

Report of Audit

on the

Financial Statements

of the

Borough of Spring Lake Heights

in the

County of Monmouth
New Jersey

for the

Year Ended
December 31, 2023

BOROUGH OF SPRING LAKE HEIGHTS

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BOROUGH OF SPRING LAKE HEIGHTS

PART I

INDEPENDENT AUDITOR'S REPORT ON
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REPORT ON INTERNAL CONTROL OVER FINANCIAL
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NOTES TO FINANCIAL STATEMENTS - REGULATORY BASIS

SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2023 AND 2022



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights
County of Monmouth
Spring Lake Heights, New Jersey 07762

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Spring Lake Heights (the "Borough"), as of and for the years ended December 31, 2023 and 2022, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Matter Giving Rise to Adverse Opinion" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2023.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2023 and 2022, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") as described in Note 1.

Basis for Adverse and Unmodified Opinions

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

Matter Giving Rise to Adverse Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

SUPLEE, CLOONEY & COMPANY LLC

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

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

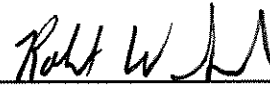
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 31, 2024



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

The Honorable Mayor and Members
of the Borough Council
Borough of Spring Lake Heights
County of Monmouth
Spring Lake Heights, New Jersey 07762

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Spring Lake Heights, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated May 31, 2024. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Spring Lake Heights prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



REGISTERED MUNICIPAL ACCOUNTANT NO. 439

May 31, 2024

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CURRENT FUND

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2023 and 2022

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Current Fund:			
Cash and Cash Equivalents	1-A	\$ 5,466,232.72	\$ 4,708,465.44
Change Fund	2-A	<u>655.00</u>	<u>655.00</u>
		\$ <u>5,466,887.72</u>	\$ <u>4,709,120.44</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	4-A	\$ 222,969.56	\$ 183,365.96
Tax Title Liens Receivable	5-A	75,813.16	67,441.16
Property Maintenance Liens		7,793.84	7,793.84
Property Acquired for Taxes - Assessed Valuation	14-A	28,900.00	28,900.00
Interfunds Receivable	13-A	7,623.61	
Revenue Accounts Receivable	6-A	<u>21,794.92</u>	<u>21,794.24</u>
		\$ <u>364,895.09</u>	\$ <u>309,295.20</u>
		\$ <u>5,831,782.81</u>	\$ <u>5,018,415.64</u>
Federal and State Grants:			
Cash and Cash Equivalents	1-A	\$ 130,679.22	\$ 159,777.36
Due from Current Fund	A		768.59
Grants Receivable	19-A	<u>807,907.53</u>	<u>674,646.00</u>
		\$ <u>938,586.75</u>	\$ <u>835,191.95</u>
Total Assets		\$ <u><u>6,770,369.56</u></u>	\$ <u><u>5,853,607.59</u></u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2023 and 2022

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Appropriation Reserves	A-3,8-A	\$ 330,146.87	\$ 225,803.14
Encumbrances Payable	9-A	63,819.75	64,164.35
Prepaid Taxes	10-A	196,205.35	183,128.38
Accounts Payable		20,881.23	35,380.28
County Taxes Payable	11-A	18,306.92	14,366.85
Local District School Tax Payable	12-A	3,399,180.00	3,269,154.00
Interfunds Payable	13-A		1,287.16
Tax Overpayments	15-A		3,020.19
Due To:			
State of New Jersey	17-A	3,285.00	4,331.00
State of New Jersey - Seniors' and and Veterans' Deductions	3-A		1,993.35
Reserve for SCART	7-A		2,405.00
Various Reserves	18-A	<u>81,506.03</u>	<u>67,277.70</u>
		<u>\$ 4,113,331.15</u>	<u>\$ 3,872,311.40</u>
Reserve for Receivables and Other Assets	A	\$ 364,895.09	\$ 309,295.20
Fund Balance	A-1	<u>1,353,556.57</u>	<u>836,809.04</u>
		<u>\$ 1,718,451.66</u>	<u>\$ 1,146,104.24</u>
		<u>\$ 5,831,782.81</u>	<u>\$ 5,018,415.64</u>
Federal and State Grants:			
Due to Current Fund	13-A	\$ 6,311.00	\$
Reserve for Encumbrances	20-A	262,075.00	
Reserve for Appropriated Grants	20-A	469,380.81	388,466.82
Reserve for Unappropriated Grants	21-A	819.94	446,725.13
Due to Utility Capital Fund	A	<u>200,000.00</u>	
		<u>\$ 938,586.75</u>	<u>\$ 835,191.95</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,770,369.56</u>	<u>\$ 5,853,607.59</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS

December 31, 2023 and 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	A-2	\$ 100,000.00	\$ 575,000.00
Miscellaneous Revenue Anticipated	A-2	2,168,718.80	1,357,440.22
Receipts From Delinquent Taxes	A-2	183,365.96	193,896.11
Non-Budget Revenue	A-2	41,360.54	41,951.08
Receipt From Current Taxes	A-2	20,123,744.74	19,271,455.16
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	8-A	108,628.89	178,589.28
Federal & State Appropriated Grants Canceled	20-A	6,311.00	
Due State of N.J. - Senior Citizens and Veterans Payable Canceled	3-A	1,993.35	
Total Revenue and Other Income Realized		<u>22,734,123.28</u>	<u>21,618,331.85</u>
Expenditures:			
Budget Appropriations Within "CAPS":			
Operations:			
Salaries and Wages	A-3	3,248,303.00	3,129,602.00
Other Expenses	A-3	2,391,630.00	2,149,850.00
Deferred Charges and Statutory Expenditures	A-3	957,554.67	886,084.00
Appropriations Excluded From "CAPS":			
Operations:			
Salaries and Wages	A-3	116,491.63	20,000.00
Other Expenses	A-3	792,980.89	657,112.94
Capital Improvements	A-3	75,000.00	75,000.00
Municipal Debt Service	A-3	514,843.08	683,015.95
Deferred Charges	A-3	56,734.86	
County Taxes	11-A	3,946,180.82	3,763,752.45
County Share of Added Taxes	11-A	18,306.92	14,366.85
Local District School Taxes	12-A	9,807,630.00	9,521,242.00
Municipal Open Space Tax	16-A	181,312.67	154,695.50
Refund Prior Years Revenues	1-A	2,797.43	9,796.56
Interfunds Advanced		7,609.78	
Total Expenditures		<u>22,117,375.75</u>	<u>21,064,518.25</u>
Excess in Revenue		616,747.53	553,813.60
Fund Balance, January 1	A	836,809.04	857,995.44
		<u>1,453,556.57</u>	<u>1,411,809.04</u>
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	100,000.00	575,000.00
Fund Balance, December 31	A	<u>\$ 1,353,556.57</u>	<u>\$ 836,809.04</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2023

	Reference	Budget	Special N.J.S 40A: 4-87	Realized	Excess/ (Deficit)
Surplus Anticipated	A-1	\$ 100,000.00		\$ 100,000.00	
Miscellaneous Revenues:					
Alcoholic Beverages	6-A	\$ 20,000.00		\$ 20,000.00	
Fees and Permits	A-2,A-6	70,000.00		79,858.22	9,858.22
Municipal Court	6-A	20,000.00		21,377.89	1,377.89
Interest and Costs on Taxes	6-A	39,000.00		48,515.60	9,515.60
Interest on Investments and Deposits	6-A	15,000.00		137,623.11	122,623.11
Energy Receipts Tax	6-A	402,085.00		402,085.26	0.26
Municipal Relief Funds Reserved	18-A	20,830.34		20,830.34	
Uniform Construction Code Fees	6-A	100,000.00		151,652.00	51,652.00
Spring Lake Heights School -					
Ground Maintenance	6-A	20,000.00		20,000.00	
Manasquan Tax Collector Interlocal	6-A	41,151.00		41,151.00	
Uniform Fire Safety Act	6-A	5,000.00		7,481.37	2,481.37
Uniform Fire Safety Act (Local Fees)	6-A	400.00		505.00	105.00
Cable TV Franchise Fees	6-A	70,166.00		70,166.00	
Cell Tower Fees	6-A	128,765.06		153,414.02	24,648.96
Fiber Optic Franchise Fees	6-A	33,430.93		33,430.93	
Open Space Debt Contribution	6-A	75,000.00		75,000.00	
Local Recreation Improvement	19-A		69,000.00	69,000.00	
Local Recreation Improvement 2	19-A		30,000.00	30,000.00	
American Rescue Funds	6-A	445,956.54		445,956.54	
Recycling Tonnage	19-A		12,860.58	12,860.58	
Hazardous Discharge Site Remediation 2	19-A		96,119.10	96,119.10	
Stormwater Assistance	19-A		15,000.00	15,000.00	
CY23 NJDOT 6th Avenue	19-A		201,750.00	201,750.00	
Clean Communities	19-A		14,941.84	14,941.84	
Total Miscellaneous Revenues	A-1:19-A	\$ 1,506,784.87	\$ 439,671.52	\$ 2,168,718.80	\$ 222,262.41
Receipts From Delinquent Taxes	A-1	\$ 150,000.00		\$ 183,365.96	\$ 33,365.96
Property Taxes for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2:4-A	\$ 6,322,205.66		\$ 6,535,314.33	\$ 213,108.67
Budget Totals		\$ 8,078,990.53	\$ 439,671.52	\$ 8,987,399.09	\$ 468,737.04
Non-Budget Revenue	A-1,A-2			\$ 41,360.54	\$ 41,360.54
Total General Revenues	A-3	\$ 8,078,990.53	\$ 439,671.52	\$ 9,028,759.63	\$ 510,097.58

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

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2023

	<u>Reference</u>	
<u>Analysis of Realized Revenue</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,4-A	\$ 20,123,744.74
School, County and Special District Taxes	11-A,12-A,16-A	<u>13,953,430.41</u>
Balance for Support of Municipal Budget Appropriations		6,170,314.33
Add: "Appropriation Reserve for Uncollected Taxes"	A-3	<u>365,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 6,535,314.33</u>
Fees and Permits - Other:		
Housing Certificate of Occupancy		\$ 35,975.00
Zoning Fees		10,860.00
Registrar Fees		1,862.00
Planning Board Fees		10,542.22
Board of Health Fees		7,249.00
Raffle License		2,200.00
Community Center Rental		10,900.00
Property Lists		<u>270.00</u>
	A-2	<u>\$ 79,858.22</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2023

Reference

Miscellaneous Revenue Not Anticipated:		
Police Fees		\$ 4,440.00
Garage Sale		200.00
Copier Fees		27.00
Street Openings		5,100.00
Cost of Sale/Advertising Fees		1,439.49
Senior Citizen & Veteran Administrative Fees		815.00
Bid Spec Fees		450.00
Insurance Reimbursement		7,978.08
Sale of Municipal Assets		9,314.71
Miscellaneous		<u>10,297.48</u>
		40,061.76
Statutory Excess - Animal Control Fees		<u>1,298.78</u>
		\$ <u><u>41,360.54</u></u>
Analysis:		
Cash Receipts	1-A	\$ 40,061.76
Interfunds	13-A	<u>1,298.78</u>
		\$ <u><u>41,360.54</u></u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS"					
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 90,000.00	\$ 98,000.00	\$ 97,493.76	\$ 506.24	\$
Other Expenses	80,000.00	97,500.00	92,766.38	4,733.62	
Mayor and Council:					
Salaries and Wages	21,000.00	18,250.00	17,999.28	250.72	
Other Expenses	2,000.00	2,000.00	42.98	1,957.02	
Municipal Clerk:					
Salaries and Wages	165,000.00	139,000.00	138,790.28	209.72	
Other Expenses	35,000.00	35,000.00	31,359.70	3,640.30	
Financial Administration (Treasury):					
Salaries and Wages	35,000.00	28,500.00	27,639.03	860.97	
Other Expenses	60,000.00	67,500.00	66,929.94	570.06	
Audit Services:					
Other Expenses	25,000.00	24,930.00	24,930.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	65,000.00	51,000.00	50,460.17	539.83	
Other Expenses	30,000.00	35,000.00	28,570.16	6,429.84	
Tax Assessment Administration:					
Salaries and Wages	45,000.00	39,000.00	37,931.97	1,068.03	
Other Expenses	3,000.00	3,000.00	1,930.68	1,069.32	
Assessment PILOT	14,000.00	14,000.00	8,726.00	5,274.00	
Department of Law:					
Other Expenses	110,000.00	110,000.00	93,627.82	16,372.18	
Division of Engineering:					
Salaries and Wages	60,000.00	60,000.00	51,356.25	8,643.75	
Other Expenses	2,500.00	2,500.00	886.00	1,614.00	

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS" (Continued)					
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	\$ 7,000.00	\$ 7,000.00	\$ 6,485.26	\$ 514.74	\$
Other Expenses	30,000.00	30,000.00	17,948.58	12,051.42	
Beautification Committee:					
Other Expenses	1,000.00				
Zoning /Code Enforcement:					
Salaries and Wages	60,000.00	62,000.00	60,649.01	1,350.99	
Other Expenses	2,500.00	2,500.00		2,500.00	
INSURANCE					
Group Insurance	637,800.00	637,800.00	625,218.82	12,581.18	
Workmen's Compensation	215,000.00	215,000.00	215,000.00		
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	1,800,000.00	1,800,000.00	1,753,125.02	46,874.98	
Other Expenses	100,000.00	100,000.00	99,233.59	766.41	
Emergency Management Services:					
Salaries and Wages	6,000.00	6,000.00	4,961.50	1,038.50	
Other Expenses	8,500.00	8,500.00	7,531.48	968.52	
First Aid Contributions	25,000.00	25,000.00	25,000.00		
Fire Safety Act:					
Salaries and Wages	15,000.00	15,000.00	14,397.75	602.25	
Other Expenses	2,000.00	2,000.00	191.00	1,809.00	

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
GENERAL APPROPRIATIONS					
Operations - Within "CAPS" (Continued)					
Prosecutor's Office:					
Salaries and Wages	\$ 17,000.00	\$ 16,250.00	\$ 15,833.25	\$ 416.75	\$
Other Expenses	1,000.00	1,000.00		1,000.00	
Municipal Court:					
Salaries and Wages	22,000.00	18,500.00	18,049.62	450.38	
Other Expenses	1,500.00	1,500.00	1,470.00	30.00	
Public Defender					
Other Expenses	2,500.00	2,500.00	2,500.00		
Fire Department					
Other Expenses	95,000.00	95,000.00	93,518.13	1,481.87	
Volunteer Fire Contributions	65,000.00	65,000.00	65,000.00		
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	875,000.00	861,001.00	829,983.78	31,017.22	
Other Expenses	25,000.00	22,500.00	16,325.60	6,174.40	
Streets and Roads Other Expense	25,000.00	32,500.00	13,876.55	18,623.45	
Solid Waste Collection:					
Other Expenses	5,500.00	5,500.00	4,078.14	1,421.86	
Buildings and Grounds:					
Other Expenses	80,000.00	76,000.00	71,622.74	4,377.26	
Vehicle Maintenance:					
Other Expenses	90,000.00	100,000.00	94,815.01	5,184.99	
Snow Removal					
Salaries and Wages	15,000.00	15,000.00	15,000.00		
Other Expenses	15,000.00	35,000.00	35,000.00		

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Budget After Modifications	Expended		Unexpended Balance Cancelled
	Original Budget			Paid or Charged	Reserved	
GENERAL APPROPRIATIONS						
Operations - Within "CAPS" (Continued)						
HEALTH AND HUMAN SERVICES (CONTINUED)						
Public Health Services (Board of Health):						
Salaries and Wages	\$ 1,800.00	\$	1,800.00	\$ 1,492.85	\$ 307.15	\$
Other Expenses	300.00		300.00	117.24	182.76	
Environmental Health Services:						
Other Expenses	1,500.00		1,500.00	1,462.76	37.24	
Animal Control Services:						
Other Expenses	6,000.00		6,000.00	3,901.00	2,099.00	
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	11,000.00		12,000.00	11,786.79	213.21	
Other Expenses	11,000.00		10,000.00	6,109.72	3,890.28	
Accumulated Leave Compensation	1.00		1.00		1.00	
UTILITY EXPENSE AND BULK PURCHASES						
Utilities	270,000.00		280,000.00	261,654.23	18,345.77	
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Sanitary Landfill:						
Other Expenses	250,000.00		245,000.00	199,143.56	45,856.44	
Salary and Wage Adjustment	1.00		1.00		1.00	
Total Operations Within "CAPS"	5,638,402.00		5,639,833.00	5,363,923.38	275,909.62	
Contingent	100.00		100.00		100.00	
Total Operations including Contingent Within "CAPS"	5,638,502.00		5,639,933.00	5,363,923.38	276,009.62	
Detail:						
Salaries and Wages	3,310,802.00		3,248,303.00	3,153,435.57	94,867.43	
Other Expenses	2,327,700.00		2,391,630.00	2,210,487.81	181,142.19	

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System	\$ 190,127.67	\$ 190,127.67	\$ 190,127.67	\$ 8,366.01	\$
Social Security System (O.A.S.I.)	235,000.00	234,570.00	226,203.99		
Police and Firemen's Retirement System of NJ	532,858.00	532,857.00	532,857.00		
DCRP - Employer Contribution	1,000.00				
Total Deferred and Statutory Expenditures - Municipal - Within "CAPS"	958,985.67	957,554.67	949,188.66	8,366.01	
Total General Appropriations for Municipal Purposes Within "CAPS"	6,597,487.67	6,597,487.67	6,313,112.04	284,375.63	
Operations Excluded from "CAPS"					
Stormwater Management:	2,400.00	2,400.00		2,400.00	
Recycling Tax	5,500.00	5,500.00	5,500.00		
Reserve for Tax Appeals	500.00	500.00		500.00	
LOSAP First Aid	14,000.00	14,000.00		14,000.00	
LOSAP Fire Company	38,000.00	38,000.00	34,788.75	3,211.25	
Total Other Operations Excluded From "CAPS"	60,400.00	60,400.00	40,288.75	20,111.25	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Southern Monmouth Community Alliance To Prevent Alcoholism and Drug Abuse - Other Expenses	4,400.00	4,400.00		4,400.00	
Shared Services - Monmouth County Transportation Other Expenses	3,600.00	3,600.00	2,418.00	1,182.00	
County of Monmouth - Public Safety Awareness: Other Expenses	2,000.00	2,000.00		2,000.00	

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Budget After Modifications	Expended		Unexpended Balance Cancelled
	Original Budget			Paid or Charged	Reserved	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS (CONTINUED)						
Spring Lake Heights - BOE - Grounds Maintenance:	\$	20,000.00	\$ 15,000.00	\$ 15,000.00	\$	
Salaries and Wages		4,250.00	4,250.00	4,250.00		
Facilities Charge		58,000.00	63,000.00	62,636.08	363.92	
Monmouth County Regional Health Commission		126,000.00	126,000.00	126,000.00		
Belmar - Dispatch Services		65,000.00	68,526.96	68,526.96		
Spring Lake - Construction		75,000.00	75,000.00	68,459.00	6,541.00	
Shared Services - Municipal Court - Other Expenses		41,151.00	37,624.04	31,823.50	5,800.54	
Manasquan Tax Collector Services		399,401.00	399,401.00	379,113.54	20,287.46	
Total Interlocal Municipal Service Agreements						
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Matching Funds for Grants		10,000.00	10,000.00	4,627.47	5,372.53	
Hazard Discharge Remediation (Ch. 159)			96,119.10	96,119.10		
Local Recreational Improvement (Ch. 159)			30,000.00	30,000.00		
Clean Communities Program (Ch. 159)			14,941.84	14,941.84		
Recycling Tonnage Grant (Ch. 159)			12,860.58	12,860.58		
Local Recreation Improvement (Ch 159)			69,000.00	69,000.00		
NJDOT 6th Ave (Ch. 159)			201,750.00	201,750.00		
Stormwater Assistance (Ch. 159)			15,000.00	15,000.00		
Total Public and Private Programs Offset by Revenues		10,000.00	449,671.52	444,298.99	5,372.53	
Total Operations - Excluded From "CAPS"		469,801.00	909,472.52	863,701.28	45,771.24	
Detail:						
Salaries and Wages		30,000.00	111,119.10	111,119.10	5,372.53	
Other Expenses		439,801.00	798,353.42	752,582.18	40,398.71	

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$	
Total Capital Improvements - Excluded From "CAPS"	75,000.00	75,000.00	75,000.00		
Municipal Debt Service - Excluded From "CAPS"					
Payment of Bond Principal	135,000.00	135,000.00	135,000.00		
Interest on Bonds	18,600.00	18,600.00	18,600.00		
Payment of Bond Anticipation Notes Principal	105,000.00	105,000.00	105,000.00		
Interest on Notes	166,367.00	166,367.00	166,367.00		
Capital Lease Obligations Approved Prior to 7/1/2007 Principal and Interest- Fire	90,000.00	90,000.00	89,876.08		123.92
Total Municipal Debt Service - Excluded From "CAPS"	514,967.00	514,967.00	514,843.08		123.92
Deferred Charges - Municipal - Excluded From "CAPS"					
Capital Ordinance 10-08	50,004.83	50,004.83	50,004.83		
Capital Ordinance 15-10	6,230.03	6,230.03	6,230.03		
Capital Ordinance 17-11	500.00	500.00	500.00		
Total Deferred Charges - Municipal - Excluded From "CAPS"	56,734.86	56,734.86	56,734.86		
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	1,116,502.86	1,556,174.38	1,510,279.22	45,771.24	123.92
Subtotal General Appropriations	7,713,990.53	8,153,662.05	7,823,391.26	330,146.87	123.92

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Reserve for Uncollected Taxes	\$ 365,000.00	\$ 365,000.00	\$ 365,000.00	\$	
Total General Appropriations	\$ 8,078,990.53	\$ 8,518,662.05	\$ 8,188,391.26	\$ 330,146.87	\$ 123.92
	Reference	A-2	A-2	A-1	A
Budget as Adopted	A-2	\$ 8,078,990.53			
Appropriation by 40A-4-87	A-2	439,671.52			
		\$ 8,518,662.05			
Analysis of Paid or Charged:					
Cash Disbursements (Net)	1-A		\$ 7,315,272.52		
Reserve for Uncollected Taxes	A-2		365,000.00		
Transferred to:					
Encumbrances Payable	9-A		63,819.75		
Grants - Appropriated	20-A		444,298.99		
			\$ 8,188,391.26		

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

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TRUST FUND

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2023 and 2022

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	1-B	\$ <u>4,855.78</u>	\$ <u>3,423.83</u>
		<u>4,855.78</u>	<u>3,423.83</u>
Other Trust Funds:			
Cash	1-B	<u>751,017.72</u>	<u>486,781.56</u>
		<u>751,017.72</u>	<u>486,781.56</u>
Unemployment Compensation Trust Fund:			
Cash	1-B	<u>21,877.80</u>	<u>20,406.95</u>
		<u>21,877.80</u>	<u>20,406.95</u>
Payroll Fund:			
Cash	1-B	<u>4,715.32</u>	<u>4,850.66</u>
		<u>4,715.32</u>	<u>4,850.66</u>
Total Assets		\$ <u><u>782,466.62</u></u>	\$ <u><u>515,463.00</u></u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

BALANCE SHEET - REGULATORY BASIS

December 31, 2023 and 2022

<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Due to Current Fund	7-B	\$ 1,298.78	\$
Reserve For Animal Control Fund Expenditures	3-B	<u>3,557.00</u>	<u>3,423.83</u>
		<u>4,855.78</u>	<u>3,423.83</u>
Other Trust Funds:			
Due To Current Fund	7-B	13.83	
Various Trust Fund Reserves	4-B	<u>751,003.89</u>	<u>486,781.56</u>
		<u>751,017.72</u>	<u>486,781.56</u>
Unemployment Compensation Trust Fund:			
Reserve for Unemployment Compensation	5-B	<u>21,877.80</u>	<u>20,406.95</u>
		<u>21,877.80</u>	<u>20,406.95</u>
Payroll Fund:			
Due To Various Agencies	6-B	<u>4,715.32</u>	<u>4,850.66</u>
		<u>4,715.32</u>	<u>4,850.66</u>
Total Liabilities and Reserves		\$ <u><u>782,466.62</u></u>	\$ <u><u>515,463.00</u></u>

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

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GENERAL CAPITAL FUND

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

BALANCE SHEET- REGULATORY BASIS

December 31, 2023 and 2022

<u>Assets</u>	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	1-C,2-C	\$ 1,020,978.48	\$ 757,020.75
Deferred Charges To Future Taxation:			
Funded	3-C	440,000.00	575,000.00
Unfunded	4-C	<u>5,096,254.06</u>	<u>5,257,988.92</u>
		6,557,232.54	6,590,009.67
Est Proceeds of Bonds & Notes Authorized but not Issued	12-C	<u>168,254.06</u>	<u>699,988.92</u>
Total Assets		\$ <u>6,725,486.60</u>	\$ <u>7,289,998.59</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Serial Bonds Payable	5-C	\$ 440,000.00	\$ 575,000.00
Improvement Authorizations:			
Funded	7-C	47,026.99	24,454.11
Unfunded	7-C	778,347.90	980,725.25
Capital Improvement Fund	8-C	78,015.63	3,015.63
Bond Anticipation Notes	11-C	4,928,000.00	4,558,000.00
Reserve for Encumbrances	10-C	153,874.00	348,412.75
Reserve for:			
Debt Service	6-C	37,937.76	37,937.76
Reserve for Various Capital Improvements	9-C	14,058.12	12,159.12
Fund Balance	1-C	<u>79,972.14</u>	<u>50,305.05</u>
		6,557,232.54	6,590,009.67
Proceeds of Bonds & Notes Authorized but not issued	12-C	<u>168,254.06</u>	<u>699,988.92</u>
Total Liabilities, Reserves and Fund Balance		\$ <u>6,725,486.60</u>	\$ <u>7,289,998.59</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE-REGULATORY BASIS

Years Ended December 31, 2022 and 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 50,305.05
Increased By:		
Premium on Bond Anticipation Notes Received	1-C	<u>29,667.09</u>
Balance, December 31, 2023	C	<u>\$ 79,972.14</u>

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

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WATER/SEWER UTILITY FUND

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Reference</u>	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
<u>Assets</u>			
Operating Fund:			
Cash and Cash Equivalents	1-D	\$ 432,306.05	\$ 428,776.47
Due from Current Fund	14-D		518.57
Due from Water-Sewer Utility Operating Fund	14-D		22,625.00
Receivables With Full Reserves:			
Consumer Accounts Receivable	3-D	53,863.48	71,574.02
Water/Sewer Liens	4-D	11,848.43	10,873.43
		<u>65,711.91</u>	<u>82,447.45</u>
Total Operating Fund		\$ <u>498,017.96</u>	\$ <u>534,367.49</u>
Capital Fund:			
Cash and Cash Equivalents	1-D,2-D	\$ 2,333,245.02	\$ 1,780,266.93
Due from Grant Fund	18-D	200,000.00	
Fixed Capital	5-D	3,488,699.47	3,488,699.47
Fixed Capital Authorized and Uncompleted	6-D	<u>7,207,125.00</u>	<u>7,207,125.00</u>
Total Capital Fund		<u>13,229,069.49</u>	<u>12,476,091.40</u>
Total Assets		\$ <u>13,727,087.45</u>	\$ <u>13,010,458.89</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

<u>Liabilities, Reserves and Fund Balances</u>	<u>Reference</u>	BALANCE DECEMBER 31, 2023	BALANCE DECEMBER 31, 2022
Operating Fund:			
Appropriation Reserves	D-4,7-D	\$ 52,003.31	\$ 151,240.55
Overpayments	9-D	8,267.18	13,189.53
Encumbrances Payable	8-D	2,810.00	3,817.12
Reserve for PCB Settlement Fund	20-D	17,414.03	
Accrued Interest on Bonds and Notes	15-D	55,646.09	32,515.92
		<u>136,140.61</u>	<u>200,763.12</u>
Reserve for Receivables	D	65,711.91	82,447.45
Fund Balance	D-1	296,165.44	251,156.92
		<u>361,877.35</u>	<u>333,604.37</u>
Total Operating Fund		\$ 498,017.96	\$ 534,367.49
Capital Fund:			
Bond Anticipation Notes	17-D	4,673,000.00	3,773,000.00
Improvement Authorizations:			
Funded	11-D	129,924.41	135,552.42
Unfunded	11-D	3,141,572.30	3,308,941.44
Capital Improvement Fund	10-D	34,285.62	34,285.62
Due to Water-Sewer Utility Operatng Fund	14-D		22,625.00
Reserve for Amortization	12-D	3,635,781.25	3,635,781.25
Deferred Reserve for Amortization	13-D	1,387,043.22	1,287,043.22
Reserve for Encumbrances	16-D	171,850.84	220,878.64
Reserve to Pay Debt Service	2-D	3,145.91	3,145.91
Reserve for Various Utility Capital Improvements	18-D	49,106.01	51,477.97
Fund Balance	2-D,D-2	3,359.93	3,359.93
		<u>13,229,069.49</u>	<u>12,476,091.40</u>
Total Capital Fund		13,229,069.49	12,476,091.40
Total Liabilities, Reserves and Fund Balances		\$ 13,727,087.45	\$ 13,010,458.89

There were bonds and notes authorized but not issued at December 31, 2023 of \$1,000,000.00 and December 31, 2022 of \$2,000,000.00.

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS

Years Ended December 31, 2023 and 2022

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	\$ 184,000.00	\$ 120,000.00
Water and Sewer Rents and Charges	D-3	2,334,875.26	2,309,345.52
Non-Budget Revenue	D-3	44,501.52	14,323.17
Other Credits To Income:			
Unexpended Balance of Appropriation Reserves	7-D	149,631.74	73,462.85
Total Revenue		<u>\$ 2,713,008.52</u>	<u>\$ 2,517,131.54</u>
Expenditures:			
Operating	D-4	2,135,500.00	2,154,088.05
Debt Service	D-4	260,000.00	116,000.00
Statutory Expenditures	D-4	88,500.00	89,911.95
Total Expenditures		<u>\$ 2,484,000.00</u>	<u>\$ 2,360,000.00</u>
Excess in Revenue		229,008.52	157,131.54
Fund Balance, January 1	D	251,156.92	214,025.38
		<u>\$ 480,165.44</u>	<u>\$ 371,156.92</u>
Decreased By:			
Utilized as Anticipated Revenue	3-D	184,000.00	120,000.00
Fund Balance, December 31	D	<u>\$ 296,165.44</u>	<u>\$ 251,156.92</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS

Years Ended December 31, 2023 and 2022

	<u>Reference</u>	
Balance, December 31, 2022 and 2023	D,2-D	\$ <u>3,359.93</u>

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

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS

Year Ended December 31, 2023

		<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 184,000.00	\$ 184,000.00	
Water & Sewer Rents	D-1	2,300,000.00	2,334,875.26	34,875.26
Miscellaneous Revenue Not Anticipated	D-1,D-3	<u> </u>	<u>44,501.52</u>	<u>44,501.52</u>
		<u>\$ 2,484,000.00</u>	<u>\$ 2,563,376.78</u>	<u>\$ 79,376.78</u>
	<u>Reference</u>	D-4		
<u>Analysis of Water Rents</u>				
Collections	1-D,3-D		\$ 2,321,685.73	
Overpayments Applied	9-D,3-D		<u>13,189.53</u>	
	D-3		<u>\$ 2,334,875.26</u>	
<u>Analysis of Miscellaneous Revenue Not Anticipated</u>				
Interest on Investments			\$ 36,374.00	
Interest on Rents			5,521.64	
Other			<u>2,605.88</u>	
	D-3,1-D		<u>\$ 44,501.52</u>	

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

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Year Ended December 31, 2023

	Reference	Appropriations				Cancelled
		Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Operating:						
Salaries and Wages		\$ 400,000.00	\$ 390,829.50	\$ 348,727.17	\$ 42,102.33	
Other Expenses		350,000.00	380,000.00	372,284.42	7,715.58	
NJSWA Raw Water Charge		150,000.00	142,599.66	142,599.66		
NJSWA Treat/Trans Charge		540,000.00	530,636.00	530,636.00		
South Monmouth Regional Sewer Authority		700,000.00	683,434.84	683,434.84		
Wall Twp. Sewer Charges		8,000.00	8,000.00	6,770.70	1,229.30	
Total Operating	D-1	<u>2,148,000.00</u>	<u>2,135,500.00</u>	<u>2,084,452.79</u>	<u>51,047.21</u>	
Debt Service:						
Payment on Bond Anticipation Notes		100,000.00	100,000.00	100,000.00		
Interest on Notes		140,000.00	160,000.00	160,000.00		
Total Debt Service	D-1	<u>240,000.00</u>	<u>260,000.00</u>	<u>260,000.00</u>		
Statutory Expenditures:						
Contributions To:						
Public Employees' Retirement System		50,000.00	50,000.00	50,000.00		
Social Security System (O.A.S.I.)		45,000.00	37,500.00	36,543.90	956.10	
Unemployment Insurance		1,000.00	1,000.00	1,000.00		
Total Statutory Expenditures	D-1	<u>96,000.00</u>	<u>88,500.00</u>	<u>87,543.90</u>	<u>956.10</u>	
Total Water/Sewer Utility Appropriations		<u>\$ 2,484,000.00</u>	<u>\$ 2,484,000.00</u>	<u>\$ 2,431,996.69</u>	<u>\$ 52,003.31</u>	
	Reference	D-3		D,D-1		
Cash Disbursements	1-D			\$ 2,269,186.69		
Encumbrances Payable	8-D			2,810.00		
Accrued Interest on Bonds and Notes	15-D			160,000.00		
				<u>\$ 2,431,996.69</u>		

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

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GENERAL FIXED ASSET ACCOUNT GROUP

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

December 31, 2023 and 2022

	BALANCE DECEMBER <u>31, 2023</u>	BALANCE DECEMBER <u>31, 2022</u>
Fixed Assets:		
Land	\$ 16,456,500.00	\$ 16,456,500.00
Buildings	2,719,000.00	2,719,000.00
Machinery and Equipment	<u>5,529,271.70</u>	<u>5,360,612.20</u>
<u>Total Fixed Assets</u>	<u>\$ 24,704,771.70</u>	<u>\$ 24,536,112.20</u>
Reserve:		
Investments in General Fixed Assets	<u>\$ 24,704,771.70</u>	<u>\$ 24,536,112.20</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF SPRING LAKE HEIGHTS

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023 AND 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Spring Lake Heights is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Except as noted below, the financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough do not include the operations of the local school district, first aid organization, volunteer fire organization or library, inasmuch as their activities are administered by a separate board.

B. Description of Funds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

The accounting policies of the Borough of Spring Lake Heights conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Spring Lake Heights are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity.

As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account groups:

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

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

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

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

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

C. Basis of Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenues when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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 revenues when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

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

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

Fixed Capital - Water/Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water/Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property, equipment and improvements. The utility does not record depreciation on fixed assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions

Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

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

The New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions and Benefits' reporting on GASB 68. As of the date of this report, the information for the period ended June 30, 2023 was not available; therefore, the information dated June 30, 2022 is disclosed.

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

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

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

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension and Benefits reporting on GASB 75. As of the date of this report the information for the period ended June 30, 2023 was not available, therefore the information dated June 30, 2022 is disclosed.

Leases

Under GAAP, lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Payments are recorded as an inflow of resources in the period the payment is received. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized in a systematic and rational manner over the lease term.

Lease liabilities represent obligations to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of the expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Payments for short-term leases with a term of 12 months or less are expensed as incurred and these leases are not included as lease liabilities or right -to-use assets on the statements of net position.

New Jersey's municipalities do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording lease receivables, deferred outflows, lease liabilities or deferred inflows on their balance sheets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Recently Adopted Accounting Pronouncements

Beginning with the year ended December 31, 2023, the Borough implemented GASB Statement 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

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

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Borough of Spring Lake Heights had the following cash and cash equivalents at December 31, 2023:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$11,121,972.81	(\$956,064.70)		\$10,165,908.11
Change Funds			\$655.00	655.00
	<u>\$11,121,972.81</u>	<u>(\$956,064.70)</u>	<u>\$655.00</u>	<u>\$10,166,563.11</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2023, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on deposit in the bank of \$11,121,972.81, \$250,000.00 was covered by Federal Depository Insurance and \$10,871,972.81 was covered under the provisions of NJGUDPA.

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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

As of December 31, 2023, the Borough had no investments.

Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risk for its investments nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

Long-Term Debt

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

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2023</u>	<u>YEAR 2022</u>	<u>YEAR 2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$5,368,000.00	\$5,133,000.00	\$3,794,000.00
Water/Sewer Utility:			
Bonds and Notes	4,673,000.00	3,773,000.00	2,973,000.00
Net Debt Issued	\$10,041,000.00	\$8,906,000.00	\$6,767,000.00
Less: Reserve to Pay Bonds	37,937.76	37,937.76	37,937.76
	<u>\$10,003,062.24</u>	<u>\$8,868,062.24</u>	<u>\$6,729,062.24</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	\$168,254.06	\$699,988.92	\$1,174,988.92
Water/Sewer Utility:			
Bonds and Notes	1,000,000.00	2,000,000.00	2,900,000.00
Total Authorized but not Issued	\$1,168,254.06	\$2,699,988.92	\$4,074,988.92
Net Bonds and Notes Issued and and Authorized but not issued	<u>\$11,171,316.30</u>	<u>\$11,568,051.16</u>	<u>\$10,804,051.16</u>

SUMMARY OF STATUTORY DEBT CONDITION (ANNUAL DEBT STATEMENT)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.333%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$8,870,000.00	\$8,870,000.00	-0-
Water Sewer Utility Debt	5,673,000.00	5,673,000.00	-0-
General Debt	5,536,254.06	37,937.76	5,498,316.30
	<u>\$20,079,254.06</u>	<u>\$14,580,937.76</u>	<u>\$5,498,316.30</u>

NET DEBT \$5,498,316.30 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,652,406,606.33 EQUALS 0.333%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

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

Equalized Valuation Basis* - December 31, 2023	\$1,652,406,606.33
3-1/2 of Equalized Valuation Basis	57,834,231.22
Net Debt	<u>5,498,316.30</u>
Remaining Borrowing Power	<u><u>\$52,335,914.92</u></u>

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

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER/SEWER UTILITY
PER N.J.S. 40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$ 2,527,002.78
Deductions:	
Operating and Maintenance Cost	\$ 2,224,000.00
Debt Service	<u>260,000.00</u>
Total Deductions	<u>2,484,000.00</u>
Excess in Revenue	\$ <u><u>43,002.78</u></u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2023

<u>CALENDAR YEAR</u>	<u>PUBLIC IMPROVEMENT</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2024	145,000.00	13,200.00	158,200.00
2025	145,000.00	8,850.00	153,850.00
2026	<u>150,000.00</u>	<u>4,500.00</u>	<u>154,500.00</u>
	<u>\$440,000.00</u>	<u>\$26,550.00</u>	<u>\$466,550.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

Long-Term Debt (Continued)

The Public Improvement Bond issues are comprised of the following:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2023</u>
\$1,740,000.00 in General Improvement Bonds dated December 1, 2011, due in remaining annual installments ranging between \$145,000.00 and \$150,000.00 beginning December 1, 2024 and ending December 1, 2026 with interest from 3.00% to 4.00%	<u>\$440,000.00</u>

Short-Term Debt

The Borough had the following Bond Anticipation Notes outstanding at December 31, 2023:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>
2017-03	12/28/2017	10/3/2023	6/27/2024	5.00%	\$174,000.00
2018-04	10/11/2018	10/3/2023	6/27/2024	5.00%	1,483,000.00
2019-05	10/10/2019	10/3/2023	6/27/2024	5.00%	896,000.00
2021-08	10/5/2022	10/3/2023	6/27/2024	5.00%	950,000.00
2022-04	10/5/2022	10/3/2023	6/27/2024	5.00%	950,000.00
2022-17	10/3/2023	10/3/2023	6/27/2024	5.00%	<u>475,000.00</u>
					<u>\$4,928,000.00</u>

Water/Sewer Utility Capital Fund

05-2018	10/11/2018	10/3/2023	6/27/2024	5.00%	\$1,239,000.00
05-2018	10/9/2019	10/3/2023	6/27/2024	5.00%	1,534,000.00
08-2020	10/5/2022	10/3/2023	6/27/2024	5.00%	900,000.00
08-2020	10/3/2023	10/3/2023	6/27/2024	5.00%	<u>1,000,000.00</u>
					<u>\$4,673,000.00</u>

Bonds and Notes Authorized But Not Issued

At December 31, 2023, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 168,254.06</u>
Water/Sewer Utility Capital Fund	<u>\$ 1,000,000.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2024 were as follows:

Current Fund	\$475,000.00
Water/Sewer Utility	200,000.00

NOTE 5: PROPERTY TAXES

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

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

	BALANCE DECEMBER 31, <u>2023</u>	BALANCE DECEMBER 31, <u>2022</u>
Prepaid Taxes	<u>\$196,205.35</u>	<u>\$183,128.38</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

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

NOTE 6: PENSION PLANS (CONTINUED)

Plan Descriptions (Continued)

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

Vesting and Benefit Provisions

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

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

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

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.50% of employees' base salary. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

NOTE 6: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued)

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. PFRS provides for employee contributions of 10.00% of employees' base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of regular pension costs, which is based upon the annual billings received from the State is reflected below:

Year Ended <u>December 31</u>	<u>Total</u>	Public Employees Retirement <u>System</u>	Police & Firemens Retirement <u>System</u>
2023	\$772,728.00	\$239,870.00	\$532,858.00
2022	696,473.00	205,789.00	490,684.00
2021	631,427.00	177,687.00	453,740.00

All contributions were equal to the required contributions for each of the three years, respectively.

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

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2022. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2022.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS)

At June 30, 2022, the State reported a net pension liability of \$2,870,603.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0190214802 percent, which was an increase of 0.0014494412 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$92,398.00 for the Borough's proportionate share of the total pension benefit. The pension benefit recognized in the Borough's financial statements based on the April 1, 2022 billing was \$205,789.00.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 20,719.00	\$ 18,271.00
Changes of assumptions	8,894.00	429,843.00
Net difference between projected and actual earnings on pension plan investments	118,812.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>519,762.00</u>	<u>49,398.00</u>
	<u>\$ 668,187.00</u>	<u>\$ 497,512.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2023	(\$152,164.20)
2024	(31,377.20)
2025	32,893.80
2026	227,542.80
2027	93,779.80
	<u>\$170,675.00</u>

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

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

Long-Term Rate of Return

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

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2022 respectively, 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 was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$3,687,884.00	\$2,870,603.00	\$2,175,064.00

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation (Continued)

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

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the Borough as of December 31, 2022 was 0.1025671487%, The non-employer contributing entities' contribution and employer pension expense and related revenue for the year ended June 30, 2022 was \$1,293,421.00.

Pension plan fiduciary net position

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported a net pension liability of \$4,689,760.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2022, the Borough's proportion was 0.0409716400 percent, which was an decrease of 0.0011303800 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State recognized an actuarially determined pension benefit of \$35,708.00. The pension benefit recognized in the Borough's financial statements based on the April 1, 2022 billing was \$490,684.00.

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 212,271.00	\$ 287,312.00
Changes of assumptions	12,853.00	590,348.00
Net difference between projected and actual earnings on pension plan investments	429,444.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>175,577.00</u>	<u>278,274.00</u>
	<u>\$ 830,145.00</u>	<u>\$ 1,155,934.00</u>

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

Year Ended <u>June 30</u>	<u>Amount</u>
2023	\$ (255,102.40)
2024	(170,439.40)
2025	(163,336.40)
2026	277,740.60
2027	(17,665.40)
Thereafter	<u>3,014.00</u>
	<u>\$ (325,789.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
	3.25-15.25%
	Based on years of Service
Investment Rate of Return	7.00%

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

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

Long-Term Rate of Return

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

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022 and June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

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

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 of the participating employers as of June 30, 2022 respectively, 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 was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$6,434,857.00	\$4,689,760.00	\$3,236,958.00

Special Funding Situation

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

At June 30, 2022 and 2021, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$834,640.00 and \$865,490.00, respectively.

At June 30, 2022, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$4,689,760.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>834,640.00</u>
	<u>\$5,524,400.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Pension plan fiduciary net position

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

NOTE 7: COMPENSATED ABSENCES

Under the terms of various contracts certain Borough employees are allowed to accumulate unused vacation and sick pay over the life of their working careers which may be taken as time off or paid at a later date with the exception of sick leave. It is estimated that the current cost of such unpaid compensation would approximate \$372,040.74. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2023. The Borough has accumulated \$243.67 for this purpose in the Trust Other Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 8: SCHOOL TAXES

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

	<u>Local District School Tax</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Balance of Tax	\$4,483,074.75	\$4,353,048.75
Deferred	<u>1,083,894.75</u>	<u>1,083,894.75</u>
Tax Payable	<u><u>\$3,399,180.00</u></u>	<u><u>\$3,269,154.00</u></u>

NOTE 9: LITIGATION

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

NOTE 10: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2023, the Borough does not believe that any material liabilities will result from such audits.

NOTE 11: RISK MANAGEMENT

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

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

<u>Year</u>	<u>Contributions</u>		<u>Amount Reimbursed</u>	<u>Ending Balance</u>
	<u>Other</u>	<u>Employee</u>		
2023	\$1,000.00	\$5,215.75	\$4,744.90	\$21,877.80
2022	1,000.00	4,942.23	1,141.19	20,406.95
2021		4,662.86	1,967.06	15,605.91

NOTE 12: LENGTH OF SERVICE AWARDS PROGRAM

On February 10, 2003, the Borough of Spring Lake Heights adopted an ordinance establishing a Length of Service Awards Program for the members of the Spring Lake Heights First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq.

In 2012, the Borough assumed the Plan for the Volunteer Fire Department that was previously administered by the Spring Lake Heights Fire District, which was dissolved.

NOTE 12: LENGTH OF SERVICE AWARDS PROGRAM (CONTINUED)

Under this program, each volunteer that performs the minimum amount of service will have an annual amount of \$1,558.00 deposited into a tax deferred income account that will earn interest for the volunteer. The cost will be provided for annually in the budget of the Borough and is anticipated to be \$52,000.00 per year. The Plan is administrated by Lincoln Financial Group.

The Borough's Length of Service Awards Program's financial statements are also required to be contained in a separate review report.

NOTE 13: DEFERRED COMPENSATION PLAN

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

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

All assets of the plan are held by an independent administrator, Prudential Life Insurance Company.

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75

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

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided

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

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

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

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Plan Description and Benefits Provided (Continued)

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.

Contributions

The Borough's contributions to SHBP for the years ended December 31, 2023, 2022 and 2021 were \$69,818.73, \$59,989.97, and \$101,694.03 respectively, which equaled the required contributions for each year.

Total Net OPEB Liability

At June 30, 2022, the Plan reported a Liability of \$6,231,644.00 for the Borough's proportionate share of the collective Net OPEB liability. The total Net OPEB Liability measured as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

The Borough's proportion of the Net OPEB Liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022.

At June 30, 2022, the Borough's proportion was 0.038587 percent, which was an decrease of 0.000473 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the State reported OPEB expense of \$527,222.00. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$321,809.00	\$1,155,082.00
Changes of assumptions	831,639.00	2,126,740.00
Net difference between projected and actual earnings on OPEB plan investments	1,641.00	
Changes in proportion	<u>2,952,037.00</u>	<u>258,926.00</u>
	<u>\$4,107,126.00</u>	<u>\$3,540,748.00</u>

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the State's actuarially calculated pension (benefit)/expense as follows:

Year Ended	<u>Amount</u>
<u>June 30,</u>	
2023	(\$26,052.80)
2024	(26,550.80)
2025	92,313.20
2026	339,298.20
2027	493,934.20
2028-2029	<u>(306,564.00)</u>
	<u>\$566,378.00</u>

Actuarial Assumptions and Other Inputs

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

Salary Increases:

Public Employees Retirement System (PERS):

Initial fiscal year applied

Rate for all future years 2.75% to 6.55%

Police and Firemen's Retirement System (PFRS):

Rate for all future years 3.25% to 16.25%

Mortality:

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

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

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

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

NOTE 14: ACCOUNTING AND FINANCIAL REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (CONTINUED)

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the Net OPEB Liability associated with the Borough's as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease (2.54%)</u>	At Discount <u>Rate (3.54%)</u>	1.00% <u>Increase (4.54%)</u>
Borough's proportionate share of the Net OPEB Liability	\$7,223,730.36	\$6,231,644.41	\$5,433,418.44

Sensitivity of the Borough's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trends

The following presents the total Net OPEB Liability associated with the Borough's as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
Borough's proportionate share of the Net OPEB Liability	\$5,286,491.56	\$6,231,644.41	\$7,442,119.06

OPEB Plan Fiduciary Net Position

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

NOTE 15: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments for 2023 and prior. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51. The Borough has made provision, from tax revenues, in the amount of \$10,109.10 for these appeals in the event that the tax reductions are granted.

NOTE 16: LEASES

The Borough, as lessor, has entered into the following leases:

- Cell Tower – Verizon Wireless. The current lease term expires 01/01/2026 with two available five-year extensions. It includes an annual 3% increase. Payments in 2023 totaled \$44,275.50.
- Cell Tower – AT&T. The current lease term expires 10/12/2027 with two available five-year extensions. It includes an annual 3% increase. Payments in 2023 totaled \$57,298.52.
- Cell Tower – Sprint/T-Mobile. The current lease term expires 04/14/2028 with no available extensions. Payments in 2023 totaled \$51,840.00.

NOTE 17: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$7,623.61	
Federal and State Grant Fund		\$206,311.00
Trust Other Fund		13.83
Animal Control Trust Fund		1,298.78
Water/Sewer Utility Capital Fund	<u>200,000.00</u>	
	<u>\$207,623.61</u>	<u>\$207,623.61</u>

All balances resulted from the time lag between the dates that payments between funds are made.

NOTE 18: FIXED ASSETS

Below is a summary of the General Fixed Assets Account Group for the year ended December 31, 2023:

	Balance December 31, <u>2022</u>	<u>Additions</u>	Balance December 31, <u>2023</u>
Land	\$16,456,500.00		\$16,456,500.00
Buildings	2,719,000.00		2,719,000.00
Machinery and Equipment	<u>5,360,612.20</u>	<u>\$168,659.50</u>	<u>5,529,271.70</u>
	<u>\$24,536,112.20</u>	<u>\$168,659.50</u>	<u>\$24,704,771.70</u>

NOTE 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through May 31, 2024, which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no subsequent events needed to be disclosed.

BOROUGH OF SPRING LAKE HEIGHTS

SUPPLEMENTARY SCHEDULES – ALL FUNDS

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2023

	Reference	Current Fund	Grant Fund
Balance, December 31, 2022	A	\$ 4,708,465.44	\$ 159,777.36
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 40,061.76	\$
State of New Jersey - Senior Citizens' and Veterans' Deductions	3-A	40,750.00	
Tax Collections	4-A	20,083,232.32	
Revenue Accounts Receivable	6-A	1,708,192.94	
Reserve for SCART	7-A	2,020.00	
Prepaid Taxes	10-A	196,205.35	
Due to State of New Jersey	17-A	15,080.00	
Various Reserves	18-A	41,652.17	
Grants Receivable	19-A		306,409.99
Reserve for Grants - Unappropriated	21-A		819.94
			\$ 307,229.93
			467,007.29
Decreased by Disbursements:			
2023 Budget Appropriation	A-3	7,315,272.52	
Appropriation Reserves	8-A	175,224.64	
County Taxes	11-A	3,960,547.67	
Local District School Taxes	12-A	9,677,604.00	
Interfunds	13-A	1,288.16	
Refunds of Prior Years Revenues	A-1	912.83	
Accounts Payable		27,100.08	
Tax Overpayments	15-A	3,020.19	
Municipal Open Space Tax	16-A	181,312.67	
Reserve for:			
Due to State of New Jersey	17-A	16,126.00	
Various Reserves	18-A	6,593.50	
SCART	7-A	4,425.00	
Grants - Appropriated	20-A		90,371.53
		21,369,427.26	336,328.07
Balance, December 31, 2023	A	\$ 5,466,232.72	\$ 130,679.22

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

Year Ended December 31, 2023

	<u>Reference</u>	
Balance December 31, 2022 and 2023	A	\$ <u>655.00</u>
Analysis of Balance:		
Tax/Utility Collector		\$ 355.00
Clerk		200.00
Registrar		<u>100.00</u>
		\$ <u>655.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO/(FROM) STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year Ended December 31, 2023

	<u>Reference</u>			
Balance, December 31, 2022	A		\$	1,993.35
Increased by:				
Cash Receipts	1-A	\$		40,750.00
Senior Citizens Deductions Disallowed by Collector	4-A			<u>1,000.00</u>
				<u>41,750.00</u>
			\$	<u>43,743.35</u>
Decreased by:				
Senior Citizens' Deductions per Billing	4-A	\$		2,000.00
Veterans' Deductions per Tax Billing	4-A			38,750.00
Cancellation of Opening Payable	A-1			1,993.35
2023 Veterans' Deduction Allowed	4-A			<u>1,000.00</u>
			\$	<u><u>43,743.35</u></u>

CALCULATION OF STATE'S SHARE OF
2023 SENIOR CITIZENS AND VETERANS DEDUCTIONS

Senior Citizens and Veterans Deductions:				
Per Tax Duplicate			\$	40,750.00
Allowed by Collector				<u>1,000.00</u>
				41,750.00
Less: Disallowed by Collector - Current Year				
				<u>1,000.00</u>
	4-A		\$	<u><u>40,750.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year Ended December 31, 2023

Year	Balance December 31, 2022	2023 Levy	2022 Collections	2023 Collections	Cancelled	Transferred to Tax Title Liens	Balance December 31, 2023
2022	\$ 183,365.96		\$ 183,365.96	\$ 183,365.96		\$	
2023		20,370,028.53	183,128.38	19,940,616.36	14,942.23	8,372.00	222,969.56
	\$ 183,365.96	20,370,028.53	183,128.38	20,123,982.32	14,942.23	8,372.00	222,969.56

Reference A 4-A 10-A 5-A A

Reference

Collector
Senior Citizens and Veterans Deductions

\$ 20,083,232.32
40,750.00

Analysis of Property Tax Levy

Tax Yield
General Property Tax
Added and Omitted Taxes
6% Penalty

\$ 20,123,982.32
\$ 20,274,157.12
93,657.27
2,214.14

Tax Levy:

County Taxes
County Library Tax
County Open Space Tax
Due County for Added Taxes
Local District School Tax
Municipal Open Space Tax
Local Taxes for Municipal Purposes
Add: Additional Tax Levied

\$ 20,370,028.53
\$ 3,250,512.47
235,151.34
460,517.01
18,306.92
\$ 3,964,487.74
9,807,630.00
\$ 181,312.67
6,322,205.66
94,392.46
\$ 6,597,910.79
\$ 20,370,028.53

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 67,441.16
Increased by:		
Transferred from Taxes Receivable	4-A	<u>8,372.00</u>
Balance, December 31, 2023	A	<u>\$ 75,813.16</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year Ended December 31, 2023

Reference	Balance December 31, 2022	Accrued in 2023	Collections	Balance December 31, 2023
A-2	\$	20,000.00 \$	20,000.00 \$	
A-2		79,858.22	79,858.22	
A-2	1,794.24	21,378.57	21,377.89	1,794.92
A-2		48,515.60	48,515.60	
A-2		137,623.11	137,623.11	
A-2		402,085.26	402,085.26	
A-2		151,652.00	151,652.00	
A-2	20,000.00	20,000.00	20,000.00	20,000.00
A-2		41,151.00	41,151.00	
A-2		7,962.37	7,962.37	
A-2		70,166.00	70,166.00	
A-2		153,414.02	153,414.02	
A-2		33,430.93	33,430.93	
A-2		75,000.00	75,000.00	
A-2		445,956.54	445,956.54	
	\$ 21,794.24 \$	1,708,193.62 \$	1,708,192.94 \$	21,794.92

Reference

A

1-A

A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR SCART

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 2,405.00
Increased by:		
Cash Receipts	1-A	<u>2,020.00</u>
		\$ 4,425.00
Decreased by:		
Cash Disbursements	1-A	<u><u>4,425.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 886.25	\$ 886.25	\$	886.25
Other Expenses	165.07	1,900.67	1,892.68	7.99
Mayor and Council:				
Salaries and Wages	3,808.38	630.51	576.90	53.61
Other Expenses	1,018.00	1,018.00		1,018.00
Municipal Clerk:				
Salaries and Wages	1,840.96	1,840.96		1,840.96
Other Expenses	831.88	15,294.33	14,614.37	679.96
Financial Administration (Treasury):				
Salaries and Wages	1,196.03	1,196.03		1,196.03
Other Expenses	577.65	1,425.45	847.80	577.65
Revenue Administration (Tax Collection):				
Salaries and Wages	1,002.63	1,002.63		1,002.63
Other Expenses	3,308.57	4,266.02	957.45	3,308.57
Tax Assessment Administration:				
Salaries and Wages	1,550.06	1,550.06		1,550.06
Other Expenses	1,246.20	1,246.20	120.00	1,126.20
Assessment PILOT	14,000.00	14,000.00	14,000.00	
Department of Law:				
Other Expenses	1,661.68	9,161.68	6,921.38	2,240.30
Division of Engineering:				
Salaries and Wages	3,137.50	3,137.50		3,137.50
LAND USE ADMINISTRATION				
Planning Board:				
Salaries and Wages	284.59	284.59		284.59
Other Expenses	5,303.49	5,303.49		5,303.49
Zoning /Code Enforcement:				
Salaries and Wages	1,926.48	1,926.48		1,926.48
Other Expenses	605.00	1,805.00	1,018.94	786.06
INSURANCE				
Group Insurance	7,063.11	55,063.11	54,190.52	872.59
PUBLIC SAFETY				
Police Department:				
Salaries and Wages	55,151.53	5,151.53		5,151.53
Other Expenses	38.40	13,756.70	11,564.74	2,191.96
Emergency Management Services:				
Salaries and Wages	1,023.16			
Other Expenses	69.12	1,869.12	1,869.12	
Fire Safety Act:				
Salaries and Wages	2,120.85			
Other Expenses	1,809.00			

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Prosecutor's Office:				
Salaries and Wages	\$ 775.29	\$ 775.29	\$	\$ 775.29
Other Expenses	1,000.00	1,000.00		1,000.00
Municipal Court:				
Salaries and Wages	644.82	644.82		644.82
Other Expenses	3,563.50	3,563.50	609.56	2,953.94
Fire Department:				
Other Expenses	167.37	18,896.74	18,376.24	520.50
PUBLIC WORKS				
Streets and Road Maintenance:				
Salaries and Wages	4,916.47	4,916.47		4,916.47
Other Expenses	936.03	2,346.75	2,105.32	241.43
Streets & Roads Other Expense	13,317.12	13,317.12	1,746.32	11,570.80
Solid Waste Collection:				
Other Expenses	2,600.01	2,600.01		2,600.01
Buildings and Grounds:				
Other Expenses	1,053.57	5,540.27	4,238.65	1,301.62
Vehicle Maintenance:				
Other Expenses	512.47	8,146.79	7,622.17	524.62
Public Health Services (Board of Health):				
Salaries and Wages	287.67	287.67		287.67
Other Expenses	111.76	111.76		111.76
Environmental Health Services:				
Other Expenses	1,077.00	1,077.00		1,077.00
Animal Control:				
Other Expenses	2,750.00	2,750.00	1,350.00	1,400.00
Recreation Services and Programs:				
Salaries and Wages	1,505.58	1,505.58		1,505.58
Other Expenses	5,003.19	5,315.71	587.52	4,728.19
Accumulated Leave Compensation	1.00	1.00		1.00
UTILITY EXPENSE AND BULK PURCHASES				
Utilities	510.50	5,510.50	3,972.92	1,537.58
LANDFILL/SOLID WASTE DISPOSAL COSTS				
Sanitary Landfill:				
Other Expenses	43,731.16	43,731.16	26,550.00	17,181.16
Salary and Wage Adjustment	1.00	1.00		1.00
Contingent	100.00	100.00		100.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	5,818.14	318.14		318.14

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2022 APPROPRIATION RESERVES

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Reserve for Tax Appeals	\$ 500.00	\$ 500.00	\$	\$ 500.00
LOSAP First Aid	4,800.00	4,800.00	4,800.00	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS				
Southern Monmouth Community Alliance to Prevent Alcoholism and Drug Abuse:				
Other Expenses	4,400.00	4,400.00		4,400.00
Monmouth County Regional Health Commission	1,566.08	1,566.08		1,566.08
Belmar - Dispatch Services				
Spring Lake - Construction	6,462.82	6,462.82		6,462.82
Shared Services Monmouth County Transportation	1,182.00	1,182.00	806.00	376.00
County of Monmouth - Pub Safety Ans:	2,000.00	2,000.00		2,000.00
Shared Services - Municipal Court	<u>2,883.00</u>	<u>2,883.00</u>		<u>2,883.00</u>
Total General Appropriations	\$ <u>225,803.14</u>	\$ <u>289,967.49</u>	\$ <u>181,338.60</u>	\$ <u>108,628.89</u>

	<u>Reference</u>	A	A-1
Appropriation Reserves	A	\$ 225,803.14	
Encumbrances Payable	9-A	<u>64,164.35</u>	
		\$ <u>289,967.49</u>	
Cash Disbursements	1-A		\$ 175,224.64
Accounts Payable	A		<u>6,113.96</u>
			\$ <u>181,338.60</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 64,164.35
Increased by:		
Transferred from 2023 Appropriations	A-3	<u>63,819.75</u>
		\$ 127,984.10
Decreased by:		
Transferred to Appropriation Reserves	8-A	<u>64,164.35</u>
Balance, December 31, 2023	A	<u><u>\$ 63,819.75</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	A	\$ 183,128.38
Increased by:		
Cash Receipts	1-A	<u>196,205.35</u>
		\$ 379,333.73
Decreased by:		
Applied to Taxes Receivable	4-A	<u>183,128.38</u>
Balance, December 31, 2023	A	<u><u>\$ 196,205.35</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year Ended December 31, 2023

	<u>Reference</u>			
Balance, December 31, 2022	A		\$	14,366.85
Increased by:				
2023 Tax Levy:				
County Tax		\$ 3,250,512.47		
County Library Tax		235,151.34		
County Open Space Fund Tax		<u>460,517.01</u>		
	A-1,4-A	\$ 3,946,180.82		
Due County for Added Taxes	A-1,4-A			<u>18,306.92</u>
				<u>3,964,487.74</u>
			\$	<u>3,978,854.59</u>
Decreased by:				
Cash Disbursements	1-A			<u>3,960,547.67</u>
Balance, December 31, 2023	A		\$	<u><u>18,306.92</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Year Ended December 31, 2023

	<u>Reference</u>			
Balance, December 31, 2022:				
School Tax Payable	A	\$	3,269,154.00	
School Tax Deferred			<u>1,083,894.75</u>	
				\$ 4,353,048.75
Increased by:				
Levy (School Year July 1, 2023 to June 30, 2024)	4-A		<u>9,807,630.00</u>	
				\$ 14,160,678.75
Decreased by:				
Cash Disbursements	1-A		<u>9,677,604.00</u>	
Balance, December 31, 2023:				
School Tax Payable	A	\$	3,399,180.00	
School Tax Deferred			<u>1,083,894.75</u>	
				\$ <u><u>4,483,074.75</u></u>
 <u>2023 Liability for Local District School Tax</u>				
Tax Payable, December 31, 2023	12-A			\$ 3,399,180.00
Tax Paid	12-A			<u>9,677,604.00</u>
				13,076,784.00
Less:				
Tax Payable, December 31, 2022	12-A			<u>3,269,154.00</u>
Amount Charged to 2023 Operations	A-1			\$ <u><u>9,807,630.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND
 SCHEDULE OF INTERFUNDS
 Year Ended December 31, 2023

REF.	TOTAL	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	UTILITY OPERATING FUND	GRANT FUND
Balance, December 31, 2022:					
Interfunds Payable	\$ 1,288.16	\$	\$	518.57	769.59
Increased by:					
Receipts					
Statutory Excess - Animal Control Trust	\$ 1,298.78	1,298.78	\$	\$	\$
Decreased by:					
Disbursements	1,288.16			518.57	769.59
Escrow Interest	13.83		13.83		
Federal and State Grants Canceled	6,311.00				6,311.00
Balance, December 31, 2023:					
Interfunds Receivable	\$ 7,623.61	1,298.78	13.83	\$	6,311.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF FORECLOSED PROPERTY

Year Ended December 31, 2023

Reference

Balance, December 31, 2022
and December 31, 2023

A

\$ 28,900.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	A	\$	3,020.19
Decreased by:			
Cash Disbursements	1-A	\$	<u>3,020.19</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX-DUE TO OPEN SPACE TRUST

Year Ended December 31, 2023

	<u>Reference</u>		
Increased by:			
2023 Levy	A-1,4-A	\$	181,312.67
Decreased by:			
Cash Disbursements	1-A	\$	<u>181,312.67</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2023</u>
Marriage License Fees	\$ 4,331.00	\$ 700.00	\$ 375.00	\$ 325.00
DCA Training Fees	<u>4,331.00</u>	<u>14,380.00</u>	<u>15,751.00</u>	<u>2,960.00</u>
	<u>\$ 4,331.00</u>	<u>\$ 15,080.00</u>	<u>\$ 16,126.00</u>	<u>\$ 3,285.00</u>
<u>Reference</u>	A	1-A	1-A	A

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	<u>Increased</u>	Cash <u>Disbursed</u>	Anticipated <u>Revenue</u>	Balance December 31, <u>2023</u>
Reserve for:					
Codification	\$ 1,637.86	\$	\$	\$	\$ 1,637.86
Tax Appeals	14,818.00		4,708.90		10,109.10
Insurance Proceeds	1,884.60		1,884.60		
Municipal Relief Funds	20,830.34	41,652.17		20,830.34	41,652.17
Revaluation	<u>28,106.90</u>				<u>28,106.90</u>
	<u>\$ 67,277.70</u>	<u>\$ 41,652.17</u>	<u>\$ 6,593.50</u>	<u>\$ 20,830.34</u>	<u>\$ 81,506.03</u>
<u>Ref</u>	A	1-A	1-A	A-2	A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year Ended December 31, 2023

	Balance December 31, 2022	Increased By Revenue Anticipated 2023	Cash Receipts	Balance December 31, 2023
NJDOT - Emerson	\$ 200,000.00	\$	\$ 150,000.00	50,000.00
NJDOT - Ocean Road	240,000.00			240,000.00
NJDOT - 6th Avenue		201,750.00		201,750.00
Monmouth County Open Space Clean Communities	125,000.00		14,941.84	125,000.00
Recycling Tonnage Grant		14,941.84	12,860.58	
Local Recreational Improvement		12,860.58		
Local Recreational Improvement 2		69,000.00		69,000.00
Body Worn Camera Grant	34,646.00	30,000.00	30,000.00	
Hazardous Discharge Site Remediation		96,119.10	15,012.37	19,633.63
Green Acres Tree Grant	75,000.00		68,595.20	96,119.10
Stormwater Assistance		15,000.00	15,000.00	6,404.80
	<u>\$ 674,646.00</u>	<u>\$ 439,671.52</u>	<u>\$ 306,409.99</u>	<u>\$ 807,907.53</u>

Reference

A

A-2

1-A

A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

Year Ended December 31, 2023

	Balance December 31, 2022	2023 Authorizations	Cash Disbursements	Transfer to Encumbrances	Cancelled	Balance December 31, 2023
Body Armor Replacement Fund	\$ 1,044.70	\$				\$ 1,044.70
Clean Communities	510.00		510.00			
NJDOT - Emerson	32,184.99		30,454.56			1,730.43
Clean Communities	6,977.84		2,217.39			4,760.45
Recycling Tonnage	2,462.22					2,462.22
NJDOT - Ocean Road	240,000.00					240,000.00
Stormwater Assistance		15,000.00				15,000.00
Drunk Driving Enforcement	1,543.39		905.00			638.39
Distracted Driving	6,160.00			6,160.00		
Drive Sober Get Pulled Over	151.00			151.00		
Drunk Driving Enforcement	1,343.30					1,343.30
Drunk Driving Enforcement CY21	1,364.05		221.76			1,142.29
Recycling Tonnage CY21	2,801.52					2,801.52
Recycling Tonnage CY22	3,846.66					3,846.66
Recycling Tonnage CY23		12,860.58				12,860.58
Clean Communities CY21	13,305.02					13,305.02
Clean Communities CY22	13,321.58					13,321.58
Local Recreational Improvement		69,000.00		61,223.00		7,777.00
Local Recreational Improvement 2		30,000.00	18,450.00			11,550.00
NJDOT 6th Avenue		201,750.00	898.00	200,852.00		
Clean Communities CY23		14,941.84				14,941.84
Body Worn Camera Grant CY21	34,646.00		25,392.32			9,253.68
Hazard Discharge Site Remediation CY21	11,452.55		11,322.50			130.05
Hazard Discharge Site Remediation CY23		96,119.10				96,119.10
Green Acres Tree Grant Allaire Road CY21	15,352.00					15,352.00
	\$ 388,466.82	\$ 439,671.52	\$ 90,371.53	\$ 262,075.00	\$ 6,311.00	\$ 469,380.81

Reference

A

A-3

1-A

A

A-1

A

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	A	\$	446,725.13
Increased by:			
Due from Current Fund	1-A		819.94
		\$	<u>447,545.07</u>
Decreased by:			
Transferred to Current Fund - Anticipated Revenue	A-2	\$	445,956.54
Canceled			768.59
			<u>446,725.13</u>
Balance, December 31, 2023	A	\$	<u><u>819.94</u></u>

Analysis of Balance - December 31, 2023

NJ Body Armor Replacement Grant	\$	<u>819.94</u>
	\$	<u><u>819.94</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2023

Reference	Animal Control Fund	Other Trust Funds	Unemployment Compensation Trust Fund	Payroll Fund
Balance, December 31, 2022	B \$ 3,423.83 \$	486,781.56 \$	20,406.95 \$	4,850.66
Increased by Receipts:				
Due State of New Jersey	2-B 326.40			
Due Current Fund	7-B	13.83		
Various Trust Funds	4-B	659,256.09		
Reserve for:				
Animal Control Trust Fund	3-B 1,763.95		6,215.75	
Unemployment Compensation Payroll	5-B			4,410,575.33
	6-B			4,410,575.33
		<u>659,269.92</u>	<u>6,215.75</u>	<u>4,410,575.33</u>
	\$ 5,514.18 \$	1,146,051.48 \$	26,622.70 \$	4,415,425.99
Decreased by Disbursements:				
Due State of New Jersey	2-B 326.40			
Reserve for:				
Animal Control Trust Fund	3-B 332.00	395,033.76	4,744.90	4,410,710.67
Various Trust Funds	4-B			4,410,710.67
Unemployment Compensation Payroll	5-B			
	6-B			
		<u>395,033.76</u>	<u>4,744.90</u>	<u>4,410,710.67</u>
Balance, December 31, 2023	B \$ 4,855.78 \$	751,017.72 \$	21,877.80 \$	4,715.32

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

Year Ended December 31, 2023

	<u>Reference</u>	
Increased by:		
Cash Receipts	1-B	\$ <u>326.40</u>
Decreased by:		
Cash Disbursements	1-B	\$ <u><u>326.40</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	B	\$	3,423.83
Increased by:			
Dog License Fees Collected	1-B		1,763.95
		\$	<u>5,187.78</u>
Decreased by:			
Expenditures Under R.S. 4:19-15:11	1-B	\$	332.00
Statutory Excess	7-B		<u>1,298.78</u>
			<u>1,630.78</u>
Balance, December 31, 2023	B	\$	<u><u>3,557.00</u></u>

License Fees Collected

2022	\$	1,743.00
2021		<u>1,814.00</u>
	\$	<u><u>3,557.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF VARIOUS TRUST FUND RESERVES

Year Ended December 31, 2023

	Balance December 31, 2022	Increase	Decrease	Balance December 31, 2023
Accumulated Absence Trust	\$ 243.67	\$	\$	243.67
Cash Performance Bond	93,588.74	41,721.57	12,366.63	122,943.68
Community Center - Donation Rider	945.34			945.34
Escrow Trust	51,344.50	59,202.26	45,282.74	65,264.02
Fire Safety Trust	899.29			899.29
Kids Safe Program	57.00			57.00
Law Enforcement	4,091.44	74.60		4,166.04
Tax Sale Premium		69,500.00	33,000.00	36,500.00
Open Space Trust	90,078.96	181,312.67	75,000.00	196,391.63
P.O.A.A.	470.01	6.00		476.01
Public Defender	1,625.00	2,700.00	675.00	3,650.00
Recreation Trust	15,349.62	127,247.36	122,799.90	19,797.08
Recycling Trust	66,247.37	4,400.28	4,204.54	66,443.11
Storm Recovery Trust (Snow Removal Formerly)	14,444.55	50,000.00		64,444.55
Police Evidence	4,495.25	40.00	2,000.00	2,535.25
Third Party Employment - Police	138,850.82	123,051.35	99,704.95	162,197.22
Water/Sewer Escrow	4,050.00			4,050.00
	<u>\$ 486,781.56</u>	<u>\$ 659,256.09</u>	<u>\$ 395,033.76</u>	<u>\$ 751,003.89</u>

Reference B 1-B 1-B B

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

UNEMPLOYMENT COMPENSATION TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	B	\$	20,406.95
Increased by:			
Cash Receipts			
Employee Contributions		\$	5,215.75
Budget Contribution			<u>1,000.00</u>
	1-B		6,215.75
		\$	<u>26,622.70</u>
Decreased by:			
Cash Disbursements	1-B		<u>4,744.90</u>
Balance, December 31, 2023	B	\$	<u><u>21,877.80</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL TRUST FUND

SCHEDULE OF RESERVE FOR PAYROLL

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	B	\$ 4,850.66
Increased by:		
Cash Receipts	1-B	<u>4,410,575.33</u>
		\$ 4,415,425.99
Decreased by:		
Cash Disbursements	1-B	<u>4,410,710.67</u>
Balance, December 31, 2023	B	<u><u>\$ 4,715.32</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

TRUST OTHER FUND

SCHEDULE OF DUE CURRENT FUND

Year Ended December 31, 2023

	<u>Reference</u>	<u>Total</u>	<u>Animal Control Fund</u>	<u>Trust Other Funds</u>
Statutory Excess	3-B	\$ 1,298.78	\$ 1,298.78	\$
Receipts	1-B	<u>13.83</u>	<u></u>	<u>13.83</u>
Balance, December 31, 2023				
Due To	B	<u>\$ 1,312.61</u>	<u>\$ 1,298.78</u>	<u>\$ 13.83</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	C	\$	757,020.75
Increased by:			
Capital Improvement Fund	8-C	\$	75,000.00
Premium on Sale of Bond Anticipation Notes	C-1		29,667.09
Improvement Authorizations Funded by Current Fund	4-C		56,734.86
Bond Anticipation Notes	11-C		<u>475,000.00</u>
			<u>636,401.95</u>
			1,393,422.70
Decreased by:			
Improvement Authorizations	7-C	\$	40,656.47
Reserve for Encumbrances	10-C		<u>331,787.75</u>
			<u>372,444.22</u>
Balance, December 31, 2023	C	\$	<u><u>1,020,978.48</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

Year Ended December 31, 2023

	Balance December 31, <u>2023</u>
Capital Improvement Fund	\$ 78,015.63
Fund Balance	79,972.14
Reserve for Encumbrances	153,874.00
Reserve for Various Capital Improvements	14,058.12
Reserve for Debt Service	37,937.76
Unexpended Proceeds of Bond Anticipation Notes:	
Ord 03-2017	2,841.52
Ord 04-2018	1,005.52
Ord 05-2019	313,033.95
Ord 08-2021	97,940.19
Ord 04-2022	332,812.60
Improvement Authorizations Funded (Listed on Schedule 7-C)	47,026.99
Improvement Authorization Expenditures (Listed on Exhibit 4-C)	<u>(137,539.94)</u>
	<u>\$ 1,020,978.48</u>

Reference

C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 575,000.00
Decreased by:		
Bonds Paid by Budget Appropriation	5-C	<u>135,000.00</u>
Balance, December 31, 2023	C	<u>\$ 440,000.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year Ended December 31, 2023

Ordinance No.	Improvement Description	Balance December 31, 2022	Funded by Budget Appropriation	Balance December 31, 2023	Bond Anticipation Notes	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorizations
10-2008	Improvements to Beverly Avenue	\$ 74,488.92	\$ 50,004.83	\$ 24,484.09	\$	\$	\$ 24,484.09
15-2010	Improvements to Park Avenue	150,000.00	6,230.03	143,769.97		137,539.94	6,230.03
17-2011	Various Capital Improvements and Acquisition of Various Equipment	500.00	500.00				
03-2017	Various Capital Improvements	208,000.00	34,000.00	174,000.00	174,000.00		
04-2018	Various Capital Improvements	1,527,000.00	44,000.00	1,483,000.00	1,483,000.00		
05-2019	Various Capital Improvements	923,000.00	27,000.00	896,000.00	896,000.00		
08-2021	Various Capital Improvements	950,000.00		950,000.00	950,000.00		
04-2022	Park Improvements	950,000.00		950,000.00	950,000.00		
17-2022	Various Capital Improvements	475,000.00		475,000.00	475,000.00		
		<u>\$ 5,257,988.92</u>	<u>161,734.86</u>	<u>5,096,254.06</u>	<u>4,928,000.00</u>	<u>137,539.94</u>	<u>30,714.12</u>
Reference		C	11-C,12-C	C	11-C	2-C	7-C
	Improvement Authorizations - Unfunded						\$ 778,347.90
	Less Unexpended Proceeds of BANs Issued:						
	Ord 03-2017					(2,841.52)	
	Ord 04-2018					(1,005.52)	
	Ord 05-2019					(313,033.95)	
	Ord 08-2021					(97,940.19)	
	Ord 04-2022					(332,812.60)	
							<u>(747,633.78)</u>
							<u>\$ 30,714.12</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year Ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>
General Improvements	12/29/11	1,740,000.00	12/1/24 \$ 145,000.00 12/1/25 145,000.00 12/1/26 150,000.00	3.00% 3.00% 3.00%	\$ 575,000.00	\$ 135,000.00	\$ 440,000.00
					\$ 575,000.00	\$ 135,000.00	\$ 440,000.00
					C	3-C	C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR DEBT SERVICE

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022 and 2023	C	\$ <u>37,937.76</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year Ended December 31, 2023

Ordinance Date	Improvement Description	Balance 12/31/2022		Paid or Charged	Balance 12/31/2023		Reference
		Funded	Unfunded		Funded	Unfunded	
10-08	Improvements to Beverly Avenue	\$	\$	\$	\$	\$	
15-10	Improvements to Park Avenue		52,004.83		27,520.74	24,484.09	
09-11	Handicapped Accessible Improvements to Allaire Park Road		6,230.03			6,230.03	
17-11	Various Capital Improvements and Acquisition of Various Equipment	18,425.38			18,425.38		
9-12	Public Facility Improvements	5,560.63	500.00	5,447.86	612.77		
06-15	Fire Equipment/Vehicle Purchase	462.90			462.90		
03-17	Various Capital Improvements	5.20			5.20		
04-18	Various Capital Improvements		2,841.52			2,841.52	
05-19	Various Capital Improvements		1,005.52			1,005.52	
08-21	Various Capital Improvements		357,668.85	44,634.90		313,033.95	
04-22	Park Improvements		119,818.12	21,877.93		97,940.19	
17-22	Various Capital Improvements		15,176.88	15,176.88			
			425,479.50	92,666.90		332,812.60	
		\$	24,454.11	\$	47,026.99	778,347.90	C; 2-C C;4-C
			980,725.25	179,804.47			
	Cash Disbursed			\$		40,656.47	1-C
	Reserve for Encumbrances					139,148.00	10-C
				\$		179,804.47	

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	C	\$ 3,015.63
Increased by:		
Budget Appropriation	1-C	<u>75,000.00</u>
Balance, December 31, 2023	C	\$ <u><u>78,015.63</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR VARIOUS CAPITAL IMPROVEMENTS

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	<u>Increased</u>	Balance December 31, <u>2023</u>
Road and Drainage Improvements	\$ 3,702.30	\$ 1,899.00	\$ 5,601.30
Preliminary Costs - Site Remediation	58.45		58.45
Public Works Vehicle and Equipment	796.26		796.26
Fire Equipment	6,747.10		6,747.10
Fire Emergency Notification System	<u>855.01</u>		<u>855.01</u>
	<u>\$ 12,159.12</u>	<u>\$ 1,899.00</u>	<u>\$ 14,058.12</u>
<u>Ref.</u>	C	10-C	C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year Ended December 31, 2023

	<u>Reference</u>	<u>Various Reserves</u>	<u>Improvement Authorizations</u>	<u>Total</u>
Balance, December 31, 2022	C	\$ 6,401.27	\$ 342,011.48	\$ 348,412.75
Increased by				
Transferred from:				
Improvement Authorizations	7-C	<u> </u>	<u>139,148.00</u>	<u>139,148.00</u>
		\$ 6,401.27	\$ 481,159.48	\$ 487,560.75
Decreased by:				
Cash Disbursements	1-C	4,502.27	327,285.48	331,787.75
Cancelled	9-C	<u>1,899.00</u>	<u> </u>	<u>1,899.00</u>
		\$ <u>6,401.27</u>	\$ <u>327,285.48</u>	\$ <u>333,686.75</u>
Balance, December 31, 2023	C	<u>\$ <u> </u></u>	<u>\$ 153,874.00</u>	<u>\$ 153,874.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year Ended December 31, 2023

Ordinance Number	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increase	Decrease	Balance December 31, 2023
2017-03	Various Capital Improvements	12/28/2017	10/3/2023	5.00%	\$ 208,000.00	\$	\$ 34,000.00	\$ 174,000.00
2018-04	Various Capital Improvements	10/11/2018	10/3/2023	5.00%	1,527,000.00		44,000.00	1,483,000.00
2019-05	Various Capital Improvements	10/10/2019	10/3/2023	5.00%	923,000.00		27,000.00	896,000.00
2021-08	Park Improvements	10/5/2022	10/3/2023	5.00%	950,000.00			950,000.00
2022-04	Various Capital Improvements	10/5/2022	10/3/2023	5.00%	950,000.00			950,000.00
2022-17	Various Capital Improvements	10/3/2023	10/3/2023	5.00%		475,000.00		475,000.00
					<u>\$ 4,558,000.00</u>	<u>475,000.00</u>	<u>105,000.00</u>	<u>4,928,000.00</u>

Reference

C

12-C

4-C

C,4-C

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year Ended December 31, 2023

Ordinance No.	Improvement Description	Balance December 31, 2022	BANS Issued	Decreased	Balance December 31, 2023
10-2008	Improvements to Beverly Avenue	\$ 74,488.92	\$	50,004.83	\$ 24,484.09
15-2010	Improvements to Park Avenue	150,000.00		6,230.03	143,769.97
17-2011	Various Capital Improvements and Acquisition of Various Equipment	500.00		500.00	
17-2022	Various Capital Improvements	475,000.00	475,000.00		
		<u>\$ 699,988.92</u>	<u>\$ 475,000.00</u>	<u>\$ 56,734.86</u>	<u>\$ 168,254.06</u>
		C	11-C	4-C	C

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year Ended December 31, 2023

	Reference	Operating	Capital
Balance, December 31, 2022	D	\$ 428,776.47	\$ 1,780,266.93
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	D-3	\$ 44,501.52	\$
Consumer Accounts Receivable	D-3,3-D	2,321,685.73	
Overpayments	9-D	8,267.18	
Due from Current Fund	14-D	518.57	
Due from Water-Sewer Utility Capital Fund	14-D	22,625.00	
Reserve for PCB Settlement Fund	20-D	17,414.03	
Proceeds- Bond Anticipation Notes	17-D		4,773,000.00
		<u>2,415,012.03</u>	<u>4,773,000.00</u>
		2,843,788.50	6,553,266.93
Decreased by Disbursements:			
2023 Budget Appropriations	D-4	\$ 2,269,186.69	\$
2022 Appropriation Reserves	7-D	5,425.93	
Accrued Interest	15-D	136,869.83	
Contracts Payable	16-D		14,184.80
Various Utility Capital Reserves	18-D		2,371.96
Bond Anticipation Notes	17-D		3,773,000.00
Improvement Authorizations	11-D		207,840.15
Due to Current Fund	14-D		22,625.00
Due from Federal & State Grant Fund	21-D		200,000.00
		<u>2,411,482.45</u>	<u>4,220,021.91</u>
Balance, December 31, 2023	D	\$ 432,306.05	\$ 2,333,245.02

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF WATER/SEWER UTILITY CAPITAL CASH

Year Ended December 31, 2023

	Balance December 31, <u>2023</u>
Capital Improvement Fund	\$ 34,285.62
Encumbrances Payable	171,850.84
Fund Balance	3,359.93
Due from Federal & State Grant Fund	(200,000.00)
Reserve to Pay Debt Service	3,145.91
Various Utility Capital Reserves	49,106.01

Ordinance
Number

Improvement Description

04-2017	Various Improvements	129,924.41
05-2018	Various Improvements	515,677.60
08-2020	Various Improvements	<u>1,625,894.70</u>
		\$ <u><u>2,333,245.02</u></u>

Reference

1-D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	D		\$ 71,574.02
Increased by:			
Water Sewer Rents Levied			<u>2,318,139.72</u>
			\$ 2,389,713.74
Decreased by:			
Collections	D-3,1-D	\$ 2,321,685.73	
Overpayments Applied	D-3;9-D	13,189.53	
Transferred to Lien	4-D	<u>975.00</u>	
			<u>2,335,850.26</u>
Balance, December 31, 2023	D		\$ <u>53,863.48</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF UTILITY LIENS RECEIVABLE

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 10,873.43
Increased by:		
Transferred from 2023 Consumer Accounts	3-D	<u>975.00</u>
Balance, December 31, 2023	D	<u>\$ 11,848.43</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year Ended December 31, 2023

<u>Improvement Description</u>	<u>Balance</u> <u>December 31,</u> <u>2022 and 2023</u>
Walls, Pumping Stations and Equipment	\$ 420,852.83
Distribution Mains and Accessories	156,422.80
Land	340.00
Engineering Fees	7,545.55
Interest During Construction	2,823.66
Legal and Accounting Fees	4,715.01
Miscellaneous	1,842.46
Water Towers, Pumps and Equipment	96,487.80
Construction of Well (Year 1978)	75,000.00
Construction of Storage Tank with Pumping Station (Year 1979)	300,000.00
Purchase and Installation of Pipes and Accessories	27,500.00
Improvement to Wells (Year 1986)	134,000.00
Improvement to Wells (Year 1990)	60,000.00
Improvement to Water Treatment Plant Old Mill Road (Year 1990)	231,328.42
Construction of Three Bay Garage and Various Improvements (Year 1994)	109,264.33
Construction of Sewer Mains	669,725.22
Construction of Force Mains	95,670.00
Construction of Sewer Plant	316,369.33
Land and Easements	28,829.00
Engineering Fees	60,840.65
Interest During Construction	52,268.81
Inspection Fees	20,342.31
Legal and Accounting Fees	15,818.00
Other Costs	3,401.27
Equipment	5,000.00
Rehabilitation of Water Storage Tanks	180,000.00
Hydrant Replacement/Repair	4,629.00
Water Service Installation/Maintenance	1,892.11
Water Meter Upgrades-Acquisition of Equipment (Ord 04-04)	351,923.96
Utility Improvements (Ord 14-07;11-11)	53,866.95
	<hr/>
	\$ <u>3,488,699.47</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Description</u>		<u>Balance December 31, 2022 and 2023</u>
02-06/04-11	Water Meter Upgrades-Acquisition of Equipment	\$	805,125.00
01-2014	Various Capital Improvements		175,000.00
03-2016	Utility Jet-Vac Vehicle		77,000.00
04-2017	Various Improvements		250,000.00
05-2018	Various Improvements		3,000,000.00
08-2020	Various Improvements		<u>2,900,000.00</u>
		\$	<u>7,207,125.00</u>
	<u>Reference</u>		D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY FUND

SCHEDULE OF APPROPRIATION RESERVES

Year Ended December 31, 2023

	Balance December 31, 2022	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 40,191.11	\$ 40,191.11	\$	40,191.11
Other Expenses	51,521.86	55,338.98	5,425.93	49,913.05
NJSWA Raw Water Charge	7,595.44	7,595.44		7,595.44
South Monmouth Regional Sewer Authority Wall Twp. Sewer Charges	46,394.19	46,394.19		46,394.19
	1,334.25	1,334.25		1,334.25
Statutory Expenditures:				
Contributions to:				
Social Security System (O.A.S.I.)	4,203.70	4,203.70		4,203.70
	<u>\$ 151,240.55</u>	<u>\$ 155,057.67</u>	<u>\$ 5,425.93</u>	<u>\$ 149,631.74</u>

Reference D 1-D D-1

Appropriation Reserves	\$ 151,240.55
Encumbrances Payable	<u>3,817.12</u>
	<u>\$ 155,057.67</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	D	\$	3,817.12
Increased by:			
Charged to Budget Appropriations	D-4		<u>2,810.00</u>
		\$	6,627.12
Decreased by:			
Transferred to Appropriation Reserves	7-D		<u>3,817.12</u>
Balance, December 31, 2023	D	\$	<u><u>2,810.00</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF WATER/SEWER OVERPAYMENTS

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 13,189.53
Increased by:		
Cash Receipts	1-D	<u>8,267.18</u>
		\$ 21,456.71
Decreased By:		
Applied	3-D	<u>13,189.53</u>
Balance, December 31, 2023	D	<u><u>8,267.18</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year Ended December 31, 2023

Reference

Balance, December 31, 2022 and 2023

D

\$ 34,285.62

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year Ended December 31, 2023

Ordinance Number	Description	Ordinance Amount	Balance December 31, 2022		Paid or Charged	Encumbrances Payable Canceled	Balance December 31, 2023	
			Funded	Unfunded			Funded	Unfunded
02-06/04-11	Water Meter Upgrades-Acquisition of Equipment	\$ 805,125.00	\$ 380.00	\$	\$ 380.00	\$	\$	\$
01-2014	Various Capital Improvements	175,000.00	2,785.90		2,785.90			
03-2016	Utility Jet-Vac Vehicle	77,000.00	97.00		97.00			
04-2017	Various Improvements	250,000.00	132,289.52		2,365.11		129,924.41	
05-2018	Various Improvements	3,000,000.00		554,794.41	43,616.81	4,500.00		515,677.60
08-2020	Various Improvements	2,900,000.00		2,754,147.03	173,950.83	45,698.50		2,625,894.70
		\$	<u>135,552.42</u>	<u>\$ 3,308,941.44</u>	<u>223,195.65</u>	<u>50,198.50</u>	<u>129,924.41</u>	<u>\$ 3,141,572.30</u>

Reference D D 16-D D D

Cash Disbursed	1-D	\$ 207,840.15
Reserve for Encumbrances	16-D	<u>15,355.50</u>
		<u>\$ 223,195.65</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year Ended December 31, 2023

Reference

Balance, December 31, 2022 and 2023

D

\$ 3,635,781.25

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	Balance December 31, 2022	Increased	Balance December 31, 2023
02-06/04-11	Water Meter Upgrades-Acquisition of Equipment	02/27/2006	\$ 658,043.22	\$	\$ 658,043.22
01-2014	Various Capital Improvements	01/27/2014	175,000.00		175,000.00
03-2016	Utility Jet-Vac Vehicle	06/13/2016	77,000.00		77,000.00
04-2017	Various Improvements	04/24/2017	250,000.00		250,000.00
05-2018	Various Improvements	04/16/2018	127,000.00	100,000.00	227,000.00
			\$ 1,287,043.22	\$ 100,000.00	\$ 1,387,043.22

Reference D D 17-D D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS RECEIVABLE

Year Ended December 31, 2023

	<u>Reference</u>		<u>Total</u>	<u>Current Fund</u>	<u>Utility Capital Fund</u>
Balance, December 31, 2022	D	\$	23,143.57 \$	518.57 \$	22,625.00
Decreased By:					
Cash Receipts	1-D	\$	<u>23,143.57 \$</u>	<u>518.57 \$</u>	<u>22,625.00</u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES

Year Ended December 31, 2023

	<u>Reference</u>	
Balance, December 31, 2022	D	\$ 32,515.92
Increased by:		
Budget Appropriation	D-4	<u>160,000.00</u>
		\$ 192,515.92
Decreased by:		
Cash Disbursement	1-D	<u>136,869.83</u>
Balance, December 31, 2023	D	<u>\$ 55,646.09</u>

Analysis of Balance - December 31, 2023

	<u>Outstanding December 31, 2023</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Days</u>	<u>Amount</u>
Bond Anticipation Notes:						
	4,773,000.00	5.00%	10/3/23	12/31/23	84	<u>55,646.09</u>
						\$ <u>55,646.09</u>

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

Year Ended December 31, 2023

	<u>Reference</u>		
Balance, December 31, 2022	D	\$	220,878.64
Increased by:			
Improvement Authorizations	11-D		<u>15,355.50</u>
		\$	<u>236,234.14</u>
Decreased by:			
Cash Disbursements	1-D	\$	14,184.80
Canceled to Improvement Authorizations	11-D		<u>50,198.50</u>
			<u>64,383.30</u>
Balance, December 31, 2023	D	\$	<u><u>171,850.84</u></u>

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY
 WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increased	Decreased	Balance December 31, 2023
05-2018	Various Improvements	10/11/2018	10/3/2023	6/27/2024	5.00%	\$ 1,289,000.00	1,289,000.00	1,339,000.00	\$ 1,239,000.00
05-2018	Various Improvements	10/9/2019	10/3/2023	6/27/2024	5.00%	1,584,000.00	1,584,000.00	1,634,000.00	1,534,000.00
08-2020	Various Improvements	10/5/2022	10/3/2023	6/27/2024	5.00%	900,000.00	900,000.00	900,000.00	900,000.00
08-2020	Various Improvements	10/3/2023	10/3/2023	6/27/2024	5.00%		1,000,000.00		1,000,000.00
						\$ 3,773,000.00	4,773,000.00	3,873,000.00	\$ 4,673,000.00

Reference	D	1-D	D
Cash Disbursed		1-D	\$ 3,773,000.00
Budget Appropriation		13-D	100,000.00
			\$ 3,873,000.00

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR VARIOUS UTILITY CAPITAL IMPROVEMENTS

Year Ended December 31, 2023

	Balance December 31, <u>2022</u>	<u>Decreased by</u> Paid or <u>Charged</u>	Balance December 31, <u>2023</u>
Sewer System Improvements	\$ 1,664.39	\$	\$ 1,664.39
Public Works Vehicles and Equipment	24,210.70		24,210.70
Metering Equipment	562.24		562.24
Preliminary Expenses	304.96	304.96	
Vehicles and Equipment	<u>24,735.68</u>	<u>2,067.00</u>	<u>22,668.68</u>
	<u>\$ 51,477.97</u>	<u>\$ 2,371.96</u>	<u>\$ 49,106.01</u>
<u>Reference</u>	D	D-1	D

Schedule 19-D

BOROUGH OF SPRING LAKE HEIGHTS
 COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2022</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, <u>2023</u>
08-2020	Various Improvements	\$ <u>2,000,000.00</u> \$	<u>1,000,000.00</u> \$	<u>1,000,000.00</u>
		\$ <u>2,000,000.00</u> \$	<u>1,000,000.00</u> \$	<u>1,000,000.00</u>
	<u>REF.</u>		17-D	D

BOROUGH OF SPRING LAKE HEIGHTS
COUNTY OF MONMOUTH, NEW JERSEY

WATER/SEWER UTILITY OPERATING FUND

SCHEDULE OF RESERVE FOR PCB SETTLEMENT FUND

Year Ended December 31, 2023

	<u>Reference</u>	
Increased By:		
Cash Receipt	1-D	\$ <u>17,414.03</u>
Balance, December 31, 2023	D	\$ <u><u>17,414.03</u></u>

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BOROUGH OF SPRING LAKE HEIGHTS

PART II

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

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

	YEAR 2023		YEAR 2022	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 100,000.00	0.44%	\$ 575,000.00	2.66%
Miscellaneous - From Other Than Local Property Tax Levies	2,327,012.58	10.24%	1,577,980.58	7.30%
Collection of Delinquent Taxes and Tax Title Liens	183,365.96	0.81%	193,896.11	0.90%
Collection of Current Tax Levy	<u>20,123,744.74</u>	<u>88.52%</u>	<u>19,271,455.16</u>	<u>89.14%</u>
<u>TOTAL INCOME</u>	<u>\$ 22,734,123.28</u>	<u>100.00%</u>	<u>\$ 21,618,331.85</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures	\$ 8,153,538.13	36.86%	\$ 7,600,664.89	36.08%
County Taxes	3,964,487.74	17.92%	3,778,119.30	17.94%
Local School Taxes	9,807,630.00	44.34%	9,521,242.00	45.20%
Municipal Open Space/Recreation Tax	181,312.67	0.82%	154,695.50	0.73%
Other Expenditures	<u>10,407.21</u>	<u>0.05%</u>	<u>9,796.56</u>	<u>0.05%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 22,117,375.75</u>	<u>100.00%</u>	<u>\$ 21,064,518.25</u>	<u>100.00%</u>
Excess in Revenue	\$ 616,747.53		\$ 553,813.60	
Fund Balance, January 1	<u>836,809.04</u>		<u>857,995.44</u>	
	\$ <u>1,453,556.57</u>		\$ <u>1,411,809.04</u>	
Less: Utilization as Anticipated Revenue	<u>100,000.00</u>		<u>575,000.00</u>	
Fund Balance, December 31	<u>\$ 1,353,556.57</u>		<u>\$ 836,809.04</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - WATER/SEWER UTILITY OPERATING FUND

	DECEMBER 31, 2023		DECEMBER 31, 2022	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 184,000.00	6.78%	\$ 120,000.00	4.77%
Water and Sewer Rents and Charges	2,334,875.26	86.06%	2,309,345.52	91.75%
Miscellaneous	194,133.26	7.16%	87,786.02	3.49%
	<u>2,713,008.52</u>	<u>100.00%</u>	<u>2,517,131.54</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Operating	\$ 2,135,500.00	85.97%	\$ 2,154,088.05	91.27%
Debt Service	260,000.00	10.47%	116,000.00	4.92%
Deferred Charges/Statutory Expenditures	88,500.00	3.56%	89,911.95	3.81%
	<u>2,484,000.00</u>	<u>100.00%</u>	<u>2,360,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 229,008.52		\$ 157,131.54	
Fund Balance, January 1	251,156.92		214,025.38	
	<u>\$ 480,165.44</u>		<u>\$ 371,156.92</u>	
Less:				
Fund Balance Utilized	184,000.00		120,000.00	
	<u>184,000.00</u>		<u>120,000.00</u>	
Fund Balance, December 31	<u>\$ 296,165.44</u>		<u>\$ 251,156.92</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>1.120</u>	<u>1.254</u>	<u>1.350</u>
Apportionment of Tax Rate:			
Municipal	0.359	0.395	0.396
County	0.219	0.243	0.262
Local School	0.542	0.616	0.692

ASSESSED VALUATIONS

2023	<u>\$1,810,192,600.00</u>		
2022		<u>\$1,546,955,000.00</u>	
2021			<u>\$1,384,909,500.00</u>

EQUALIZED VALUATIONS - REAL PROPERTY

2023	<u>\$1,833,106,430.00</u>		
2022		<u>\$1,663,392,473.00</u>	
2021			<u>\$1,460,720,916.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
2023	\$20,370,028.53	\$20,123,744.74	98.79%
2022	19,476,348.04	19,271,455.16	98.95%
2021	18,794,128.86	18,564,022.62	98.82%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2023	\$75,813.16	\$222,969.56	\$298,782.72	1.47%
2022	67,441.16	183,365.96	250,807.12	1.29%
2021	60,932.90	193,896.11	254,829.01	1.36%

COMPARISON OF UTILITY RENTS LEVIED

	<u>YEAR</u>	<u>LEVY</u>	<u>PRIOR YEAR DELINQUENT</u>	<u>CASH COLLECTIONS</u>
Water/Sewer	2023	\$2,318,139.72	\$71,574.02	\$2,334,875.26
Utility Fund	2022	2,320,199.60	63,322.74	2,308,826.95
	2021	2,312,313.46	87,947.40	2,334,548.73

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2023	\$28,900.00
2022	28,900.00
2021	28,900.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2023	\$1,353,556.57	\$475,000.00
	2022	836,809.04	100,000.00
	2021	857,995.44	575,000.00
	2020	892,771.99	550,000.00
	2019	893,047.38	550,000.00

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Water/Sewer Utility Operating Fund	2023	\$296,165.44	\$200,000.00
	2022	251,156.92	184,000.00
	2021	214,025.38	120,000.00
	2020	130,105.75	120,000.00
	2019	107,228.62	100,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Christopher Campion, Jr	Mayor	*
William Graetz	Council President	*
John Casagrande	Councilmember	*
Leonard Capristo	Councilmember	*
Sara King	Councilmember	*
Christopher Willms	Councilmember	*
Michele Degnan-Spang	Councilmember	*
Thomas X. Seaman	Chief Financial Officer	*
Mary Ellen Karamus	Tax/Water-Sewer Collector	*
John Barrett	Borough Administrator	*
Janine Gillis	Borough Clerk	*
Colin Quinn	Municipal Court Judge	*
Dennis A. Collins Esq.	Borough Attorney	*

The Borough maintains Employee Dishonesty Coverage for all municipal employees through the Monmouth County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

The Government Crime Policy coverage is as follows:

Employee Theft - Per Loss Coverage	\$1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	100,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	100,000.00
Outside the Premises - Computer Fraud	1,000,000.00
Funds Transfer Fraud	1,000,000.00

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

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough has a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

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

Road Improvements

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$44,000.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-4.

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

Auditor
Financial Reporting and Accounting Services
Labor Counsel
Engineering Services
Legal Services

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 2, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, real estate taxes are payable on February 1, May 1, August 1 and November 1 of each year, and other assessments are due and payable on dates set forth on the statements assessing said charges; and

WHEREAS, N.J.S.A. 54:67 provides for the fixing rates of interest on delinquent taxes;

NOW, THEREFORE, BE IT RESOLVED that all taxes and assessments are and shall be due on the date stated and, if not paid by said date same shall become delinquent.

The Borough Collector shall collect interest on taxes at the maximum legally allowable rate of 8% under \$1,500.00 and 18% for \$1,500.00 and over, including the provision for an additional 6% for accounts of \$10,000.00 or more. The Collector's ruling of legally allowable amounts shall rule in all instances of all balances delinquent. The provisions for a "grace period" of 10 days for taxes and 30 days for water and sewer shall be computed from the due date printed on the bill to and including the date of actual payment.

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

TAX TITLE LIENS

The last tax sale was held on December 11, 2020 and was complete.

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

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

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

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

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

<u>TYPE</u>	
Payments of 2023 Taxes	25
Delinquent Taxes	25
Payment of Water/Sewer Utility Rents	25
Delinquent Water/Sewer Utility Rents	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule, all interfund balances should be closed out as of the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None

