u>
	917,721.03
Decreased By:	
Utilized To Finance Improvement Authorizations	<u>272,500.00</u>
Balance, December 31, 2024	<u><u>\$ 645,221.03</u></u>

**SCHEDULE OF RESERVE FOR DEBT SERVICE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023 & 2024	<u><u>\$ 109,631.60</u></u>
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**SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 1,060,097.81
Increased By:	
Ordinance 2024-03	<u>438,035.00</u>
	1,498,132.81
Decreased By:	
Cash Receipt	<u>814,644.17</u>
Balance, December 31, 2024	<u><u>\$ 683,488.64</u></u>
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	118,217.50
Ordinance 2023-03	260,698.00
Ordinance 2024-03	<u>135,885.33</u>
	<u><u>\$ 683,488.64</u></u>

BOROUGH OF HARVEY CEDARS
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2024

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	<u>Balance December 31, 2023</u>	<u>2024 Authorization</u>	<u>Bond Anticipation Notes Issued</u>	<u>Cancelled</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2024</u>
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	77,376.70	-	-	-	-	77,376.70
22-05/23-12/24-18	Improvements to Downtown Streetscape	672,497.00	200,000.00	200,000.00	-	354,652.50	317,844.50
23-03	Improvements to Various Roads	150,000.00	-	-	-	150,000.00	-
23-13	Improvements to Various Roads	237,500.00	-	90,000.00	-	-	147,500.00
24-03	Improvements to Downtown Streetscape Phase 2	-	900,000.00	100,000.00	-	302,149.67	497,850.33
24-04	Beach Replenishment Project	-	2,660,000.00	-	2,660,000.00	-	-
24-07/24-22	Various Drainage and Stormwater Improvements	-	237,500.00	-	-	-	237,500.00
24-08	Various Park Improvements	-	712,500.00	-	-	-	712,500.00
24-26	Various Capital Improvements	-	237,500.00	-	-	-	237,500.00
		<u>\$ 2,239,829.76</u>	<u>\$ 4,947,500.00</u>	<u>\$ 390,000.00</u>	<u>\$ 2,660,000.00</u>	<u>\$ 806,802.17</u>	<u>\$ 3,330,527.59</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, 2024

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2023	\$ 602,744.56	\$ 76,755.77
Increased By Receipts:		
Miscellaneous Income	\$ 40,055.82	\$ -
Water Utility Rents	1,093,755.85	-
Sewer Utility Rents	413,074.45	-
Overpayments	1,231.94	-
Cancel Stale Reconciling Items	20,372.59	
Bond Anticipation Notes	-	975,000.00
Bond Anticipation Note Premium	-	8,413.11
Capital Improvement Fund	-	80,000.00
	<u>1,568,490.65</u>	<u>1,063,413.11</u>
	2,171,235.21	1,140,168.88
Decreased By Disbursements:		
2024 Budget Appropriations	1,431,870.08	-
2023 Appropriation Reserves	41,886.86	-
Improvement Authorization	-	1,036,695.23
	<u>1,473,756.94</u>	<u>1,036,695.23</u>
Balance, December 31, 2024	<u><u>\$ 697,478.27</u></u>	<u><u>\$ 103,473.65</u></u>

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF ANALYSIS OF WATER-SEWER UTILITY CAPITAL FUND CASH
YEAR ENDED DECEMBER 31, 2024

	Balance December 31, 2023	Receipts		Disbursements	Balance December 31, 2024
		Budget Appropriation	Bond Anticipation Notes		
			Miscellaneous		
Capital Improvement Fund	\$ 265,954.00	\$ 80,000.00	\$ -	\$ -	\$ 345,954.00
Due To/(From) General Capital	(204,100.00)	-	-	-	(204,100.00)
Fund Balance	67,074.46	-	8,413.11	-	75,487.57
Ordinance Number	Improvement Authorizations				
12-11/14-05/14-07/14-16	10,356.74	-	-	-	10,356.74
15-11	23,883.20	-	-	1,195.04	22,688.16
16-03	4,694.92	-	-	1,195.04	3,499.88
17-05/22-18	(216,539.87)	-	-	999,392.17	(1,215,932.04)
17-09	43.46	-	-	44.33	(0.87)
18-03	106,586.61	-	-	1,195.04	105,391.57
21-01	9,326.77	-	-	-	9,326.77
21-13	9,475.48	-	-	-	9,475.48
24-05	-	-	975,000.00	33,673.61	941,326.39
	\$ 76,755.77	\$ 80,000.00	\$ 983,413.11	\$ 1,036,695.23	\$ 103,473.65

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$ 36,190.43
Increased By:		
2024 Water Rents Levied		<u>1,132,120.79</u>
		1,168,311.22
Decreased By:		
Cash Collections	\$ 1,093,755.85	
Overpayments Applied	<u>1,295.08</u>	
		<u>1,095,050.93</u>
Balance, December 31, 2024		<u><u>\$ 73,260.29</u></u>

**SCHEDULE OF WATER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$ 4,449.62
Increased By:		
Overpayments		<u>1,231.94</u>
		5,681.56
Decreased By:		
Applied to Current Year Rents		<u>1,295.08</u>
Balance, December 31, 2024		<u><u>\$ 4,386.48</u></u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF SEWER CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$ 26,558.88
Increased By:		
2024 Sewer Rents Levied		<u>441,978.09</u>
		468,536.97
Decreased By:		
Cash Collections	\$ 413,074.45	
Overpayments Applied	<u>5,524.45</u>	
		<u>418,598.90</u>
Balance, December 31, 2024		<u><u>\$ 49,938.07</u></u>

**SCHEDULE OF SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023		\$ -
Increased By:		
Transferred from Current Year Rents		<u>5,524.45</u>
		5,524.45
Decreased By:		
Adjustment	\$ 363.38	
Applied to Current Year Rents	<u>5,161.07</u>	
		<u>5,524.45</u>
Balance, December 31, 2024		<u><u>\$ -</u></u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2024**

	Balance, December 31, <u>2023</u>	Paid By <u>Utility Operating</u>	Transfer Completed <u>Projects</u>	Balance, December 31, <u>2024</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	205,026.69	6,919.27	-	211,945.96
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
Improvements to Salem Avenue Water Plant	-	-	300,000.00	300,000.00
	<u>\$ 7,883,560.27</u>	<u>\$ 6,919.27</u>	<u>\$ 300,000.00</u>	<u>\$ 8,190,479.54</u>

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2024

Ordinance Number	Purpose	Ordinance		Balance December 31, 2023	Increased	Transfer to Completed	Balance December 31, 2024
		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
17-05/22-18/24-06	Installation of a Well and Related Improvements	2/21/17	3,325,000.00	1,825,000.00	1,500,000.00	-	3,325,000.00
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
24-05	Watermain Replacement and Repairs	3/18/24	975,000.00	-	975,000.00	-	975,000.00
				\$ 3,753,609.50	\$ 2,475,000.00	\$ 300,000.00	\$ 5,928,609.50

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2023 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2024

<u>Appropriation</u>	<u>Balance December 31, 2023</u>		<u>Balance After Transfers</u>	<u>Expended</u>	<u>Accounts Payable</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
Operating:						
Salaries and Wages	\$ 24,445.07	\$ -	\$ 24,445.07	\$ -	\$ -	\$ 24,445.07
Other Expenses	20,069.66	32,475.48	52,545.14	35,300.57	-	17,244.57
Capital Improvements:						
Capital Outlay	6,100.00	-	6,100.00	-	-	6,100.00
Meters/ERTS	25,018.40	8,634.16	33,652.56	4,086.76	-	29,565.80
Fire Hydrant Replacement Program	12,000.00	-	12,000.00	940.94	-	11,059.06
Water Plants	60,000.00	-	60,000.00	1,558.59	58,441.41	-
Watermains	-	177.50	177.50	-	-	177.50
Statutory Expenditures:						
Social Security System (O.A.S.I.)	1,342.71	-	1,342.71	-	-	1,342.71
Unemployment Compensation Insurance	372.55	-	372.55	-	-	372.55
	<u>\$ 149,348.39</u>	<u>\$ 41,287.14</u>	<u>\$ 190,635.53</u>	<u>\$ 41,886.86</u>	<u>\$ 58,441.41</u>	<u>\$ 90,307.26</u>

EXHIBIT D-13

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY OPERATING
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 41,287.14
Increased By:	
Current Appropriations	<u>32,840.05</u>
	74,127.19
Decreased By:	
Transfer to Appropriation Reserves	<u>41,287.14</u>
Balance, December 31, 2024	<u><u>\$ 32,840.05</u></u>

EXHIBIT D-14

**WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM GENERAL CAPITAL
YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023 and 2024	<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, 2024**

Balance, December 31, 2023	\$ 27,678.63
Increased By:	
Budget Appropriation	<u>93,902.95</u>
	121,581.58
Decreased By:	
Cash Disbursements	<u>50,709.48</u>
Balance, December 31, 2024	<u><u>\$ 70,872.10</u></u>

Analysis of Balance - December 31, 2024

	Outstanding December 31, <u>2024</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Note	2,089,953.00	5.00%	4/30/2024	12/31/2024	245 Days	\$ 69,665.10
Loan	65,000.00	4.375%	8/1/2024	12/31/2024	5 Months	<u>1,207.00</u>
						<u><u>\$ 70,872.10</u></u>

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2024

Ordinance	Original Issue Date	Improvement Description	Date of Issue	Date of Maturity	Interest Rate	Balance December 31,		Balance December 31, 2024	
						2023	2024		
15-11	12/4/15	Improvements to 80th Street Water Plant	8/2/23	5/24/24	4.30%	\$ 188,076.00	\$ -	\$ 188,076.00	
			4/30/24	4/30/25	5.00%	-	33,361.00	-	33,361.00
16-03	11/10/16	Acquisition of Utility Truck and Related Expenses	8/2/23	5/24/24	4.30%	24,885.00	-	24,885.00	
			4/30/24	4/30/25	5.00%	-	18,662.00	-	18,662.00
16-08	11/10/16	Improvements to 77th Street Water Well	8/2/23	5/24/24	4.30%	9,930.00	-	9,930.00	
			4/30/24	4/30/25	5.00%	-	9,516.00	-	9,516.00
17-05	11/7/19	Installation of a Well and Related Improvements	8/2/23	5/24/24	4.30%	438,606.00	-	438,606.00	
			4/30/24	4/30/25	5.00%	-	432,909.00	-	432,909.00
17-09	11/9/17	Improvements to the Salem Avenue Water Plant	8/2/23	5/24/24	4.30%	269,227.00	-	269,227.00	
			4/30/24	4/30/25	5.00%	-	261,534.00	-	261,534.00
18-03	11/8/18	Repairs to 80th Street Water Plant	8/2/23	5/24/24	4.30%	369,228.00	-	369,228.00	
			4/30/24	4/30/25	5.00%	-	358,971.00	-	358,971.00
24-05	4/30/24	Watermain Replacement and Repairs	4/30/24	4/30/25	5.00%	-	975,000.00	-	975,000.00
						\$ 1,299,952.00	\$ 2,089,953.00	\$ 1,299,952.00	\$ 2,089,953.00
Renewal						\$ 1,114,953.00	\$ 1,114,953.00		
Issued - Cash Receipts						975,000.00	-		
Paid by Budget Appropriation						-	184,999.00		
						\$ 2,089,953.00	\$ 1,299,952.00		

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS
YEAR ENDED DECEMBER 31, 2024

<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, 2023</u>	<u>Decreases</u>	<u>Balance December 31, 2024</u>
Trust Loan	\$ 850,000.00	11/01/05	8/01/25	65,000.00	4.375%	\$ 125,000.00	\$ 60,000.00	\$ 65,000.00
Fund Loan	826,634.00	11/01/05	2/01/25 8/01/25	902.60 42,164.84	0.00% 0.00%	84,627.04	41,559.60	43,067.44
						<u>\$ 209,627.04</u>	<u>\$ 101,559.60</u>	<u>\$ 108,067.44</u>

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2024

Ordinance Number	Purpose	Ordinance		December 31, 2023		2024		December 31, 2024		
		Date	Amount	Funded	Unfunded	Authorization	Paid	Encumbered	Funded	Unfunded
12-11/14-05/ 14-07/14-16	Improvements to Elevated Water Tank	11/02/12-9/5/14	\$ 755,000.00	\$ -	\$ 10,606.74	\$ -	\$ -	-	\$ 10,356.74	\$ 250.00
15-11	Improvements to 80th Street Water Plant	11/10/15	300,000.00	-	23,883.20	-	1,195.04	-	-	22,688.16
16-03	Acquisition of Utility Truck and Related Expenses	4/1/16	56,000.00	-	4,694.92	-	1,195.04	-	-	3,499.88
17-05/22-18/24-06	Installation of a Well and Related Improvements	2/21/17	1,125,000.00	-	1,158,460.13	1,500,000.00	999,392.17	1,301,518.27	-	357,549.69
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	-	106,587.54	-	1,195.04	-	-	105,392.50
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	-
24-05	Watermain Replacement and Repairs	3/18/24	975,000.00	-	-	975,000.00	33,673.61	9,998.57	-	931,327.82
				\$ 18,802.25	\$ 1,304,276.86	\$2,475,000.00	\$1,036,695.23	\$ 1,311,516.84	\$ 29,158.99	\$ 1,420,708.05

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 265,954.00
2024 Budget Appropriations	<u>80,000.00</u>
Balance, December 31, 2024	<u><u>\$ 345,954.00</u></u>

**SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 7,966,656.43
Increased By:	
Transferred From Deferred Reserve	
For Amortization	\$ 580,682.50
Purchased by Operating Fund	6,919.27
Bond Anticipation Notes Paid	184,999.00
Infrastructure Trust Loans Paid	<u>101,559.60</u>
	<u>874,160.37</u>
Balance, December 31, 2024	<u><u>\$ 8,840,816.80</u></u>

**BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023	\$ 785,682.50
Decreased By:	
Transferred To Reserve for Amortization	<u>580,682.50</u>
Balance as of December 31, 2024	<u><u>\$ 205,000.00</u></u>

	<u>Analysis of Balance</u>
Ordinance Number	
12-11/14-05/14-07/14-16	\$ 37,500.00
21-01	150,000.00
21-13	<u>17,500.00</u>
	<u><u>\$ 205,000.00</u></u>

BOROUGH OF HARVEY CEDARS
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2024

<u>Ordinance Number</u>	<u>Purpose</u>	Balance December 31, 2023	Increased	Decreased	Balance December 31, 2024
12-11/14-05/14-07/14-16	Improvements to Elevated Water Tank	\$ 250.00	\$ -	\$ -	\$ 250.00
17-05/22-18/24-06	Installation of a Well and Related Improvements	1,375,000.00	1,500,000.00	-	2,875,000.00
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
24-05	Watermain Replacement and Repairs	-	975,000.00	975,000.00	-
		<u>\$ 1,375,251.80</u>	<u>\$ 2,475,000.00</u>	<u>\$ 975,000.00</u>	<u>\$ 2,875,251.80</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, 2024**

	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>
Land	\$ 926,392.47	\$ -	\$ -	\$ 926,392.47
Land Improvements	500,288.00	31,598.00	-	531,886.00
Buildings and Improvements	1,506,982.00	64,433.00	-	1,571,415.00
Machinery and Equipment	1,714,001.00	117,834.00	-	1,831,835.00
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,647,663.47	\$ 213,865.00	\$ -	\$ 4,861,528.47
	<hr/>	<hr/>	<hr/>	<hr/>

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BOROUGH OF HARVEY CEDARS

PART II

SINGLE AUDIT SECTION

FOR THE YEAR ENDED DECEMBER 31, 2024

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

The Honorable Mayor and Members
of the Board of Commissioners
Borough of Harvey Cedars
County of Ocean
Harvey Cedars, New Jersey 08008

Report on Compliance for Each State Program

Opinion on Each Major State Program

We have audited the Borough of Harvey Cedars' compliance with the types of compliance requirements identified as subject to audit in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Borough of Harvey Cedars' major state programs for the year ended December 31, 2024. The Borough of Harvey Cedars' major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Harvey Cedars complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2024.

Basis for Opinion on Each State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and New Jersey OMB's Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 opinion on compliance for each state program. Our audit does not provide a legal determination of the Borough of Harvey Cedars' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Borough of Harvey Cedars' state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Harvey Cedars' compliance based on our audit. 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 New Jersey OMB's Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Harvey Cedars' compliance with the requirements of each state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Borough of Harvey Cedars' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Harvey Cedars' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Harvey Cedars' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB's Circular 15-08. Accordingly, this report 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
June 29, 2025

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BOROUGH OF HARVEY CEDARS
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR YEAR ENDED DECEMBER 31, 2024

<u>State Grantor/ Pass-Through Grantor/ Program Title</u>	<u>State Account Number</u>	<u>Grant Period</u>	<u>Grant Award State Share</u>	<u>Program Expenditures</u>	<u>Passed Through to Subrecipients</u>	<u>Total Assistance Expended</u>	<u>Cumulative Expenditures</u>
New Jersey Department of Environmental Protection:							
<u>Direct Awards:</u>							
Clean Communities	4900-765-042-004	Various	\$ 7,151.23	\$ 5,400.00	\$ -	\$ 5,400.00	\$ 5,400.00
Recycling Tonnage Grant	4910-100-042-224	Various	7,033.29	2,584.52	-	2,584.52	2,584.52
Total Department of Environmental Protection				7,984.52	-	7,984.52	7,984.52
New Jersey Department of Transportation:							
Municipal Aid Formula and Discretionary Aid:							
Ord. #2018-15 - Holly Avenue Project II	218-480-078-6320	Various	150,000.00	1,195.03	-	1,195.03	127,154.86
Ord. #2019-13 - Cedar Avenue Project	2019-480-078-6320	Various	226,297.00	1,195.03	-	1,195.03	219,099.08
Ord. #2022-05 - Streetscapes	2022-480-078-6320	Various	472,870.00	374,068.22	-	374,068.22	472,870.00
Ord. #2023-03 - Various Road Improvements	2023-480-078-6320	Various	418,540.00	351,535.55	-	351,535.55	384,766.73
Ord. #2024-03 - Streetscapes Phase II	2024-480-078-6320	Various	438,035.00	438,035.00	-	438,035.00	438,035.00
Total Department of Transportation				1,166,028.83	-	1,166,028.83	1,641,925.67
New Jersey Department of Law & Public Safety:							
Body Armor Replacement Fund							
Drunk Driving Enforcement Fund	1020-718-066-001	Various	1,104.10	997.58	-	997.58	997.58
	6400-100-078-001	Various	2,301.47	224.00	-	224.00	224.00
Total Department of Law and Public Safety				1,221.58	-	1,221.58	1,221.58
Total Expenditures of State Financial Assistance			\$ 1,175,234.93	\$ -	\$ -	\$ 1,175,234.93	\$ 1,651,131.77

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BOROUGH OF HARVEY CEDARS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance present the activity of all state financial assistance programs of the Borough of Harvey Cedars. The Borough is defined in Note 1 of the basic financial statements. The information in this schedule is presented in accordance with the requirements of New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of state financial assistance is presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1. The amounts shown as current year expenditures represent only the state grant portion of the program costs. Such expenditures are recognized following the cost principles contained in State of New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Expenditures from awards were made in current and prior years and are reported in the Borough's financial statements as follows:

	State	Total
State & Federal Grant Fund	\$ 9,206.10	\$ 9,206.10
General Capital Fund	<u>1,166,028.83</u>	<u>1,166,028.83</u>
Total	<u>\$ 1,175,234.93</u>	<u>\$ 1,175,234.93</u>

Note 4. Relationship to State Financial Reports

The regulations and guidelines governing the preparation of state financial reports vary by state agency and among programs administered by the same agencies. Accordingly, the amounts reported in the state financial reports do not necessarily agree with the amounts reported in the accompanying Schedule, which is prepared on the modified accrual basis of accounting as explained in Note 2.

Note 5. State Loans Outstanding

The Borough had no loan balances outstanding at December 31, 2024.

Note 6. Contingencies

Each of the grantor agencies reserves the right to conduct additional audits of the Borough's grant program for economy, efficiency and program results. However, the Borough administration does not believe such audits would result in material amounts of disallowed costs.

BOROUGH OF HARVEY CEDARS
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2024

Note 7. Major Programs

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

**BOROUGH OF HARVEY CEDARS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section I - Summary of Auditor's Results

Financial Statements

	Adverse -GAAP
Type of auditor's report issued	<u>Unmodified- Regulatory Basis</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u> X </u> no

Federal Awards - Not Applicable

State Financial Assistance

Dollar threshold used to determine Type A programs	<u>\$750,000.00</u>
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no
Internal control over major programs:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Significant deficiency(ies) identified?	_____ yes <u> X </u> no
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08?	_____ yes <u> X </u> no
Identification of major programs:	

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>480-078-6320-XXX</u>	<u>NJ DOT - Municipal Aid</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

**BOROUGH OF HARVEY CEDARS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section II – Financial Statement Findings

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

N/A – No Federal Single Audit

STATE FINANCIAL ASSISTANCE

None.

**BOROUGH OF HARVEY CEDARS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2024**

This section identifies the status of prior year findings related to the financial statements and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, and New Jersey OMB's Circular 15-08.

FINANCIAL STATEMENT FINDINGS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE

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

FEDERAL AWARDS

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

BOROUGH OF HARVEY CEDARS

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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OFFICIALS IN OFFICE

The following officials were in office at December 31, 2024:

<u>Name of Officials</u>	<u>Title</u>
John M. Imperiale	Mayor
Paul G. Rice	Commissioner
Joseph F. Gieger	Commissioner
Christine Lisiewski	Municipal Clerk
Rebecca Wessler	Chief Financial Officer Tax Collector
Stacey Kerr	Municipal Court Judge
Chelsea Havens	Court Administrator
Christopher Hackett	Assessor
William Hering, Jr., Esq.	Attorney
Owen, Little & Associates	Engineer

During 2024, 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 08008

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, 2024.

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 year ended December 31, 2024.

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 January 1, 2024 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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 Borough Council 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 Borough Council 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

Lakewood, New Jersey
June 29, 2025