

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

YEAR ENDED

DECEMBER 31, 2023

Oliwa & Company
Certified Public Accountants

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORTS

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FINANCIAL STATEMENTS
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COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART I

INDEPENDENT AUDITOR'S REPORTS

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

Oliwa & Company

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Borough Council
Borough of Atlantic Highlands
County of Monmouth
Atlantic Highlands, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and the general fixed assets account group of the Borough of Atlantic Highlands, County of Monmouth, State of New Jersey (the "Borough") as of December 31, 2023 and 2022, and the related statements of operations and change in fund balance - regulatory basis for the years then ended, the related statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis and the statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Current Fund, General Capital Fund, Water/Sewer Utility Fund, Harbor Commission Utility Fund, the Payroll Fund and the General Fixed Assets Account Group of the Borough as of December 31, 2023 and 2022, the statements of operations and change in fund balance - regulatory basis for the years then ended, the statements of fund balance - regulatory basis for the years then ended, the statement of revenues - regulatory basis for the year ended December 31, 2023 and the statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2023 in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Qualified Opinions on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the balance sheets - regulatory basis of the Trust Fund as of December 31, 2023 and 2022, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Opinions (continued)

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter described in the Basis for Unmodified, Qualified and Adverse Opinions section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2023 and 2022, or the results its operations and the changes in fund balance for the years then ended.

Basis for Unmodified, Qualified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards and provisions 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 unmodified, qualified and adverse audit opinions.

Matter Giving Rise to Qualified Opinions on Regulatory Basis of Accounting

The financial statements of the Length of Service Award Program ("LOSAP") Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. As of December 31, 2023 and 2022, the LOSAP Fund represents 37.21% and 40.02%, respectively of the assets and the liabilities and reserves of the Borough's Trust Fund.

Matter Giving Rise to Adverse Opinions on U.S. Generally Accepted Accounting Principles

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

Responsibilities of Management for the Financial Statements

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

In preparing the 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 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 generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, 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.

Other Matters

In our report dated January 16, 2024, we expressed an opinion that the 2022 financial statements did not fairly present the General Fixed Assets Account Group - Regulatory Basis in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey because the Borough did not record fixed assets activity occurring during the year ended December 31, 2022. As described in Note 9, the Borough has updated its fixed asset activity and restated its 2022 financial statements to conform with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Accordingly, our present opinion on the restated 2022 financial statements of the General Fixed Assets Account Group - Regulatory Basis is different from that expressed in our previous report.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 3, 2025 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 on the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough's internal control over financial reporting and compliance.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
January 3, 2025

**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**

To the Honorable Mayor and
Members of the Borough Council
Borough of Atlantic Highlands
County of Monmouth
Atlantic Highlands, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Atlantic Highlands, County of Monmouth, State of New Jersey (the "Borough") as of and for the year ended December 31, 2023, and the related notes to the regulatory basis financial statements, which collectively comprise the Borough's basic financial statements and have issued our report thereon dated January 3, 2025. We expressed an adverse opinion on the conformity of the Borough's regulatory basis financial statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division. We expressed unmodified opinions on the regulatory basis financial statements of the Current Fund, General Capital Fund, Water/Sewer Utility Fund, Harbor Commission Utility Fund, the Payroll Fund and the General Fixed Assets Account Group as to conformity with the financial reporting provisions of the Division, and since the Length of Service Program was not audited, a qualified opinion on the Trust Fund.

Report on Internal Control Over Financial Reporting

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

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

Report on Internal Control over Financial Reporting (continued)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying comments and recommendations section as item 2023-001 that we consider to be a material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's regulatory basis 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.

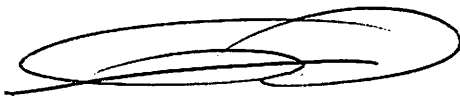
However, we did identify certain matters that are not required to be reported under Government Auditing Standards that we reported to management in the accompanying comments and recommendations section.

Borough's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Robert S. Oliwa
Certified Public Accountant
Registered Municipal Accountant #414

Oliwa & Company

Freehold, New Jersey
January 3, 2025

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| <u>Assets</u> | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------------|------------------------|
| Operating Fund: | | | |
| Cash - Treasurer | A-4 | \$ 5,428,540.66 | \$ 5,682,595.32 |
| Change Fund | A | 450.00 | 450.00 |
| Due from State of New Jersey - Senior Citizens and Veterans Deductions | A-9 | - | 39.01 |
| | | <u>5,428,990.66</u> | <u>5,683,084.33</u> |
| Receivables With Full Reserves: | | | |
| Delinquent Property Tax Receivable | A-5 | 159,135.15 | 98,422.90 |
| Tax Title Liens Receivable | A-6 | 29,765.24 | 21,473.57 |
| Property Acquired for Taxes | A-7 | 85,300.00 | 85,300.00 |
| Revenue Accounts Receivable | A-8 | 2,593.41 | 4,505.90 |
| Due From Payroll Fund | A | - | 309,416.42 |
| Due From Harbor Commission Utility Capital Fund | A | 100,000.00 | - |
| Due From Harbor Commission Utility Operating Fund | A | - | 292,626.14 |
| Due From Animal Control Trust | A | 1,895.48 | 6,528.55 |
| | | <u>378,689.28</u> | <u>818,273.48</u> |
| Deferred Charges | | | |
| Overexpenditures | | <u>70,577.74</u> | <u>55,633.56</u> |
| Total Operating Fund | | <u>5,878,257.68</u> | <u>6,556,991.37</u> |
| Grant Fund: | | | |
| Due From Trust Fund - Open Space | A | - | - |
| Due From Current Fund | A-21 | 457,408.40 | 628,310.18 |
| Grants Receivable | A-23 | 1,604,059.12 | 1,791,708.60 |
| Total Grant Fund | | <u>2,061,467.52</u> | <u>2,420,018.78</u> |
| Total Assets | | <u>\$ 7,939,725.20</u> | <u>\$ 8,977,010.15</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------------|------------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Operating Fund: | | | |
| Appropriation Reserves | A-3 | \$ 769,353.44 | \$ 535,270.13 |
| Reserve for Encumbrances | A-12 | 202,353.22 | 251,313.19 |
| Due to State of New Jersey - | | | |
| Senior Citizens and Veterans Deductions | A-9 | 910.99 | - |
| Accounts Payable | A-10 | 37,176.66 | 37,176.66 |
| Prepaid Taxes | A-14 | 124,951.21 | 214,698.64 |
| County Taxes Payable | A-17 | 13,392.63 | 5,380.68 |
| Regional District High School Tax Payable | A-19 | 844,603.06 | 873,149.06 |
| Local District School Tax Payable | A-18 | 1,295,923.87 | 1,223,093.87 |
| Tax Overpayments | A-13 | 47,908.98 | 97,726.43 |
| Due State - Marriage Licenses | A-20 | 200.00 | - |
| Due to Grant Fund | A-21 | 457,408.40 | 628,310.18 |
| Due to General Capital Fund | A | - | 415,863.46 |
| Due to Other Trust Fund | A | - | 46,128.20 |
| Due to Open Space Trust Fund | A | 560.27 | 112,288.12 |
| Due to Water/Sewer Utility Operating Fund | A | 47,417.68 | 121,577.37 |
| Due to Water/Sewer Utility Capital Fund | A | - | 36,042.19 |
| Due to Harbor Commission Utility Operating Fund | A | 83,218.80 | - |
| Due to Harbor Commission Utility Capital Fund | A | - | 3,327.00 |
| Reserves | | | |
| Shade Tree Commission | A-15 | 14,267.65 | 23,677.09 |
| State Library Aid | A-16 | 1,071.00 | 1,071.00 |
| Clearing Account | A | 105,690.72 | - |
| Municipal Relief Fund Aid | A | 33,919.00 | 16,959.37 |
| Police Cash Evidence | A | 327.00 | 327.00 |
| Police Found Property | A | 1,476.67 | 1,476.67 |
| | | <u>4,082,131.25</u> | <u>4,644,856.31</u> |
| Reserve for Receivables | A | 378,689.28 | 818,273.48 |
| Fund Balance | A-1 | <u>1,417,437.15</u> | <u>1,093,861.58</u> |
| | | <u>1,796,126.43</u> | <u>1,912,135.06</u> |
| Total Operating Fund | | <u>5,878,257.68</u> | <u>6,556,991.37</u> |
| Federal and State Grant Fund: | | | |
| Due To Current Fund | A-21 | - | - |
| Reserve for Grants: | | | |
| Unappropriated | A-25 | 1,459.82 | 8,445.76 |
| Appropriated | A-24 | 1,589,613.15 | 2,346,828.72 |
| Reserve for Encumbrances | A-22 | <u>470,394.55</u> | <u>64,744.30</u> |
| Total Grant Fund | | <u>2,061,467.52</u> | <u>2,420,018.78</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 7,939,725.20</u> | <u>\$ 8,977,010.15</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|---|-------------------------------|-------------------------------|
| Revenue and Other Income Realized: | | |
| Fund Balance Utilized | \$ 1,072,560.00 | \$ 1,019,000.00 |
| Miscellaneous Revenue Anticipated | 2,108,431.88 | 2,668,939.44 |
| Receipts From Delinquent Taxes | 98,422.90 | 174,073.23 |
| Receipts From Current Taxes | 18,594,744.43 | 18,413,105.18 |
| Non-Budget Revenue | 152,249.44 | 450,755.64 |
| Other Credits To Income: | | |
| Due from State of New Jersey | - | - |
| Unexpended Balance of Appropriation Reserves | 369,777.38 | 451,214.44 |
| Interfunds Returned | 608,571.11 | - |
| Grants Unappropriated Cancelled | - | - |
| Total Revenue | <u>23,004,757.14</u> | <u>23,177,087.93</u> |
| Expenditures: | | |
| Budget Appropriations Within Caps: | | |
| Operations: | | |
| Salaries & Wages | 3,154,556.44 | 2,737,249.50 |
| Other Expenses | 2,753,358.00 | 2,610,151.00 |
| Deferred Charges and Statutory Expenditures | 810,179.56 | 810,412.98 |
| Budget Appropriations Outside Caps: | | |
| Operations: | | |
| Other Expenses | 421,490.32 | 961,315.15 |
| Capital Improvements | 300,000.00 | 333,051.00 |
| Municipal Debt Service | 1,047,083.33 | 1,704,102.53 |
| Deferred Charges | 161,617.01 | - |
| County Taxes | 2,606,575.81 | 2,649,503.67 |
| Amount Due County For Added and Omitted Taxes | 13,392.63 | 5,380.68 |
| Local District School Tax | 5,788,728.00 | 5,643,072.00 |
| Regional High School Tax | 4,341,634.00 | 4,390,085.00 |
| Municipal Open Space Tax | 109,446.20 | 105,669.12 |
| Municipal Open Space For Added and Omitted Taxes | 560.27 | 213.41 |
| Interfund Advanced - Animal Control Fund | - | - |
| Interfund Advanced- Harbor Commission Utility Capital Fund | 100,000.00 | - |
| Interfund Advanced -Payroll | - | 309,416.42 |
| Interfund Advanced - Harbor Commission Utility Operating Fund | - | 292,626.14 |
| Overexpenditure of Appropriation Reserves | 70,577.74 | - |
| Total Expenditures | <u>21,679,199.31</u> | <u>22,552,248.60</u> |
| Excess in Revenue | 1,325,557.83 | 624,839.33 |
| Adjustments to Income before Fund Balance: | | |
| Overexpenditure of Appropriation Reserves | <u>70,577.74</u> | <u>-</u> |
| Statutory Excess to Fund Balance | 1,396,135.57 | 624,839.33 |
| Fund Balance, January 1 | <u>1,093,861.58</u> | <u>1,488,022.25</u> |
| | 2,489,997.15 | 2,112,861.58 |
| Decreased By: | | |
| Utilized as Anticipated Revenue | <u>1,072,560.00</u> | <u>1,019,000.00</u> |
| Fund Balance, December 31 | <u><u>\$ 1,417,437.15</u></u> | <u><u>\$ 1,093,861.58</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Budget</u> | <u>Realized</u> | <u>Excess/ (Deficit)</u> |
|--|-----------------|-----------------|------------------------------|
| Surplus Anticipated | \$ 1,072,560.00 | \$ 1,072,560.00 | \$ - |
| Miscellaneous Revenues: | | | |
| Licenses: | | | |
| Alcoholic Beverages | 9,900.00 | 9,900.00 | - |
| Fees and Permits | 56,070.00 | 64,914.02 | 8,844.02 |
| Fines and Costs: | | | |
| Municipal Court | 56,200.00 | 61,447.97 | 5,247.97 |
| Interest and Costs on Taxes | 57,670.00 | 48,066.97 | (9,603.03) |
| Interest on Investments and Deposits | 23,000.00 | 102,520.89 | 79,520.89 |
| Anticipated Utility Operating Surplus | 700,000.00 | 700,000.00 | - |
| Cable Franchise Fees | 68,300.00 | 72,440.73 | 4,140.73 |
| Recreation Property Lease | 45,800.00 | 50,530.00 | 4,730.00 |
| Recreation Program | 52,300.00 | 56,365.57 | 4,065.57 |
| Recycling Fees | 3,600.00 | 19,815.32 | 16,215.32 |
| Payments in Lieu of Taxes - Senior Citizen Housing | 36,300.00 | 38,855.85 | 2,555.85 |
| Energy Receipts Tax | 327,364.00 | 327,364.00 | - |
| Municipal Relief Fund Aid | 16,959.37 | 16,959.37 | - |
| Uniform Construction Code Fees | 112,000.00 | 96,539.00 | (15,461.00) |
| Shared Service Agreements - | | | - |
| Borough of Highlands - Municipal Court | 140,000.00 | 82,509.00 | (57,491.00) |
| Borough of Highlands - Mechanical Services | 10,000.00 | - | (10,000.00) |
| Body Armor Replacement | 1,305.76 | 1,305.76 | - |
| Alcohol Education | 2,340.00 | 2,340.00 | - |
| Drunk Driving Enforcement | 4,800.00 | 4,800.00 | - |
| Bulletproof Vest Grant | 3,819.70 | 3,819.70 | - |
| Memorial Parkway Street Project | 60,131.71 | 60,131.71 | - |
| Stormwater Assistance | 25,000.00 | 25,000.00 | - |
| Sustainable New Jersey | 2,000.00 | 2,000.00 | - |
| LEAP | 27,439.10 | 27,439.10 | - |
| Recycling Tonnage | 7,788.15 | 7,788.15 | - |
| Clean Communities | 13,249.10 | 13,249.10 | - |
| Body Worn Camera | 7,336.80 | 7,336.80 | - |
| Uniform Fire Safety Act | 4,400.00 | 3,586.43 | (813.57) |
| American Rescue Plan | 201,406.44 | 201,406.44 | - |
| Total Miscellaneous Revenues | 2,076,480.13 | 2,108,431.88 | 31,951.75 |
| Receipts From Delinquent Taxes | 98,400.00 | 98,422.90 | 22.90 |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|---|------------------------|------------------------|----------------------|
| Property Taxes for Support of Municipal Budget Appropriations: | | | |
| Local Tax for Municipal Purposes | 5,829,388.79 | 6,062,835.11 | 233,446.32 |
| | | | |
| Budget Totals | 9,076,828.92 | 9,342,249.89 | 265,420.97 |
| | | | |
| Non-Budget Revenue | - | 152,249.44 | 152,249.44 |
| | | | |
| | <u>\$ 9,076,828.92</u> | <u>\$ 9,494,499.33</u> | <u>\$ 417,670.41</u> |

Analysis of Realized Revenue

| | | |
|--|-------------------|-------------------------------|
| Revenue From Collections | | \$ 18,594,744.43 |
| Allocated To: | | |
| Regional District High School | \$ 4,341,634.00 | |
| Local District School | 5,788,728.00 | |
| County Taxes | 2,619,968.44 | |
| Municipal Open Space | <u>110,006.47</u> | |
| | | <u>12,860,336.91</u> |
| | | |
| Balance for Support of Municipal Budget Purposes | | 5,734,407.52 |
| Add: Appropriation Reserve for Uncollected Taxes | | <u>328,427.59</u> |
| | | |
| Amount for Support of Municipal Budget Appropriations | | <u><u>\$ 6,062,835.11</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

| | |
|--|------------------|
| Insurance Reimbursements | \$ 77,088.56 |
| Legal Settlements | 20,004.03 |
| Sale of Municipal Assets | 5,034.54 |
| OPRA Requests | 135.71 |
| LOSAP Refunds | 5,100.00 |
| Filming Fees | 1,150.00 |
| Pension Transmittal Refunds | 2,675.06 |
| New Jersey State Police Reimbursements | 9,659.89 |
| Tax Collector Fees | 10,459.78 |
| Miscellaneous Refunds and Reimbursements | <u>20,941.87</u> |

\$ 152,249.44

| | |
|---------------|---------------|
| Cash Receipts | \$ 152,249.44 |
| Interfunds | <u>-</u> |

\$ 152,249.44

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | | | Unexpended |
|--|--------------------|-------------------------------|--------------------|------------|------------------|---------------------|------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Reserved | Overexpenditures | Balance Canceled | |
| GENERAL GOVERNMENT | | | | | | | |
| Administration and Executive: | | | | | | | |
| Mayor & Council | | | | | | | |
| Salaries and Wages | \$ 22,500.00 | \$ 22,500.00 | \$ 22,500.00 | \$ - | \$ - | \$ - | |
| Other Expenses | 15,000.00 | 15,000.00 | 7,268.30 | 7,731.70 | - | - | |
| General Administration: | | | | | | | |
| Salaries and Wages | 80,000.00 | 85,500.00 | 85,389.48 | 110.52 | - | - | |
| Other Expenses | 100,000.00 | 75,000.00 | 64,774.53 | 10,225.47 | - | - | |
| Drug Education Program | | | | | | | |
| Other Expenses | 4,000.00 | 4,000.00 | 2,050.00 | 1,950.00 | - | - | |
| Human Resources (Personnel) | | | | | | | |
| Salaries and Wages | 7,250.00 | 7,250.00 | 6,826.00 | 424.00 | - | - | |
| Municipal Clerk's Office: | | | | | | | |
| Salaries and Wages | 115,000.00 | 117,000.00 | 115,786.73 | 1,213.27 | - | - | |
| Other Expenses | 40,000.00 | 40,000.00 | 36,566.28 | 3,433.72 | - | - | |
| Annual Audit: | | | | | | | |
| Other Expenses | 29,000.00 | 29,000.00 | - | 29,000.00 | - | - | |
| Computerized Data Processing | | | | | | | |
| Other Expenses | 55,000.00 | 55,000.00 | 45,915.53 | 9,084.47 | - | - | |
| Revenue Administration | | | | | | | |
| Salaries and Wages | 45,000.00 | 45,000.00 | 39,951.09 | 5,048.91 | - | - | |
| Other Expenses | 20,000.00 | 20,000.00 | 11,292.47 | 8,707.53 | - | - | |
| Tax Assessment Administration | | | | | | | |
| Salaries and Wages | 26,000.00 | 27,500.00 | 27,300.00 | 200.00 | - | - | |
| Other Expenses | 12,000.00 | 10,500.00 | 10,157.04 | 342.96 | - | - | |
| Department of Finance: | | | | | | | |
| Financial Administration: | | | | | | | |
| Salaries and Wages | 38,000.00 | 53,000.00 | 49,000.91 | 3,999.09 | - | - | |
| Other Expenses | 55,000.00 | 50,000.00 | 45,869.04 | 4,130.96 | - | - | |
| Department of Law: | | | | | | | |
| Legal Services and Costs: | | | | | | | |
| Salaries and Wages | 30,000.00 | 31,000.00 | 30,520.84 | 479.16 | - | - | |
| Other Expenses | 75,000.00 | 80,000.00 | 74,834.28 | 5,165.72 | - | - | |
| Tax Appeals | 50,000.00 | 29,500.00 | 1,161.00 | 28,339.00 | - | - | |
| Municipal Prosecutor: | | | | | | | |
| Salaries and Wages | 19,500.00 | 19,600.00 | 19,500.04 | 99.96 | - | - | |
| Other Expenses | 100.00 | | - | - | - | - | |
| Department of Parks, Recreation and Social Services: | | | | | | | |
| Celebration of Public Events: | | | | | | | |
| Other Expenses | 7,500.00 | 7,500.00 | | 7,500.00 | - | - | |
| Recreation Services and Programs | | | | | | | |
| Salaries and Wages | 42,000.00 | 42,000.00 | 38,481.26 | 3,518.74 | - | - | |
| Other Expenses | 30,000.00 | 30,000.00 | 18,714.84 | 11,285.16 | - | - | |
| Public Library | | | | | | | |
| Other Expenses | 1,500.00 | 1,500.00 | 869.11 | 630.89 | - | - | |
| Insurance: | | | | | | | |
| General Liability | 130,000.00 | 130,000.00 | 123,650.82 | 6,349.18 | - | - | |
| Surety Bonds | 488.00 | 488.00 | - | 488.00 | - | - | |
| Workers' Compensation | 125,000.00 | 128,500.00 | 128,466.18 | 33.82 | - | - | |
| Employee Group Health | 700,000.00 | 558,220.00 | 440,067.17 | 118,152.83 | - | - | |
| Health Benefit Waiver | 18,000.00 | 19,000.00 | 19,000.00 | | - | - | |
| Department of Public Safety: | | | | | | | |
| Police: | | | | | | | |
| Salaries and Wages | 1,505,000.00 | 1,505,000.00 | 1,325,582.53 | 179,417.47 | - | - | |
| Other Expenses | 215,000.00 | 215,000.00 | 201,872.25 | 13,127.75 | - | - | |
| Salary and Wage (ARP Funds) | 201,406.44 | 201,406.44 | 201,406.44 | | | | |
| Office of Emergency Management: | | | | | | | |
| Other Expenses | 6,500.00 | 6,500.00 | 4,570.08 | 1,929.92 | - | - | |
| Emergency Call System | | - | - | | - | - | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | | Unexpended Balance Canceled |
|---|--------------------|-------------------------------|--------------------|-----------|------------------|-----------------------------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Reserved | Overexpenditures | |
| Aid to Volunteer Fire Companies | | | | | | |
| Salaries and Wages | | - | | | - | - |
| Other Expenses | 70,750.00 | 70,750.00 | 68,481.21 | 2,268.79 | - | - |
| Aid to Volunteer Ambulance Companies | | | | | | |
| Other Expenses | 13,000.00 | 13,000.00 | 13,000.00 | - | - | - |
| Uniform Fire Safety Act (Fire Department) | | | | | | |
| Salaries and Wages | 10,000.00 | 10,000.00 | 8,703.71 | 1,296.29 | - | - |
| Other Expenses | 5,000.00 | 5,000.00 | 4,959.75 | 40.25 | - | - |
| Department of Community Development: | | | | | | |
| Engineering Services and Costs: | | | | | | |
| Salaries and Wages | 3,000.00 | 3,000.00 | 3,000.00 | - | - | - |
| Other Expenses | 65,000.00 | 80,000.00 | 78,224.04 | 1,775.96 | - | - |
| Planning Board: | | | | | | |
| Salaries and Wages | 13,500.00 | 13,500.00 | 6,610.70 | 6,889.30 | - | - |
| Other Expenses | 25,000.00 | 25,000.00 | 24,195.65 | 804.35 | - | - |
| Master Plan | 1,000.00 | 1,000.00 | - | 1,000.00 | - | - |
| COAH Planner | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 1,967.39 | 8,032.61 | - | - |
| Affordable Housing | | | | | | |
| Other Expenses | 7,000.00 | 7,000.00 | | 7,000.00 | - | - |
| Department of Public Works: | | | | | | |
| Public Buildings and Grounds: | | | | | | |
| Salaries and Wages | 62,000.00 | 90,000.00 | 87,525.70 | 2,474.30 | - | - |
| Other Expenses | 118,500.00 | 178,500.00 | 162,534.42 | 15,965.58 | - | - |
| Streets and Road Maintenance | | | | | | |
| Salaries and Wages | 268,300.00 | 323,300.00 | 323,000.80 | 299.20 | - | - |
| Other Expenses | 119,000.00 | 73,000.00 | 66,286.26 | 6,713.74 | - | - |
| Solid Waste Collection | | | | | | |
| Salaries and Wages | 200,000.00 | 210,000.00 | 209,976.51 | 23.49 | - | - |
| Other Expenses | 91,500.00 | 91,500.00 | 90,776.44 | 723.56 | - | - |
| Vehicle Maintenance | | | | | | |
| Salaries and Wages | 84,000.00 | 129,000.00 | 127,622.22 | 1,377.78 | - | - |
| Other Expenses | 69,400.00 | 59,400.00 | 56,827.47 | 2,572.53 | - | - |
| Municipal Court: | | | | | | |
| Salaries and Wages | 102,000.00 | 112,000.00 | 106,499.83 | 5,500.17 | - | - |
| Other Expenses | 10,000.00 | 10,000.00 | 9,921.65 | 78.35 | - | - |
| Public Defender | | | | | | |
| Salaries and Wages | 7,000.00 | 7,000.00 | 7,000.00 | - | - | - |
| Other Expenses | 500.00 | 500.00 | - | 500.00 | - | - |
| Shade Tree Commission | | | | | | |
| Other Expenses | 15,000.00 | 15,000.00 | 10,000.00 | 5,000.00 | - | - |
| Animal Control Services | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 9,398.15 | 601.85 | - | - |
| Other Common Operating Functions: | | | | | | |
| Accumulated Sick Leave Compensation | | | | | | |
| Salaries and Wages | 15,000.00 | 15,000.00 | 15,000.00 | - | - | - |
| Right to Know Safely | | | | | | |
| Other Expenses | 4,000.00 | 4,000.00 | 2,763.00 | 1,237.00 | - | - |
| Environmental Commission | | | | | | |
| Other Expenses | 2,000.00 | 2,000.00 | 750.32 | 1,249.68 | - | - |
| <u>Uniform Construction Code Appropriations</u> | | | | | | |
| <u>Offset by Dedicated Revenues</u> | | | | | | |
| State Uniform Construction Code | | | | | | |
| Salaries and Wages | 19,500.00 | 19,500.00 | 19,500.00 | - | - | - |
| Other Expenses | 3,000.00 | 3,000.00 | 588.94 | 2,411.06 | - | - |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | Overexpenditures | Unexpended Balance Canceled |
|--|--------------------|-------------------------------|--------------------|------------|------------------|-----------------------------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Reserved | | |
| Construction Official | | | | | | |
| Salaries and Wages | 65,500.00 | 65,500.00 | 65,119.13 | 380.87 | - | - |
| Other Expenses | 5,000.00 | 5,000.00 | 1,656.00 | 3,344.00 | - | - |
| UNCLASSIFIED | | | | | | |
| Utilities: | | | | | | |
| Electricity | 105,000.00 | 65,000.00 | 54,906.83 | 10,093.17 | - | - |
| Street Lighting | 90,000.00 | 90,000.00 | 76,247.06 | 13,752.94 | - | - |
| Telephone (excluding equipment acquisition) | 25,000.00 | 10,000.00 | 5,602.52 | 4,397.48 | - | - |
| Natural Gas | 40,000.00 | 40,000.00 | 31,754.18 | 8,245.82 | - | - |
| Telecommunication Costs | 9,000.00 | 9,000.00 | 7,854.22 | 1,145.78 | - | - |
| Gasoline | 100,000.00 | 136,000.00 | 124,072.76 | 11,927.24 | - | - |
| Landfill Solid Waste Disposal Costs | 230,000.00 | 230,000.00 | 186,553.53 | 43,446.47 | - | - |
| Total Operations - Within "CAPS" | 5,914,194.44 | 5,902,914.44 | 5,268,224.63 | 634,689.81 | - | - |
| Contingent | 5,000.00 | 5,000.00 | - | 5,000.00 | - | - |
| Detail: | | | | | | |
| Salaries and Wages | 2,981,456.44 | 3,154,556.44 | 2,941,803.92 | 212,752.52 | - | - |
| Other Expenses | 2,937,738.00 | 2,753,358.00 | 2,326,420.71 | 426,937.29 | - | - |
| Deferred Charges and Statutory Expenditures - Municipal Within "CAPS" | | | | - | - | - |
| Contribution To: | | | | | | |
| Overexpenditures | 55,633.56 | 55,633.56 | 55,633.56 | - | - | - |
| Public Employees' Retirement System | 228,798.00 | 228,798.00 | 228,798.00 | - | - | - |
| Police and Firemen's Retirement System of NJ | 388,248.00 | 388,248.00 | 387,398.40 | 849.60 | - | - |
| Unemployment Insurance | 7,500.00 | 7,500.00 | 7,500.00 | - | - | - |
| Social Security System (O.A.S.I.) | 120,000.00 | 130,000.00 | 127,492.92 | 2,507.08 | - | - |
| Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS" | 800,179.56 | 810,179.56 | 806,822.88 | 3,356.68 | - | - |
| Total General Appropriations for Municipal Purposes - Within "CAPS" | 6,719,374.00 | 6,718,094.00 | 6,075,047.51 | 643,046.49 | - | - |
| Other Operations - Excluded from "CAPS" | | | | | | |
| LOSAP: | | | | | | |
| Other Expenses | 50,000.00 | 50,000.00 | 3,100.00 | 46,900.00 | - | - |
| Recycling Tax (N.J.S.A. 13:1E-96.5): | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | 4,756.05 | 5,243.95 | - | - |
| Total Other Operations - Excluded from "CAPS" | 60,000.00 | 60,000.00 | 7,856.05 | 52,143.95 | - | - |
| Interlocal Municipal Service Agreements: | | | | | | |
| 911 Emergency Service Contract with County | | | | | - | - |
| Dispatch Services - Monmouth County | 90,000.00 | 90,000.00 | 90,000.00 | - | - | - |
| Other Expenses | 105,000.00 | 106,280.00 | 106,280.00 | - | - | - |
| Mechanical Services - Highlands | | | | | | |
| Other Expenses | 10,000.00 | 10,000.00 | - | 10,000.00 | - | - |
| Total Interlocal Municipal Service Agreements | 205,000.00 | 206,280.00 | 196,280.00 | 10,000.00 | - | - |
| Public and Private Programs Offset By Revenues: | | | | | | |
| Body Armor Replacement Grant | 1,305.76 | 1,305.76 | 1,305.76 | - | - | - |
| Alcohol Education Grant | 2,340.00 | 2,340.00 | 2,340.00 | - | - | - |
| Drunk Driving Enforcement Fund | 4,800.00 | 4,800.00 | 4,800.00 | - | - | - |
| Bullet Proof Vest Grant (40A:4-87, \$3,819.70.+) | - | 3,819.70 | 3,819.70 | - | - | - |
| Memorial Parkway (40A:4-87, \$60,131.71+) | - | 60,131.71 | 60,131.71 | - | - | - |
| Storm Water Assistance (40A:4-87, \$25,000.00+) | - | 25,000.00 | 25,000.00 | - | - | - |
| Sustainable Jersey Grant (40A:4-87, \$2,000.00+) | - | 2,000.00 | 2,000.00 | - | - | - |
| LEAP Grant (40A:4-87, \$27,439.10+) | - | 27,439.10 | 27,439.10 | - | - | - |
| Recycling Tonnage Grant (40A:4-87, \$7,788.15+) | - | 7,788.15 | 7,788.15 | - | - | - |
| Clean Communities (40A:4-87, \$13,249.10+) | - | 13,249.10 | 13,249.10 | - | - | - |
| Body Worn Camera Grant (40A:4-87, \$7,336.80+) | - | 7,336.80 | 7,336.80 | - | - | - |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | | Unexpended Balance Canceled |
|---|------------------------|-------------------------------|------------------------|----------------------|------------------|-----------------------------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Reserved | Overexpenditures | |
| Total Public and Private Programs Offset By Revenues | 8,445.76 | 155,210.32 | 155,210.32 | - | - | - |
| Total Operations - Excluded from "CAPS" | 273,445.76 | 421,490.32 | 359,346.37 | 62,143.95 | - | - |
| Detail: | | | | | | |
| Other Expenses | 273,445.76 | 421,490.32 | 359,346.37 | 62,143.95 | - | - |
| Capital Improvements - Excluded From "CAPS" | | | | | | |
| Down Payments on Improvements | | | | | | |
| Capital Improvement Fund | 200,000.00 | 200,000.00 | 200,000.00 | - | - | - |
| Police HVAC Replacement | 20,000.00 | 20,000.00 | - | 20,000.00 | - | - |
| Electronic Door Replacement | 20,000.00 | 20,000.00 | 18,937.00 | 1,063.00 | - | - |
| Lift System, EMS Building | 20,000.00 | 20,000.00 | - | 20,000.00 | - | - |
| Road Painting | 20,000.00 | 20,000.00 | 16,900.00 | 3,100.00 | - | - |
| Replacement Batteries | 10,000.00 | 10,000.00 | - | 10,000.00 | - | - |
| Police Portable Radios | 5,000.00 | 5,000.00 | - | 5,000.00 | - | - |
| Municipal Court Equipment | 5,000.00 | 5,000.00 | - | 5,000.00 | - | - |
| Total Capital Improvements - Excluded From "CAPS" | 300,000.00 | 300,000.00 | 235,837.00 | 64,163.00 | - | - |
| Municipal Debt Service - Excluded From "CAPS" | | | | | | |
| Payment of BAN and Capital Note Principal | 100,000.00 | 100,000.00 | - | | | 100,000.00 |
| Interest on Notes | 14,000.00 | 14,000.00 | 13,883.33 | | | 116.67 |
| Interest on Bonds | 206,200.00 | 206,200.00 | 206,200.00 | | | - |
| Payment of Bond Principal | 827,000.00 | 827,000.00 | 827,000.00 | | | - |
| Total Municipal Debt Service - Excluded From "CAPS" | 1,147,200.00 | 1,147,200.00 | 1,047,083.33 | - | - | 100,116.67 |
| Deferred Charges and Statutory Expenditures - Municipal Excluded From "CAPS" | | | | | | |
| Future Taxation - Unfunded Ord. 02-1999 | 161,617.01 | 161,617.01 | 161,617.01 | - | - | - |
| Total Deferred Charges and Statutory Expenditures - Municipal - Excluded From "CAPS" | 161,617.01 | 161,617.01 | 161,617.01 | | - | - |
| Total General Appropriations for Municipal Purposes - Excluded From "CAPS" | 1,882,262.77 | 2,030,307.33 | 1,803,883.71 | 126,306.95 | - | 100,116.67 |
| Subtotal General Appropriations | 8,601,636.77 | 8,748,401.33 | 7,878,931.22 | 769,353.44 | - | 100,116.67 |
| Reserve for Uncollected Taxes | 328,427.59 | 328,427.59 | 328,427.59 | - | - | - |
| Total General Appropriations | <u>\$ 8,930,064.36</u> | <u>\$ 9,076,828.92</u> | <u>\$ 8,207,358.81</u> | <u>\$ 769,353.44</u> | <u>\$ -</u> | <u>\$ 100,116.67</u> |
| Budget as Adopted | | \$ 8,930,064.36 | | | | |
| Appropriated by N.J.S. 40A:4-87 | | <u>146,764.56</u> | | | | |
| | | <u>\$ 9,076,828.92</u> | | | | |
| Analysis of Paid or Charged: | | | | | | |
| Cash Disbursements | | | \$ 7,465,734.12 | | | |
| Deferred Charge - Overexpenditures | | | 55,633.56 | | | |
| Reserve for: | | | | | | |
| Uncollected Taxes | | | 328,427.59 | | | |
| Encumbrances | | | 202,353.22 | | | |
| Grants Appropriated | | | <u>155,210.32</u> | | | |
| | | | <u>\$ 8,207,358.81</u> | | | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| Animal Control Trust Fund: | | | |
| Cash | B-1 | \$ 5,466.68 | \$ 10,033.55 |
| Change Fund | B | <u>50.00</u> | <u>50.00</u> |
| | | <u>5,516.68</u> | <u>10,083.55</u> |
| Open Space Trust Fund | | | |
| Cash | B-1 | 547,830.98 | 491,540.28 |
| Due From Current Fund | B-6 | <u>560.27</u> | <u>112,288.12</u> |
| | | <u>548,391.25</u> | <u>603,828.40</u> |
| Trust - Other Funds: | | | |
| Cash | B-1 | 1,247,187.88 | 725,408.17 |
| Deferred Charge | B | | - |
| Due From Current Fund | B | - | 46,128.20 |
| Due From Open Space Trust Fund | B | <u>-</u> | <u>1,800.00</u> |
| | | <u>1,247,187.88</u> | <u>773,336.37</u> |
| Length of Service Awards Program (LOSAP) | | | |
| Funds Held by Trustee | B-9 | <u>1,067,605.01</u> | <u>925,501.05</u> |
| Total Assets | | <u>\$ 2,868,700.82</u> | <u>\$ 2,312,749.37</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------------|------------------------|
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Animal Control Trust Fund: | | | |
| Due To: | | | |
| Current Fund | B-4 | \$ 1,895.48 | \$ 6,528.55 |
| State - License Fee | B-3 | 1.20 | - |
| Reserve for Animal Control Fund Expenditures | B-2 | <u>3,620.00</u> | <u>3,555.00</u> |
| | | <u>5,516.68</u> | <u>10,083.55</u> |
| Open Space Trust Fund: | | | |
| Due to Trust - Other Funds | B | - | 1,800.00 |
| Reserve for Encumbrances | B | - | 6,990.38 |
| Reserve for Open Space Trust | B-7 | <u>548,391.25</u> | <u>595,038.02</u> |
| | | <u>548,391.25</u> | <u>603,828.40</u> |
| Trust - Other Funds: | | | |
| Various Reserves | B-8 | 1,245,607.42 | 771,755.91 |
| Reserve for Encumbrances | B-5 | <u>1,580.46</u> | <u>1,580.46</u> |
| | | <u>1,247,187.88</u> | <u>773,336.37</u> |
| Length of Service Awards Program (LOSAP) | | | |
| Reserve for Length of Service Award Program | B-10 | <u>1,067,605.01</u> | <u>925,501.05</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 2,868,700.82</u> | <u>\$ 2,312,749.37</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------------|------------------------|
| <u>Assets</u> | | | |
| Cash - Treasurer | C-2, C-3 | \$ 413,638.27 | \$ 3,662.95 |
| Due From Current Fund | C-6 | - | 415,863.46 |
| Grants Receivable | C | 630,048.27 | 870,048.27 |
| Deferred Charges To Future Taxation: | | | |
| Funded | C-4 | 4,180,000.00 | 5,007,000.00 |
| Unfunded | C-5 | 700,000.00 | 861,617.01 |
| Overexpenditure | | - | - |
| Total Assets | | <u>\$ 5,923,686.54</u> | <u>\$ 7,158,191.69</u> |
| <u>Liabilities, Reserves and Fund Balance</u> | | | |
| Serial Bonds Payable | C-8 | \$ 4,180,000.00 | \$ 5,007,000.00 |
| Reserve for Debt Service | C-9 | 35,650.47 | 35,650.47 |
| Reserve for Encumbrances | C-10 | 60,498.30 | 39,648.94 |
| Bond Anticipation Notes | C-11 | - | 700,000.00 |
| Improvement Authorizations: | | | |
| Funded | C-10 | 827,366.03 | 1,144,720.54 |
| Unfunded | C-10 | - | - |
| Due to Harbor Commission Utility Operating Fund | C | 700,000.00 | |
| Capital Improvement Fund | C-7 | 60,378.90 | 171,378.90 |
| Fund Balance | C-1 | <u>59,792.84</u> | <u>59,792.84</u> |
| Total Liabilities, Reserves and Fund Balance | | <u>\$ 5,923,686.54</u> | <u>\$ 7,158,191.69</u> |

There were bonds and notes authorized but not issued on December 31, 2023 in the amount of \$700,000.00 and on December 31, 2022 in the amount of \$161,617.01. (Exhibit C-12)

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|-----------------------------------|----|-------------------------|
| Balance, December 31, 2022 | \$ | 59,792.84 |
| Increased By: | | |
| Premium on Bond Anticipation Note | \$ | - |
| | | <u>-</u> |
| Balance, December 31, 2023 | \$ | <u><u>59,792.84</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|-------------------------|-------------------------|
| <u>Assets</u> | | | |
| Operating Fund: | | | |
| Cash and Investments - Treasurer | D-5 | \$ 1,010,332.44 | \$ 925,482.02 |
| Due from Current Fund | D | 47,417.68 | 121,577.37 |
| Cash - Change Fund | D | 150.00 | 150.00 |
| | | <u>1,057,900.12</u> | <u>1,047,209.39</u> |
| Receivables and Other Assets With Full Reserves: | | | |
| Consumer Accounts Receivable | D-7 | <u>97,760.98</u> | <u>109,565.51</u> |
| | | <u>97,760.98</u> | <u>109,565.51</u> |
| Deferred Charges: | | | |
| Overexpenditure of Appropriation Reserves | D-10 | <u>37,650.46</u> | <u>-</u> |
| | | <u>37,650.46</u> | <u>-</u> |
| Total Operating Fund | | <u>1,193,311.56</u> | <u>1,156,774.90</u> |
| Capital Fund: | | | |
| Cash and Investments | D-5 | 240,227.99 | 38,850.46 |
| Due from Water/Sewer Operating | D | - | 110,335.34 |
| Due from Current | D | - | 36,042.19 |
| Fixed Capital | D-15 | <u>16,601,949.05</u> | <u>16,513,346.44</u> |
| Total Capital Fund | | <u>16,842,177.04</u> | <u>16,698,574.43</u> |
| Total Assets | | <u>\$ 18,035,488.60</u> | <u>\$ 17,855,349.33</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|-------------------------|-------------------------|
| <u>Liabilities, Reserves and Fund Balances</u> | | | |
| Operating Fund: | | | |
| Appropriation Reserves | D-4 | \$ 121,659.87 | \$ 259,102.27 |
| Reserve for Encumbrances | D-11 | 188,523.29 | 8,883.34 |
| Accrued Interest Payable | D-13 | 34,628.89 | 38,673.72 |
| Water Rent Overpayments | D-12 | 20,099.84 | 36,745.31 |
| Due to Water/Sewer Capital Fund | D | - | 110,335.34 |
| Accounts Payable | D-14 | 14,587.36 | 11,650.66 |
| | | <u>379,499.25</u> | <u>465,390.64</u> |
| Reserve for Receivables and Other Assets | D | 97,760.98 | 109,565.51 |
| Fund Balance | D-1 | <u>716,051.33</u> | <u>581,818.75</u> |
| Total Operating Fund | | <u>1,193,311.56</u> | <u>1,156,774.90</u> |
| Capital Fund: | | | |
| Serial Bonds | D-16 | 2,316,000.00 | 2,628,000.00 |
| Loans Payable | D-17 | 791,885.68 | 868,574.23 |
| Capital Improvement Fund | D | 215,000.00 | 160,000.00 |
| Reserve for Amortization | D-9 | 13,494,063.37 | 13,016,772.21 |
| Bond Covenant Reserves: | | | |
| Borough of Atlantic Highlands Allocation | D-8 | 12,109.44 | 12,109.44 |
| Borough of Highlands Allocation | D-8 | 13,118.55 | 13,118.55 |
| Fund Balance | D-2 | <u>-</u> | <u>-</u> |
| Total Capital Fund | | <u>16,842,177.04</u> | <u>16,698,574.43</u> |
| Total Liabilities, Reserves and Fund Balances | | <u>\$ 18,035,488.60</u> | <u>\$ 17,855,349.33</u> |

On December 31, 2023 and 2022, there were no bonds and notes authorized but not issued.

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|----------------------|----------------------|
| Revenue and Other Income Realized: | | |
| Fund Balance Utilized | \$ 92,437.72 | \$ 40,464.27 |
| Water/Sewer Rents | 2,438,126.58 | 2,433,263.37 |
| Water/Sewer Capital Fund Balance | - | 35,798.14 |
| Miscellaneous Revenue Anticipated | 41,659.51 | 211,483.13 |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 212,839.38 | 59,548.04 |
| Accrued Interest Cancelled | - | 18,267.58 |
| | <hr/> | <hr/> |
| Total Revenue | 2,785,063.19 | 2,798,824.53 |
| | <hr/> | <hr/> |
| Expenditures: | | |
| Operating | 1,754,917.02 | 1,736,917.02 |
| Capital Improvements | 208,000.00 | 147,165.00 |
| Debt Service | 502,177.48 | 558,697.60 |
| Deferred Charges and Statutory Expenditures | 93,298.39 | 84,097.83 |
| Overexpenditure of Appropriation Reserves | 37,650.46 | - |
| | <hr/> | <hr/> |
| Total Expenditures | 2,596,043.35 | 2,526,877.45 |
| | <hr/> | <hr/> |
| Excess in Revenue | 189,019.84 | 271,947.08 |
| Adjustments to Income before Fund Balance: | | |
| Overexpenditure of Appropriation Reserves | 37,650.46 | - |
| | <hr/> | <hr/> |
| Statutory Excess to Fund Balance | 226,670.30 | 271,947.08 |
| Fund Balance, January 1 | 581,818.75 | 350,335.94 |
| | <hr/> | <hr/> |
| | 808,489.05 | 622,283.02 |
| Decreased By: | | |
| Utilized as Anticipated Revenue | 92,437.72 | 40,464.27 |
| | <hr/> | <hr/> |
| Fund Balance, December 31 | <u>\$ 716,051.33</u> | <u>\$ 581,818.75</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|--------------------|
| Balance, December 31, 2022 | <u>\$ -</u> |
| Decreased By: | |
| Surplus Anticipated | <u>-</u> |
| Balance, December 31, 2023 | <u><u>\$ -</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Budget</u> | <u>Realized</u> | <u>Excess/ (Deficit)</u> |
|----------------------------------|------------------------|------------------------|------------------------------|
| Surplus Utilized | \$ 92,437.72 | \$ 92,437.72 | \$ - |
| Water/Sewer Capital Fund Balance | - | - | - |
| Water/Sewer Rents | 2,400,000.00 | 2,438,126.58 | 38,126.58 |
| Miscellaneous Revenue | 70,000.00 | 41,659.51 | (28,340.49) |
| | <u>\$ 2,562,437.72</u> | <u>\$ 2,572,223.81</u> | <u>\$ 9,786.09</u> |

Analysis of Rents:

| | |
|----------------------|---------------------|
| Cash Receipts | \$ 2,405,692.22 |
| Overpayments Applied | <u>32,434.36</u> |
| | <u>2,438,126.58</u> |

Analysis of Miscellaneous Revenue:

| | |
|---------------------------|---------------------|
| Miscellaneous Revenue | \$ 32,846.64 |
| Advantage Interest Income | <u>8,812.87</u> |
| | <u>\$ 41,659.51</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | | |
|-------------------------------------|--------------------|-------------------------------|------------------------|---------------|---------------|-------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Encumbered | Reserved | Cancelled |
| Operating: | | | | | | |
| Salaries and Wages | \$ 800,000.00 | \$ 719,500.00 | \$ 659,189.28 | \$ - | \$ 60,310.72 | \$ - |
| Other Expenses | 374,600.00 | 374,600.00 | 310,758.47 | 63,586.69 | 254.84 | - |
| Bank Fees | 4,300.00 | 4,300.00 | 1,582.50 | - | 2,717.50 | - |
| Insurance | 179,017.02 | 206,517.02 | 202,040.54 | - | 4,476.48 | - |
| Sewerage Treatment Fees | 450,000.00 | 450,000.00 | 403,850.55 | - | 46,149.45 | - |
| Total Operating | 1,807,917.02 | 1,754,917.02 | 1,577,421.34 | 63,586.69 | 113,908.99 | - |
| Capital Improvements: | | | | | | |
| Capital Improvement Fund | 55,000.00 | 55,000.00 | 55,000.00 | - | - | - |
| Capital Outlay | 100,000.00 | 153,000.00 | 27,859.00 | 124,936.60 | 204.40 | - |
| Total Capital Improvements | 155,000.00 | 208,000.00 | 82,859.00 | 124,936.60 | 204.40 | - |
| Debt Service: | | | | | | |
| Payment of Bond Principal | 312,000.00 | 312,000.00 | 312,000.00 | - | - | - |
| Payment of Loan Principal | 76,688.55 | 76,688.55 | 76,688.55 | - | - | - |
| Interest on Bonds | 109,290.00 | 109,290.00 | 107,358.92 | - | - | 1,931.08 |
| Interest on Loans | 8,243.76 | 8,243.76 | 6,130.01 | - | - | 2,113.75 |
| Total Debt Service | 506,222.31 | 506,222.31 | 502,177.48 | - | - | 4,044.83 |
| Statutory Expenditures: | | | | | | |
| Contributions To: | | | | | | |
| Public Employees' Retirement System | 38,298.39 | 38,298.39 | 38,298.39 | - | - | - |
| Social Security System (O.A.S.I.) | 55,000.00 | 55,000.00 | 47,453.52 | - | 7,546.48 | - |
| Total Statutory Expenditures | 93,298.39 | 93,298.39 | 85,751.91 | - | 7,546.48 | - |
| Total Water Utility Appropriations | \$ 2,562,437.72 | \$ 2,562,437.72 | \$ 2,248,209.73 | \$ 188,523.29 | \$ 121,659.87 | \$ 4,044.83 |
| Analysis of Paid or Charged: | | | | | | |
| Cash Disbursements | | | \$ 2,134,720.80 | | | |
| Accrued Interest Payable | | | 113,488.93 | | | |
| | | | <u>\$ 2,248,209.73</u> | | | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| <u>Assets</u> | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|-------------------------|-------------------------|
| Operating Fund: | | | |
| Cash - Treasurer | E-5 | \$ 2,861,942.85 | \$ 3,547,298.65 |
| Change Fund | E | 2,210.00 | 2,210.00 |
| Due from Payroll Fund | E | - | 213.56 |
| Due from General Capital Fund | E | 700,000.00 | - |
| Due from Harbor Utility Capital Fund | E | 776,800.21 | - |
| Due from Current Fund | E | 83,218.80 | - |
| | | <u>4,424,171.86</u> | <u>3,549,722.21</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Account Receivable | E-9 | <u>1,229,072.80</u> | <u>1,261,219.80</u> |
| | | <u>1,229,072.80</u> | <u>1,261,219.80</u> |
| Deferred Charges | | | |
| Overexpenditure | E | <u>-</u> | <u>-</u> |
| | | <u>-</u> | <u>-</u> |
| Total Operating Fund | | <u>5,653,244.66</u> | <u>4,810,942.01</u> |
| Capital Fund: | | | |
| Cash | E-5 | 2,040,222.04 | 1,936,895.04 |
| Fixed Capital | E-13 | 23,917,011.14 | 23,731,720.39 |
| Fixed Capital Authorized and Uncompleted | E-14 | 21,050,000.00 | 21,050,000.00 |
| Due from Current Fund | E | - | 3,327.00 |
| Due from Harbor Utility Operating Fund | E-7 | - | 123,199.79 |
| Deferred Charges | E-8 | <u>195,173.97</u> | <u>95,173.97</u> |
| Total Capital Fund | | <u>47,202,407.15</u> | <u>46,940,316.19</u> |
| Total Assets | | <u>\$ 52,855,651.81</u> | <u>\$ 51,751,258.20</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|-------------------------|-------------------------|
| <u>Liabilities, Reserves and Fund Balances</u> | | | |
| Operating Fund: | | | |
| Appropriation Reserves | E-4/E-15 | \$ 118,367.26 | \$ 318,575.13 |
| Reserve for Encumbrances | E-16 | 97,940.10 | 55,016.54 |
| Accounts Payable | E-11 | 117,864.25 | 3,497.50 |
| Due To Current Fund | E | - | 292,626.14 |
| Due to Harbor Capital Fund | E-7 | - | 123,199.79 |
| Sales Tax Payable | E-12 | 711.65 | 5,108.61 |
| Accrued Interest Payable | E-17 | 26,655.05 | 34,861.34 |
| | | <u>361,538.31</u> | <u>832,885.05</u> |
| Reserve for Receivables | E | 1,229,072.80 | 1,261,219.80 |
| Fund Balance | E-1 | <u>4,062,633.55</u> | <u>2,716,837.16</u> |
| Total Operating Fund | | <u>5,653,244.66</u> | <u>4,810,942.01</u> |
| Capital Fund: | | | |
| General Serial Bonds | E-18 | 1,013,000.00 | 1,203,000.00 |
| Bond Anticipation Notes | E-19 | 640,600.00 | 1,640,600.00 |
| Improvement Authorizations: | | | |
| Funded | E-20 | 1,042,482.92 | 1,042,482.92 |
| Unfunded | E-20 | 135,386.71 | 135,386.71 |
| Reserve for Encumbrances | E-20 | 7,865.30 | 7,865.30 |
| Due to Current Fund | E | 100,000.00 | - |
| Due to Harbor Utility Operating Fund | E-7 | 776,800.21 | - |
| Capital Improvement Fund | E-10 | 277,512.71 | 177,512.71 |
| Reserve for Heritage Square | E-23 | 26,691.00 | 26,691.00 |
| Reserve to Pay Debt Service | E-22 | 755,079.50 | 755,079.50 |
| Reserve for Amortization | E-21 | 23,013,411.14 | 22,538,120.39 |
| Deferred Reserve for Amortization | E-24 | 19,400,000.00 | 19,400,000.00 |
| Fund Balance | E-2 | <u>13,577.66</u> | <u>13,577.66</u> |
| Total Capital Fund | | <u>47,202,407.15</u> | <u>46,940,316.19</u> |
| Total Liabilities, Reserves and Fund Balances | | <u>\$ 52,855,651.81</u> | <u>\$ 51,751,258.20</u> |

There were bonds and notes authorized but not issued on December 31, 2023 of \$900,000.00. There were no bonds and notes authorized but not issued on December 31, 2022. (Exhibit E-25)

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022**

| | <u>2023</u> | <u>2022</u> |
|--|------------------------|------------------------|
| Revenue and Other Income Realized: | | |
| Fund Balance Utilized | \$ - | \$ - |
| Harbor Operations | 4,773,734.21 | 4,662,802.80 |
| Gas Station Operations | 2,325,655.92 | 2,270,905.07 |
| Miscellaneous | 106,956.14 | 98,448.14 |
| Utility Capital Surplus | - | - |
| FEMA Reimbursement | - | - |
| Other Credits to Income: | | |
| Unexpended Balance of Appropriation Reserves | 52,914.47 | 5,038.42 |
| Accounts Payable Cancelled | - | - |
| Accrued Interest Cancelled | - | 16,127.51 |
| | <hr/> | <hr/> |
| Total Revenue | 7,259,260.74 | 7,053,321.94 |
| | <hr/> | <hr/> |
| Expenditures: | | |
| Operating | 4,510,740.00 | 4,381,415.00 |
| Capital Improvements | 125,000.00 | 361,342.44 |
| Debt Service | 270,128.80 | 478,315.79 |
| Deferred Charges | - | 4,015.15 |
| Statutory Expenditures | 307,595.55 | 296,456.77 |
| Surplus (General Budget) | 700,000.00 | 700,000.00 |
| Refund of Prior Year Revenue | - | - |
| | <hr/> | <hr/> |
| Total Expenditures | 5,913,464.35 | 6,221,545.15 |
| | <hr/> | <hr/> |
| Excess in Revenue | 1,345,796.39 | 831,776.79 |
| | <hr/> | <hr/> |
| Fund Balance, January 1 | 2,716,837.16 | 1,885,060.37 |
| | <hr/> | <hr/> |
| | 4,062,633.55 | 2,716,837.16 |
| Decreased By: | | |
| Utilized as Anticipated Revenue | - | - |
| | <hr/> | <hr/> |
| Fund Balance, December 31 | <u>\$ 4,062,633.55</u> | <u>\$ 2,716,837.16</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--|----------------------------|
| Balance, December 31, 2022 | \$ 13,577.66 |
| Increased By: | |
| Cancelled Improvement Authorization | - |
| Premium on Sale of Bond Anticipation Notes | - |
| | <hr/> |
| Balance, December 31, 2023 | <u><u>\$ 13,577.66</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Budget</u> | <u>Realized</u> | <u>Excess/ (Deficit)</u> |
|------------------------|------------------------|------------------------|------------------------------|
| Harbor Operations | \$ 4,025,000.00 | \$ 4,773,734.21 | \$ 748,734.21 |
| Gas Station Operations | 1,875,000.00 | 2,325,655.92 | 450,655.92 |
| Miscellaneous | 21,675.55 | 106,956.14 | 85,280.59 |
| | <u>\$ 5,921,675.55</u> | <u>\$ 7,206,346.27</u> | <u>\$ 1,284,670.72</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Appropriations | | Expended | | Unexpended |
|---|--------------------|-------------------------------|--------------------|---------------|----------------------|
| | Original Budget | Budget After Modifications | Paid or Charged | Reserved | Balance Cancelled |
| Operating: | | | | | |
| Salaries and Wages | \$ 1,500,000.00 | \$ 1,500,000.00 | \$ 1,458,960.06 | \$ 41,039.94 | \$ - |
| Other Expenses | 609,600.00 | 573,480.00 | 550,413.77 | 23,066.23 | - |
| Gas Station Operations | 1,907,000.00 | 1,937,000.00 | 1,921,275.12 | 15,724.88 | - |
| Insurance | 500,260.00 | 500,260.00 | 498,205.30 | 2,054.70 | - |
| Total Operating | 4,516,860.00 | 4,510,740.00 | 4,428,854.25 | 81,885.75 | - |
| Capital Improvements: | | | | | |
| Capital Improvement Fund | 100,000.00 | 100,000.00 | 100,000.00 | - | - |
| Capital Outlay | 25,000.00 | 25,000.00 | 5,249.00 | 19,751.00 | - |
| Total Capital Improvements | 125,000.00 | 125,000.00 | 105,249.00 | 19,751.00 | - |
| Debt Service: | | | | | |
| Payment of Bond Principal | 190,000.00 | 190,000.00 | 190,000.00 | - | - |
| Payment of BAN's and Capital Notes | - | - | - | - | - |
| Interest on Bonds | 49,220.00 | 49,220.00 | 47,153.42 | - | 2,066.58 |
| Interest on Notes | 33,000.00 | 39,120.00 | 32,975.38 | - | 6,144.62 |
| Funding Unfunded Ordinances | - | - | - | - | - |
| Total Debt Service | 272,220.00 | 278,340.00 | 270,128.80 | - | 8,211.20 |
| Deferred Charges and Statutory Expenditures: | | | | | |
| Deferred Charges: | | | | | |
| Harbor Capital | - | - | - | - | - |
| Total Deferred Charges | - | - | - | - | - |
| Statutory Expenditures: | | | | | |
| Contributions To: | | | | | |
| Public Employees' Retirement System | 95,745.95 | 95,745.95 | 95,701.61 | 44.34 | - |
| Unemployment Compensation Insurance | - | - | - | - | - |
| Police & Firemen's Retirement System | 96,849.60 | 96,849.60 | 96,849.60 | - | - |
| Social Security System (O.A.S.I.) | 100,000.00 | 100,000.00 | 83,313.83 | 16,686.17 | - |
| Accumulated Absence Fund | 15,000.00 | 15,000.00 | 15,000.00 | - | - |
| Total Statutory Expenditures | 307,595.55 | 307,595.55 | 290,865.04 | 16,730.51 | - |
| Surplus (General Budget) | 700,000.00 | 700,000.00 | 700,000.00 | - | - |
| Total Harbor Commission Surplus | 700,000.00 | 700,000.00 | 700,000.00 | - | - |
| Total Harbor Commissions Utility Appropriations | \$ 5,921,675.55 | \$ 5,921,675.55 | \$ 5,795,097.09 | \$ 118,367.26 | \$ 8,211.20 |
| Analysis of Paid or Charged: | | | | | |
| Cash Disbursements | | | \$ 5,617,028.19 | | |
| Deferred Charges: | | | - | | |
| Encumbrances | | | 97,940.10 | | |
| Accrued Interest Payable | | | 80,128.80 | | |
| | | | \$ 5,795,097.09 | | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

| | <u>Reference</u> | <u>2023</u> | (as restated) <u>2022</u> |
|-------------------------------------|------------------|-------------------------|------------------------------|
| <u>Assets</u> | | | |
| Land | F-1 | \$ 8,703,900.00 | \$ 8,703,900.00 |
| Buildings | F-1 | 2,994,900.00 | 2,994,900.00 |
| Machinery and Equipment | F-1 | <u>6,253,635.70</u> | <u>5,960,993.89</u> |
| Total Assets | | <u>\$ 17,952,435.70</u> | <u>\$ 17,659,793.89</u> |
| <u>Liabilities and Reserves</u> | | | |
| Investments in General Fixed Assets | F-1 | <u>\$ 17,952,435.70</u> | <u>\$ 17,659,793.89</u> |
| Total Fund Balance | | <u>\$ 17,952,435.70</u> | <u>\$ 17,659,793.89</u> |

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

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL FUND
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

| | <u>Reference</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|---------------------|----------------------|
| <u>Assets</u> | | | |
| Cash | G | \$ 17,460.15 | \$ 296,799.57 |
| Miscellaneous | G | - | 27,400.06 |
| Total Assets | | <u>\$ 17,460.15</u> | <u>\$ 324,199.63</u> |
| <u>Liabilities and Reserves</u> | | | |
| Payroll Taxes Payable | G | \$ 17,460.15 | \$ 14,569.65 |
| Due to Current Fund | G | - | 309,416.42 |
| Due to Harbor Commision Utilily Operating Fund | G | - | 213.56 |
| Total Liabilities and Reserves | | <u>\$ 17,460.15</u> | <u>\$ 324,199.63</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

This report includes the financial statements of the Borough of Atlantic Highlands (the "Borough"), within the County of Monmouth, in the State of New Jersey, and reflects the activities of the municipality which is under the control of the Mayor and Borough Council. The financial statements of the Board of Education, Housing Authority, Public Library, First Aid Organization and Fire Department are reported separately since their activities are administered by separate boards.

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

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

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

Current Fund – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

Animal Control Trust Fund – This fund accounts for animal license revenues and expenditures.

Open Space Trust Fund – This fund used to record receipts and disbursements relative to open space acquisition and maintenance.

Trust Other Funds – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

Length of Service Award Program Fund – This fund is used to record municipal contributions, changes in market value and administrative charges for program-eligible volunteers.

General Capital Fund – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Utility Operating and Capital Funds – These funds accounts for utility operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the utility to the general public be financed through user fees. Operations relating to the acquisition of capital facilities for utility purposes are recorded in the Utility Capital Fund.

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

Payroll Fund – This fund accounts for the payroll and payroll tax liabilities of the Borough. Amounts are received from the Current and Utility Operating Funds.

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

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

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

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

N.J.S.A.17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Cash, Cash Equivalents and Investments (continued)

five percent of the average daily balance of collected public funds, to secure the deposits of governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time of purchase. The costs of inventories are not included on the various balance sheets.

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

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

Fund Balance – Fund Balance included in the Current and Utility Operating Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

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

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

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Special Improvement District and Atlantic Highlands School District and Red Bank Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

School Taxes – The municipality is responsible for levying, collecting and remitting school taxes for the Atlantic Highlands School District and Red Bank Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

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

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

Expenditures – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts that may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31st of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

Long-Term Debt - Long-Term Debt relative to the acquisition of capital assets is recorded as a liability in the General and Utility Capital Fund. Where an improvement is a “local improvement”, i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements (Statements) to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

Impact of Recently Issued Accounting Pronouncements

Management has determined that the implementation of recently issued GASB accounting pronouncements, effective for the year ended December 31, 2023, would not have a significant impact on the Borough's 2023 regulatory financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62 is effective for fiscal years beginning after June 15, 2023.

Statement No. 101, Compensated Absences, is effective for fiscal years beginning after December 15, 2023.

Statement No. 102, Certain Risk Disclosures, is effective for fiscal years beginning after June 15, 2024.

Statement No. 103, Financial Reporting Model Improvements, is effective for fiscal years beginning after June 15, 2025.

Management has yet to determine the potential impact that these Statements will have upon the Borough's financial statements.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments

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

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023 and 2022, the Borough's bank balances were \$14,095,190.12 and \$13,996,002.95 respectively, and were exposed to custodial credit risk as follows:

| | <u>December 31, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------|--------------------------|--------------------------|
| Insured under FDIC and GUDPA | \$14,052,872.73 | \$13,756,663.34 |
| Uninsured and Uncollateralized | 42,317.39 | 239,339.61 |
| | <u>\$14,095,190.12</u> | <u>\$13,996,002.95</u> |

Investments

a. When authorized by a cash management plan approved pursuant to N.J.S. 40A:5-14, the Borough may use available funds for the purchase of the following types of securities, which, if suitable for registry, may be registered in the name of the Borough:

- (1) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (2) Government money market mutual funds.
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
- (4) Bonds or other obligations of the Borough, or bonds or other obligations of school districts of which the Borough is a part or within which the school district is located.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 2. Deposits and Investments (continued)

Investments (continued)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investments, New Jersey Department of the Treasury.
- (6) Local government investment pools, subject to certain requirements.
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P. L. 1977, c. 281; 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 section;
 - (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 GUDPA bank;
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

b. Any investment instruments in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

c. Investments are further regulated and restricted in accordance with N. J. S. 40A:5-15.1.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Length of Service Award Program Fund investments were exposed to custodial credit risk and are invested at the discretion of each individual participant and not the Borough. The fair value of Length of Service Award Program Fund investments at December 31, 2023 and 2022 was \$1,067,605.01 and \$925,501.05, respectively.

Credit Risk

State law limits investments as described in prior sections of this note to the financial statements. As of December 31, 2023 and 2022, no such investments were held by the Borough.

Interest Rate Risk

Interest rate risk is the risk, that changes in interest rates will adversely affect the fair value of an investment.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 3. Property Taxes

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

Comparative Schedule of Tax Rates

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|----------------------|----------------|----------------|----------------|
| Municipal | \$0.533 | \$0.538 | \$0.604 |
| Municipal Open Space | 0.010 | 0.010 | 0.010 |
| County | 0.239 | 0.251 | 0.283 |
| Local School | 0.529 | 0.535 | 0.591 |
| Regional School | 0.397 | 0.416 | 0.477 |
| Total Tax Rate | <u>\$1.708</u> | <u>\$1.750</u> | <u>\$1.965</u> |

Assessed Valuations (Net Valuation Taxable)

| <u>Year</u> | <u>Net Valuation Taxable</u> |
|-------------|----------------------------------|
| 2023 | \$1,093,866,100.00 |
| 2022 | 1,054,985,937.00 |
| 2021 | 939,095,451.00 |

Comparison Schedule of Tax Levies and Collections Currently

| <u>Year</u> | <u>Tax Levy</u> | <u>Currently</u> | |
|-------------|-----------------|-------------------------|--------------------------------------|
| | | <u>Cash Collections</u> | <u>Percentage of Collections</u> |
| 2023 | \$18,778,935.38 | \$18,594,744.43 | 99.02% |
| 2022 | 18,501,596.08 | 18,413,105.18 | 99.52% |
| 2021 | 18,531,924.85 | 18,342,500.42 | 98.98% |

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens at December 31, in relation to the tax levies of the last three years.

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|------------------------|---------------------|---------------------|---------------------|
| Delinquent Taxes | \$159,135.15 | \$98,422.90 | \$191,825.21 |
| Tax Title Liens | 29,765.24 | 21,473.57 | 15,903.32 |
| Total Delinquent | <u>\$188,900.39</u> | <u>\$119,896.47</u> | <u>\$207,728.53</u> |
| Percentage of Tax Levy | 1.01% | 0.65% | 1.12% |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 3. Property Taxes (continued):

Tax Title Liens

The Borough's last tax and utility lien sale was held on October 4, 2023 and was complete. The following table details the number of tax title liens receivable on December 31 of the last three years:

| | |
|------|---|
| 2023 | 2 |
| 2022 | 2 |
| 2021 | 1 |

Note: 4: Property Acquired By Tax Title Lien Liquidation

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2023 | \$85,300.00 |
| 2022 | 85,300.00 |
| 2021 | 85,300.00 |

Note 5. Water/Sewer Utility Service Charges

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

| <u>Year</u> | <u>Beginning Receivable Balance</u> | <u>Water/Sewer Levy</u> | <u>Cash Collections*</u> | <u>Percentage of Collection</u> |
|-------------|---|-----------------------------|------------------------------|-------------------------------------|
| 2023 | \$109,565.51 | \$2,426,322.05 | \$2,438,126.58 | 96.14% |
| 2022 | 138,589.83 | 2,404,239.05 | 2,433,263.37 | 95.69% |
| 2021 | 140,131.85 | 2,386,966.67 | 2,388,508.69 | 94.52% |

*Includes the collection of prior year receivables.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 6. Fund Balances Appropriated

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

| <u>Year</u> | <u>Balance December 31,</u> | <u>Utilized in Budget of Succeeding</u> | <u>Percentage of Fund Balance Utilized</u> |
|---------------------------------|---------------------------------|---|--|
| Current Fund | | | |
| 2023 | \$1,417,437.15 | \$1,070,000.00 | 75.49% |
| 2022 | 1,093,861.58 | 1,072,560.00 | 98.05% |
| 2021 | 1,488,022.25 | 1,019,000.00 | 68.48% |
| Water/Sewer Utility Fund | | | |
| 2023 | \$716,051.33 | \$255,000.00 | 35.61% |
| 2022 | 581,818.75 | 92,437.72 | 15.89% |
| 2021 | 350,335.94 | 40,464.27 | 11.55% |
| Harbor Utility Fund | | | |
| 2023 | \$4,062,633.35 | \$100,000.00 | 2.46% |
| 2022 | 2,716,837.16 | 0.00 | 0.00% |
| 2021 | 1,885,060.37 | 0.00 | 0.00% |

Note 7. Disaggregated Receivable and Payable Balances

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 8. Interfund Receivables and Payables

The following interfund balances were recorded in various individual Borough funds as of December 31, 2023:

| <u>Fund</u> | <u>Interfund Receivable</u> | <u>Interfund Payable</u> |
|--|---------------------------------|------------------------------|
| Current Fund | \$101,895.48 | \$588,605.15 |
| Grant Fund | 457,408.40 | - |
| Animal Control Fund | - | 1,895.48 |
| Open Space Trust Fund | 560.27 | - |
| Trust Other Fund | - | - |
| General Capital Fund | - | 700,000.00 |
| Water/Sewer Utility Operating Fund | 47,417.68 | - |
| Water/Sewer Utility Capital Fund | - | - |
| Harbor Commission Utility Operating Fund | 1,560,019.01 | - |
| Harbor Commission Utility Capital Fund | - | 876,800.21 |
| | <u>\$2,167,300.84</u> | <u>\$2,167,300.84</u> |

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

Note 9. Fixed Assets

General fixed assets account group activity for the years ended December 31, 2023 and 2022 was as follows:

| | <u>Balance Dec. 31, 2022</u> | <u>Additions</u> | <u>Dispositions</u> | <u>Balance Dec. 31, 2023</u> |
|----------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| Land | \$8,703,900.00 | | | \$8,703,900.00 |
| Buildings | 2,994,900.00 | | | 2,994,900.00 |
| Machinery and Equipment | 5,960,993.89 | \$292,641.81 | | 6,253,635.70 |
| | <u>\$17,659,793.89</u> | <u>\$292,641.81</u> | <u>-</u> | <u>\$17,952,435.70</u> |

| | <u>Balance Dec. 31, 2021</u> | <u>Additions</u> | <u>Dispositions</u> | <u>Balance Dec. 31, 2022</u> |
|----------------------------|----------------------------------|---------------------|---------------------|----------------------------------|
| Land | \$8,703,900.00 | | | \$8,703,900.00 |
| Buildings | 2,994,900.00 | | | 2,994,900.00 |
| Machinery and Equipment | 5,441,040.89 | \$843,203.00 | \$323,250.00 | 5,960,993.89 |
| | <u>\$17,139,840.89</u> | <u>\$843,203.00</u> | <u>\$323,250.00</u> | <u>\$17,659,793.89</u> |

The Borough has updated its fixed assets activity for additions and dispositions occurring in 2022 and has restated the general fixed assets account group balances as of December 31, 2022.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Borough's contractually required contribution to PERS plan was \$362,798.00.

Components of Net Pension Liability - At December 31, 2023, the Borough's proportionate share of the PERS net pension liability was \$3,844,214.00. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Borough's proportion measured as of June 30, 2023, was 0.0265404239% which was a decrease of 0.002291387% from its proportion measured as of June 30, 2022.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

Balances December 31, 2023 and December 31, 2022

| | <u>12/31/2023</u> June 30, 2023 | <u>12/31/2022</u> June 30, 2022 |
|---|------------------------------------|------------------------------------|
| Actuarial valuation date (including roll forward) | | |
| Deferred Outflows of Resources | \$264,439.00 | \$534,024.00 |
| Deferred Inflows of Resources | 779,125.00 | 1,107,289.00 |
| Net Pension Liability | 3,844,214.00 | 4,341,723.00 |
| Borough's portion of the Plan's total Net Pension Liability | 0.0265404239% | 0.0287695626% |

Pension Expense/(Benefit) and Deferred Outflows/Inflows of Resources - At December 31, 2023, the Borough's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2023 measurement date is (\$159,125.00). This expense/(benefit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

At December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>December 31, 2023</u> | |
|---|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference between expected and actual experience | \$36,756.00 | \$15,714.00 |
| Changes of assumptions | 8,445.00 | 232,976.00 |
| Net difference between projected and actual earnings on pension plan investments | 17,703.00 | |
| Changes in proportion and differences between Borough's contributions and proportionate share of contributions | 201,535.00 | 530,435.00 |
| | <u>\$264,439.00</u> | <u>\$779,125.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | 5.21 | - |
| June 30, 2020 | 5.16 | - |
| June 30, 2021 | - | 5.13 |
| June 30, 2022 | - | 5.04 |
| June 30, 2023 | 5.08 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2018 | - | 5.63 |
| June 30, 2019 | - | 5.21 |
| June 30, 2020 | - | 5.16 |
| June 30, 2021 | 5.13 | - |
| June 30, 2022 | - | 5.04 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2019 | 5.00 | - |
| June 30, 2020 | 5.00 | - |
| June 30, 2021 | 5.00 | - |
| June 30, 2022 | 5.00 | - |
| June 30, 2013 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2018 | 5.63 | 5.63 |
| June 30, 2019 | 5.21 | 5.21 |
| June 30, 2020 | 5.16 | 5.16 |
| June 30, 2021 | 5.13 | 5.13 |
| June 30, 2022 | 5.04 | 5.04 |
| June 30, 2023 | 5.08 | 5.08 |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PERS, in the amount of \$514,686.00, will be amortized in pension expense in future years.

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

Inflation:

| | |
|-------|-------|
| Price | 2.75% |
| Wage | 3.25% |

Salary Increases:

2.75 - 6.55%
Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rate Table

PERS

Pub-2010 General Below-Median Income Employee mortality table
with fully generational mortality improvement projections
from the central year using Scale MP-2021

Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based

July 1, 2018 - June 30, 2021

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

| <u>Asset Class</u> | <u>June 30, 2023</u> | |
|----------------------------------|--------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| U.S. Equity | 28.00% | 8.98% |
| Non-U.S. Developed Market Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| Private Equity | 13.00% | 12.50% |
| Real Estate | 8.00% | 8.58% |
| Real Assets | 3.00% | 8.40% |
| High Yield | 4.50% | 6.97% |
| Private Credit | 8.00% | 9.20% |
| Investment Grade Credit | 7.00% | 5.19% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Risk Mitigation Strategies | 3.00% | 6.21% |
| | <u>100.00%</u> | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

| | June 30, 2023 | | |
|---|--------------------------------|---|--------------------------------|
| | 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 | \$5,004,349.00 | \$3,844,214.00 | \$2,856,786.00 |

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

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

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

The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|---|
| 1 | Members who were enrolled prior to May 22, 2010. |
| 2 | Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011 |
| 3 | Members who were eligible to enroll on or after June 28, 2011 |

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2023, the State contributed an amount more than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Borough's contractually required contributions to PFRS plan was \$484,248.00.

Net Pension Liability and Pension Expense - At December 31, 2023, the Borough's proportionate share of the PFRS net pension liability was \$4,376,915.00. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Borough's proportion measured as of June 30, 2023, was 0.03961445%, which was an increase of 0.00238045% from its proportion measured as of June 30, 2022.

Balances December 31, 2023 and December 31, 2022

| | <u>12/31/2023</u> June 30, 2023 | <u>12/31/2022</u> June 30, 2022 |
|---|------------------------------------|------------------------------------|
| Actuarial valuation date (including roll forward) | | |
| Deferred Outflows of Resources | \$710,500.00 | \$702,615.00 |
| Deferred Inflows of Resources | 987,737.00 | 1,465,675.00 |
| Net Pension Liability | 4,376,915.00 | 4,261,936.00 |
| Borough's portion of the Plan's total Net Pension Liability | 0.0396144500% | 0.3723400000% |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

Pension Expense/(Benefit) and Deferred Outflows/Inflows of Resources – At December 31, 2023, the Borough's proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2023 measurement date was \$156,565.00. This expense/(benefit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1.

At December 31, 2023, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

| | December 31, 2023 | |
|---|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$187,411.00 | \$208,740.00 |
| Changes of assumptions | 9,447.00 | 295,547.00 |
| Net difference between projected and actual earnings on pension plan investments | 222,908.00 | |
| Changes in proportion and differences between Borough's contributions and proportionate share of contributions | 290,734.00 | 483,450.00 |
| | <u>\$710,500.00</u> | <u>\$987,737.00</u> |

The Borough's proportionate share of deferred inflows of resources and deferred outflows of resources related to PFRS, in the amount of \$277,237.00, will be amortized in pension expense in future years.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
|--|---|--|
| Differences between Expected and Actual Experience | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2018 | 5.73 | - |
| June 30, 2019 | - | 5.92 |
| June 30, 2020 | 5.90 | - |
| June 30, 2021 | - | 6.17 |
| June 30, 2022 | 6.22 | - |
| June 30, 2023 | 6.16 | - |
| Changes of Assumptions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2018 | - | 5.73 |
| June 30, 2019 | - | 5.92 |
| June 30, 2020 | - | 5.90 |
| June 30, 2021 | 6.17 | 5.90 |
| June 30, 2022 | - | 6.22 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2019 | 5.00 | - |
| June 30, 2020 | 5.00 | - |
| June 30, 2021 | 5.00 | - |
| June 30, 2022 | 5.00 | - |
| June 30, 2023 | 5.00 | - |
| Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions | | |
| Year of Pension Plan Deferral: | | |
| June 30, 2018 | 5.73 | 5.73 |
| June 30, 2019 | 5.92 | 5.92 |
| June 30, 2020 | 5.90 | 5.90 |
| June 30, 2021 | 6.17 | 6.17 |
| June 30, 2022 | 6.22 | 6.22 |
| June 30, 2023 | 6.16 | 6.16 |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$806,497.00 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2023 was 0.03961435%, which was an increase of 0.002380161% from its proportion measured as of June 30, 2022, which is the same proportion as the Borough's. At December 31, 2023, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

| | |
|--|------------------------------|
| Borough's Proportionate Share of Net Pension Liability | \$4,376,915.00 |
| State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough | <u>806,497.00</u> |
| | <u><u>\$5,183,412.00</u></u> |

At December 31, 2023, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$91,737.00.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

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

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

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 10. Pension Obligations (continued)

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

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

| <u>Asset Class</u> | <u>June 30, 2023</u> | |
|-----------------------------------|--------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| U.S. Equity | 28.00% | 8.98% |
| Non-U.S. Developed Markets Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| Private Equity | 13.00% | 12.50% |
| Real Estate | 8.00% | 8.58% |
| Real Assets | 3.00% | 8.40% |
| High Yield | 4.50% | 6.97% |
| Private Credit | 8.00% | 9.20% |
| Investment Grade Credit | 7.00% | 5.19% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Risk Mitigation Strategies | 3.00% | 6.21% |
| | <u>100.00%</u> | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

| | June 30, 2023 | | |
|---|--------------------------------|---|--------------------------------|
| | 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 | \$6,098,464.00 | \$4,376,915.00 | \$2,943,275.00 |

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

Note 11. Postemployment Benefits Other Than Pensions

Employees who retire with twenty-five years of service with the Borough may voluntarily elect to receive health insurance coverage at their own expense.

Benefits Provided

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.13i, 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.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State of New Jersey (the "State") shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 11. Postemployment Benefits Other Than Pensions (continued)

Special Funding Situation (continued)

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. As actuarially determined, the State's proportionate share of the net OPEB liability attributable to the Borough as of June 30, 2023 was \$4,076,028.00. The State's proportionate share of the OPEB benefit attributable to the Borough for the year ended June 30, 2023 was \$739,064.00.

Actuarial Assumptions

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

| | <u>June 30, 2023</u> |
|---------------------------|----------------------|
| Salary Increases*: | |
| PERS | |
| Rate for all future years | 2.75% - 6.55% |
| PFRS | |
| Rate for all future years | 3.25% - 16.25% |

*based on years of service

PERS mortality rates were based on the Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021. PFRS mortality rates were based on the Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021. Actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and the PERS experience studies were prepared for the periods July 1, 2018 to June 30, 2021. 100% of active members are considered to participate in the Plan upon retirement.

Discount Rate

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

Plan Fiduciary Net Position

For detailed information about the Plan's fiduciary net position, please refer to the State of New Jersey, Division of Pensions and Health Benefits' Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt

Summary of Municipal Debt

| <u>Issued</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|------------------------|------------------------|------------------------|
| General Bonds, Notes and Loans | \$4,180,000.00 | \$5,707,000.00 | \$7,134,122.75 |
| Water/Sewer Utility Bonds, Notes and Loans | 3,107,885.68 | 3,496,574.23 | 3,946,427.59 |
| Harbor Utility Bonds, Notes and Loans | 1,653,600.00 | 2,843,600.00 | 3,228,600.00 |
| Total Issued | 8,941,485.68 | 12,047,174.23 | 14,309,150.34 |
| Less: | | | |
| General Debt - | | | |
| Funds on Hand to Pay Bonds and Notes | 35,650.47 | 35,650.47 | 35,650.47 |
| Net Debt Issued | 8,905,835.21 | 12,011,523.76 | 14,273,499.87 |
| <u>Authorized but not Issued</u> | | | |
| General Bonds, Notes and Loans | 700,000.00 | 161,617.01 | 211,617.01 |
| Harbor Utility Bonds, Notes and Loans | 900,000.00 | - | 9,834.33 |
| Total Authorized but not Issued | 1,600,000.00 | 161,617.01 | 221,451.34 |
| Net Bonds and Notes Issued and Authorized but not Issued | <u>\$10,505,835.21</u> | <u>\$12,173,140.77</u> | <u>\$14,494,951.21</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 .445%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------------------|--------------------------|--------------------------|------------------------|
| General Debt | \$4,880,000.00 | \$35,650.47 | \$4,844,349.53 |
| Water/Sewer Utility Debt | 3,107,885.68 | 3,107,885.68 | - |
| Harbor Utility Debt | 2,553,600.00 | 2,553,600.00 | - |
| | <u>\$10,541,485.68</u> | <u>\$5,697,136.15</u> | <u>\$4,844,349.53</u> |

The Chief Financial Officer should file a revised annual debt statement.

New Jersey statutes limit the debt of a municipality to 3.500% of the equalized valuation basis. The Borough's net debt expressed as a percentage of the equalized valuation basis at December 31, 2023 and 2022 was .445% and .577%, respectively. The net debt of the Borough at December 31, 2023 and 2022 was \$4,844,349.53 and \$5,832,966.54 respectively, and the Borough's remaining borrowing power at December 31, 2023 and 2022 was \$33,284,611.98 and \$29,564,750.64, respectively.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued)

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

| | |
|----------------------------------|-------------------------------|
| 3½% of Equalized Valuation Basis | \$38,128,961.51 |
| Net Debt | <u>4,844,349.53</u> |
| Remaining Borrowing Power | <u><u>\$33,284,611.98</u></u> |

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

| | | |
|---|-------------------|----------------------------|
| Cash Receipts from Fees, Rents or Charges for Year | | \$2,572,223.81 |
| Deductions: | | |
| Operating and Maintenance Cost | \$1,848,215.41 | |
| Debt Service | <u>502,177.48</u> | |
| Total Deductions | | <u>2,350,392.89</u> |
| Excess in Revenue | | <u><u>\$221,830.92</u></u> |

**CALCULATION OF "SELF-LIQUIDATING PURPOSE"
HARBOR COMMISSION UTILITY PER N.J.S.A. 40A:2-45**

| | | |
|---|-------------------|------------------------------|
| Cash Receipts from Fees, Rents or Charges for Year | | \$7,206,346.27 |
| Deductions: | | |
| Operating and Maintenance Cost | \$4,818,335.55 | |
| Debt Service | <u>270,128.80</u> | |
| Total Deductions | | <u>5,088,464.35</u> |
| Excess in Revenue | | <u><u>\$2,117,881.92</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued):

General Capital Fund Debt

A. Serial Bonds Payable

In 2014, the Borough issued \$2,759,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature in December 2024.

In 2016, the Borough issued \$4,105,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature in December 2030.

In 2021, the Borough issued \$910,000 of MCIA Bonds. The MCIA Bonds were issued at interest rates varying from 4.00% to 5.00% and mature in March 2032.

Principal and interest due on the outstanding bonds are as follows:

| <u>Year(s)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|-----------------------|---------------------|-----------------------|
| 2024 | \$850,000.00 | \$169,250.00 | \$1,019,250.00 |
| 2025 | 470,000.00 | 135,150.00 | 605,150.00 |
| 2026 | 490,000.00 | 116,250.00 | 606,250.00 |
| 2027 | 505,000.00 | 86,250.00 | 591,250.00 |
| 2028 | 535,000.00 | 75,125.00 | 610,125.00 |
| 2029-2032 | 1,330,000.00 | 99,700.00 | 1,429,700.00 |
| | <u>\$4,180,000.00</u> | <u>\$681,725.00</u> | <u>\$4,861,725.00</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

As of December 31, 2023, there were no bond anticipation notes payable in the General Capital Fund. As of December 31, 2002, bond anticipation notes payable in the General Capital Funds were as follows:

| <u>Ordinance Number</u> | <u>Description</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> |
|-----------------------------|--------------------|----------------------|----------------------|--------------------------|--|
| 21-18 | 2019 Road Program | 2/28/2022 | 2/27/2023 | 1.98% | \$700,000.00 |

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023 and 2022, the Borough had \$700,000.00 and \$161,617.01, respectively of bonds and notes authorized but not issued in the General Capital Fund.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued):

Water/Sewer Utility Capital Fund Debt

A. Serial Bonds Payable

In 2014, the Borough issued \$1,054,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature in 2026.

In 2016, the Borough issued \$405,000.00 of MCIA (AHHRSA) Refunding Bonds. The MCIA (AHHRSA) Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature in 2031.

In 2016, the Borough issued \$475,000.00 of MCIA Refunding Bonds. The MCIA Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature in 2030.

In 2021, the Borough issued \$1,415,000.00 of MCIA Refunding Bonds. The MCIA Refunding Bonds were issued at interest rates varying from 3.00% to 5.00% and mature in 2032.

Principal and interest due on the outstanding bonds are as follows:

| <u>Year(s)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|-----------------------|---------------------|-----------------------|
| 2024 | \$320,000.00 | \$95,530.00 | \$415,530.00 |
| 2025 | 327,000.00 | 82,630.00 | 409,630.00 |
| 2026 | 335,000.00 | 69,450.00 | 404,450.00 |
| 2027 | 223,000.00 | 55,275.00 | 278,275.00 |
| 2028 | 231,000.00 | 44,880.00 | 275,880.00 |
| 2029-2032 | 880,000.00 | 69,540.00 | 949,540.00 |
| | <u>\$2,316,000.00</u> | <u>\$417,305.00</u> | <u>\$2,733,305.00</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

There were no bond anticipation notes payable in the Water/Sewer Utility Capital Fund as of December 31, 2023 and 2022.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023 and 2022, the Borough did not have any bonds and notes authorized but not issued in the Water/Sewer Utility Capital Fund.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued):

Water/Sewer Utility Capital Fund Debt (continued)

D. Loans Payable

New Jersey Environmental Infrastructure Trust

In 2014 the Borough finalized two loan agreements with the State of New Jersey Department of Environmental Protection, pursuant to the 2014 New Jersey Environmental Infrastructure Trust Financing Program.

The first loan consists of a Fund Loan Agreement of \$1,114,875.00 to be repaid over a 19 year period at an interest rate of 0% maturing in 2033.

The second loan consists of a Trust Loan Agreement of \$365,000.00 to be repaid over a 19 year period at interest rates ranging from 3.00% to 5.00% maturing in 2033.

Following are the maturities and debt schedule for the outstanding principal and interest on the loans:

| <u>Year(s)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|---------------------|--------------------|---------------------|
| 2024 | \$76,688.55 | \$7,243.76 | \$83,932.31 |
| 2025 | 76,688.55 | 6,243.76 | 82,932.31 |
| 2026 | 76,688.55 | 5,643.76 | 82,332.31 |
| 2027 | 76,668.55 | 5,043.76 | 81,712.31 |
| 2028 | 76,668.55 | 4,443.76 | 81,112.31 |
| 2029-2033 | 408,482.93 | 11,687.54 | 420,170.47 |
| | <u>\$791,885.68</u> | <u>\$40,306.34</u> | <u>\$832,192.02</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued):

Harbor Commission Utility Capital Fund Debt

A. Serial Bonds Payable

In 2014, the Borough issued \$1,016,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 4.00% to 5.00% and mature in 2026.

In 2016, the Borough issued \$915,000.00 of Refunding Bonds. The Refunding Bonds were issued at interest rates varying from 3.00% to 4.00% and mature in 2030.

Principal and interest due on the outstanding bonds are as follows:

| <u>Year(s)</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------|-----------------------|---------------------|-----------------------|
| 2024 | \$201,000.00 | \$40,520.00 | \$241,520.00 |
| 2025 | 201,000.00 | 32,780.00 | 233,780.00 |
| 2026 | 206,000.00 | 24,440.00 | 230,440.00 |
| 2027 | 95,000.00 | 16,200.00 | 111,200.00 |
| 2028 | 100,000.00 | 12,400.00 | 112,400.00 |
| 2029-2030 | 210,000.00 | 12,600.00 | 222,600.00 |
| | <u>\$1,013,000.00</u> | <u>\$138,940.00</u> | <u>\$1,151,940.00</u> |

B. Bond Anticipation Notes Payable – Short Term Debt

As of December 31, 2023 and 2022, bond anticipation notes payable in the Harbor Commission Utility Capital Fund were as follows:

| <u>Ordinance Number</u> | <u>Description</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance December 31, 2023</u> |
|-----------------------------|---|--------------------------|--------------------------|--------------------------|--|
| 02-16/ 02-20 | Renovations to Public Restrooms and Showers in the Tow Boat Building | 6/28/2023 | 6/28/2024 | 4.45% | <u>\$640,600.00</u> |

| <u>Ordinance Number</u> | <u>Description</u> | <u>Date of Issue</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> |
|-----------------------------|---|--------------------------|--------------------------|--------------------------|--|
| 03-13 | Various Harbor Improvements | 2/28/2022 | 2/27/2023 | 2.00% | \$900,000.00 |
| 02-16/ 02-20 | Renovations to Public Restrooms and Showers in the Tow Boat Building | 7/10/2022 | 7/6/2023 | 2.00% | <u>740,600.00</u> |
| | | | | | <u>\$1,640,600.00</u> |

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023 and 2022, Harbor Commission Utility Capital Fund bonds and notes authorized but not issued were \$900,000.00 and \$0.00, respectively.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 12. Municipal Debt (continued):

Summary of Principal Debt

Long-term and short-term debt transactions for the year ended December 31, 2023 were as follows:

| | Balance Dec. 31, 2022 | Additions | Deductions | Balance Dec. 31, 2023 |
|---------------------------------------|--------------------------|-----------------------|-----------------------|--------------------------|
| General Capital: | | | | |
| General Serial Bonds | \$5,007,000.00 | | \$827,000.00 | \$4,180,000.00 |
| Bond Anticipation Notes | 700,000.00 | | 700,000.00 | |
| Authorized but not Issued | 161,617.01 | \$700,000.00 | 161,617.01 | 700,000.00 |
| | <u>5,868,617.01</u> | <u>700,000.00</u> | <u>1,688,617.01</u> | <u>4,880,000.00</u> |
| Water/Sewer Utility Capital: | | | | |
| General Serial Bonds | 2,628,000.00 | | 312,000.00 | 2,316,000.00 |
| NJEIT Loans | 868,574.23 | | 76,688.55 | 791,885.68 |
| Authorized but not Issued | - | | | - |
| | <u>3,496,574.23</u> | <u>-</u> | <u>388,688.55</u> | <u>3,107,885.68</u> |
| Harbor Commission Utility Capital: | | | | |
| General Serial Bonds | 1,203,000.00 | | 190,000.00 | 1,013,000.00 |
| Bond Anticipation Notes | 1,640,600.00 | 640,600.00 | 1,640,600.00 | 640,600.00 |
| Authorized but not Issued | - | 900,000.00 | | 900,000.00 |
| | <u>2,843,600.00</u> | <u>1,540,600.00</u> | <u>1,830,600.00</u> | <u>2,553,600.00</u> |
| | <u>\$12,208,791.24</u> | <u>\$2,240,600.00</u> | <u>\$3,907,905.56</u> | <u>\$10,541,485.68</u> |

Note 13. Deferred School Taxes

Regulations provide for deferral of not more than fifty percent of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough raises its share of local and regional school taxes on a school year basis and has elected to defer these taxes at December 31, 2023 and 2022 as follows:

| | Local District School Tax | | Regional District High School Tax | |
|----------------|---------------------------|-----------------------|-----------------------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Balance of Tax | \$2,758,759.50 | \$2,685,929.50 | \$2,304,569.90 | \$2,333,115.90 |
| Deferred | 1,462,835.63 | 1,462,835.63 | 1,459,966.84 | 1,459,966.84 |
| Tax Payable | <u>\$1,295,923.87</u> | <u>\$1,223,093.87</u> | <u>\$844,603.06</u> | <u>\$873,149.06</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 14. Deferred Charges to be Raised in Succeeding Budgets

As of December 31, 2023 and 2022, the following deferred charges were reflected on the balance sheets of the following funds:

| | Balance Dec. 31, 2023 | | Balance Dec. 31, 2022 | |
|---|-----------------------------|-----|-----------------------------|---|
| Current Fund: | | | | |
| Overexpenditure of Appropriations | - | | \$55,633.56 | * |
| Overexpenditure of Appropriation Reserves | \$70,577.74 | *** | - | |
| Water/Sewer Utility Operating Fund: | | | | |
| Overexpenditure of Appropriation Reserves | 37,650.46 | *** | - | |
| Harbor Commission Utility Capital Fund: | | | | |
| Overexpenditure of Improvement Authorizations | 95,173.97 | ** | 95,173.97 | |
| Expenditure without Appropriation | 100,000.00 | *** | | |

*The deferred charge was raised in full in the 2023 budget.

**The deferred charge was raised in full in the 2024 budget.

***The deferred charge has yet to be raised in a succeeding budget.

Note 15. Deferred Compensation Salary Account

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

Note 16. Risk Management

The Borough is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Borough is a member of the Monmouth County Joint Insurance Fund (JIF). This public entity risk pool is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The JIF will be self-sustaining through member premiums. The JIF participates in the Municipal Excess Liability Insurance program. There were no settlements in excess of insurance coverage in 2023, 2022 and 2021.

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 17. New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment trust fund for the current and previous two years:

| <u>Year</u> | <u>Contributions</u> | <u>Amount</u> | |
|-------------|----------------------|-------------------|-----------------------|
| | | <u>Reimbursed</u> | <u>Ending Balance</u> |
| 2023 | - | \$22,390.25 | \$14,796.78 |
| 2022 | \$7,667.56 | - | 37,187.03 |
| 2021 | 22,517.44 | 5,608.12 | 29,519.47 |

Note 18. Length of Service Awards Program

The Borough has established a Length of Service Award Program to ensure retention of members of the Borough's volunteer fire department. The Plan has been established under the laws of the State of New Jersey with the intent that it meets the requirements of a length of service award plan under Section 457(e)(11) of the Internal Revenue Code.

Annual Contribution - The annual contribution to be made by the Borough for each active volunteer member that meets certain eligibility criteria ranges from \$100.00 to \$1,250.00, increased by a cost of living adjustment in each year.

Appropriations - Appropriations for the purpose of funding the Length of Service Award Program are included as a separate line item in the Borough's budget. During the year ended December 31, 2023, the Borough contributed \$37,400.00 to the Length of Service Award Program.

Note 19. Contingencies

Grant Financial Assistance

The Borough receives certain financial assistance from grants. Entitlement to the funds is generally conditional upon compliance with the terms of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. Therefore, costs previously reimbursed may be disallowed and require repayment to the grantor. The Borough's management anticipates that no material liabilities will result from such audits.

Litigation

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

**BOROUGH OF ATLANTIC HIGHLANDS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Note 19. Contingencies (continued)

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses.

Compensated Absences

The Borough permits its employees to accumulate unused sick and vacation pay, which may be taken as time off or paid at a later date at an agreed upon rate. The Borough's management estimates that the costs of such unpaid compensation at December 31, 2023 and 2022 were \$1,149,920.85 and \$1,420,440.58, respectively. In accordance with accounting principles and practices prescribed by the Division, these estimated amounts are not reported as an expenditure or liability in the accompanying financial statements and are not subject to audit.

In accordance with NJSA 40A:4-39, the Borough has established a reserve for compensated absences in the Trust Other Funds to provide for future payments of compensated absences. As of December 31, 2023 and 2022, the reserve for compensated absences was \$76,000.00 and \$46,000.00, respectively.

Note 20. Bond Covenant Restricted Reserves

Effective March 31, 2014, the Atlantic Highlands/ Highlands Regional Sewerage Authority ("AHHRSA") was dissolved. Based upon the dissolution agreement the Borough of Atlantic Highlands received forty eight percent of the assets and liabilities of the AHHRSA while the Borough of Highlands received fifty two percent effective April 1, 2014.

As part of the dissolution the Borough of Atlantic Highlands and the Borough of Highlands assumed the debt of the AHHRSA based upon the above percentages. The bond documents of the AHHRSA required certain reserves to be maintained as long as the debt is outstanding, and the corresponding assets are maintained by a trustee. In accordance with an interlocal service agreement between the Boroughs, the trustee accounts are being maintained by the Borough of Atlantic Highlands and are reflected on the Water/ Sewer Utility Capital Fund of the Borough.

Note 21. Subsequent Events

Management has evaluated subsequent events occurring after December 31, 2023 and through January 3, 2025, which is the date that the financial statements were available to be issued.

Authorization of Bonds and Notes

On July 11, 2024, the Borough adopted an ordinance authorizing the issuance of \$250,000.00 of bonds or notes providing for a part of the cost of various public improvements.

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART II

SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2023

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Current Fund</u> | |
|--|---------------------|----------------------|
| Balance, December 31, 2022 | \$ | 5,682,595.32 |
| Increased By Receipts: | | |
| Taxes Receivable | \$ | 18,357,242.26 |
| Tax Overpayments | | 86,455.42 |
| Revenue Accounts Receivable | | 1,936,262.19 |
| Miscellaneous Revenue Not Anticipated | | 152,249.44 |
| Due From: | | |
| State of New Jersey - Senior Citizens' and Veterans' Deductions | | 24,450.00 |
| Due to Federal and State Grant Fund | | 335,873.86 |
| Reserve for Police Evidence | | - |
| Reserve for Police Found Money | | - |
| Reserve for Shade Tree Commission | | 10,270.00 |
| Reserve for Municipal Relief Fund Aid | | 33,919.00 |
| Prepaid Taxes | | 124,951.21 |
| Due from Payroll Fund | | 309,416.42 |
| Due from General Capital Fund | | - |
| Due from Animal Control Fund | | 6,528.55 |
| Due to Open Space Trust Fund | | 560.27 |
| Due to Water/Sewer Utility Operating Fund | | 47,417.68 |
| Due to Water/Sewer Utility Capital Fund | | - |
| Due from Harbor Commission Utility Operating Fund | | 292,626.14 |
| Due to Harbor Commission Utility Operating Fund | | 83,218.80 |
| Due to State - Marriage Licenses | | 425.00 |
| | | <u>21,801,866.24</u> |
| | | 27,484,461.56 |
| Decreased By Disbursements: | | |
| 2023 Budget Appropriations | 7,465,734.12 | |
| Appropriation Reserves | 487,383.68 | |
| Accounts Payable | - | |
| Due to State - Marriage Licenses | 225.00 | |
| County Taxes Payable | 2,611,956.49 | |
| Regional District High School Tax Payable | 4,370,180.00 | |
| Local School District Tax | 5,715,898.00 | |
| Reserve for Shade Tree Commission | 19,679.44 | |
| Tax Overpayments | 38,546.44 | |
| Due to Federal and State Grant Fund | 506,775.64 | |
| Due to Open Space Trust Fund | 112,288.12 | |
| Due to Water/Sewer Capital Fund | 36,042.19 | |
| Due to Other Trust Fund | 46,128.20 | |
| Due to General Capital Fund | 415,863.46 | |
| Due to Water/Sewer Utility Operating Fund | 121,577.37 | |
| Due to Harbor Commission Utility Capital Fund | 3,327.00 | |
| Due from Harbor Commission Utility Capital Fund | 100,000.00 | |
| Due from Animal Control Fund | 344.98 | |
| Reconciling Adjustment | 3,970.77 | |
| | | <u>22,055,920.90</u> |
| Balance, December 31, 2023 | <u>\$</u> | <u>5,428,540.66</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Year | Balance December 31, | 2023 Levy | Added | Collections | | Transfer to Tax Title Liens | Due From State of New Jersey | Cancelled | Balance December 31, 2023 |
|------|-------------------------|-------------------------|---------------------|----------------------|-------------------------|--------------------------------|------------------------------------|---------------------|---------------------------------|
| | 2022 | | | 2022 | 2023 | | | | |
| 2019 | \$ 2,882.36 | \$ - | \$ - | \$ - | \$ 2,882.36 | \$ - | \$ - | \$ - | \$ - |
| 2020 | 7,820.79 | - | - | - | 7,820.79 | - | - | - | - |
| 2021 | 7,048.83 | - | - | - | 7,048.83 | - | - | - | - |
| 2022 | 80,670.92 | - | - | - | 80,670.92 | - | - | - | - |
| 2023 | - | 18,683,232.99 | 95,702.39 | 214,698.64 | 18,356,545.79 | 8,291.67 | 23,500.00 | 16,764.13 | 159,135.15 |
| | <u>\$ 98,422.90</u> | <u>\$ 18,683,232.99</u> | <u>\$ 95,702.39</u> | <u>\$ 214,698.64</u> | <u>\$ 18,454,968.69</u> | <u>\$ 8,291.67</u> | <u>\$ 23,500.00</u> | <u>\$ 16,764.13</u> | <u>\$ 159,135.15</u> |

| | |
|----------------------|-------------------------|
| Cash Receipts | \$ 18,357,242.26 |
| Overpayments Applied | <u>97,726.43</u> |
| | <u>\$ 18,454,968.69</u> |

Analysis of Property Tax LevyTax Yield

| | |
|---------------------------------------|-------------------------|
| General Purpose Tax | \$ 18,683,232.99 |
| Added Taxes (R.S. 54-4-63, l et seq.) | <u>95,702.39</u> |
| | <u>\$ 18,778,935.38</u> |

Tax Levy

| | |
|--|-------------------------|
| Regional District High School Tax | 4,341,634.00 |
| Local District School Tax | 5,788,728.00 |
| County Taxes: | |
| County Tax | \$ 2,112,408.03 |
| County Library Tax | 152,817.62 |
| County Health Tax | 42,074.33 |
| County Open Space Tax | 299,275.83 |
| Due County for Added and Omitted Taxes | <u>13,392.63</u> |
| | 2,619,968.44 |
| Local Municipal Open Space Tax | 109,446.20 |
| Due Municipal Open Space Tax for Added and Omitted Taxes | <u>560.27</u> |
| | 110,006.47 |
| Local Tax for Municipal Purposes | 5,829,388.79 |
| Add: Additional Tax Levied | <u>89,209.68</u> |
| | <u>5,918,598.47</u> |
| | <u>\$ 18,778,935.38</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--------------------------------|----------------------------|
| Balance, December 31, 2022 | \$ 21,473.57 |
| Increased By: | |
| Transfer From Taxes Receivable | <u>8,291.67</u> |
| Balance, December 31, 2023 | <u><u>\$ 29,765.24</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and December 31, 2022

\$ 85,300.00

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, <u>2022</u> | Accrued in <u>2023</u> | Realized/ <u>Collected</u> | Balance December 31, <u>2023</u> |
|--|--|---------------------------|-------------------------------|--|
| Miscellaneous Revenues: | | | | |
| Licenses: | | | | |
| Alcoholic Beverages | \$ - | \$ 9,900.00 | \$ 9,900.00 | \$ - |
| Fees and Permits | - | 64,914.02 | 64,914.02 | - |
| Fines and Costs: | | | | |
| Municipal Court | 4,505.90 | 59,535.48 | 61,447.97 | 2,593.41 |
| Interest and Costs on Taxes | - | 48,066.97 | 48,066.97 | - |
| Interest on Investments and Deposits | - | 102,520.89 | 102,520.89 | - |
| Anticipated Utility Operating Surplus | - | 700,000.00 | 700,000.00 | - |
| Cable Franchise Fees | - | 72,440.73 | 72,440.73 | - |
| Recreation Property Lease | - | 50,530.00 | 50,530.00 | - |
| Recreation Program | - | 56,365.57 | 56,365.57 | - |
| Recycling Fees | - | 19,815.32 | 19,815.32 | - |
| Payments in Lieu of Taxes - Senior Citizen Housing | - | 38,855.85 | 38,855.85 | - |
| Energy Receipts Tax | - | 327,364.00 | 327,364.00 | - |
| Municipal Relief Fund Aid | | 16,959.37 | 16,959.37 | |
| Uniform Construction Code Fees | - | 96,539.00 | 96,539.00 | - |
| American Rescue Plan | - | 201,406.44 | 201,406.44 | - |
| Borough of Highlands - Shared Services Agreement | - | 82,509.00 | 82,509.00 | - |
| Uniform Fire Safety Act | - | 3,586.43 | 3,586.43 | - |
| | <u>\$ 4,505.90</u> | <u>\$ 1,951,309.07</u> | <u>\$ 1,953,221.56</u> | <u>\$ 2,593.41</u> |
| | | Cash Receipts | \$ 1,936,262.19 | |
| | | Realized Revenue | 16,959.37 | |
| | | | <u>\$ 1,953,221.56</u> | |

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

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE (TO)/FROM STATE OF NEW JERSEY -
SENIOR CITIZENS AND VETERANS DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | | |
|---|------------------|---------------------------|
| Balance, December 31, 2022 | | \$ 39.01 |
| Increased By: | | |
| Senior Citizens and Veterans Deductions | | |
| Per Duplicate | \$ 23,500.00 | |
| Allowed by Collector | <u>250.00</u> | |
| | | <u>23,750.00</u> |
| | | 23,789.01 |
| Decreased By: | | |
| Senior Citizens Deductions Disallowed | \$ 250.00 | |
| Cash Received From State of New Jersey | <u>24,450.00</u> | |
| | | <u>24,700.00</u> |
| Balance, December 31, 2023 | | <u><u>\$ (910.99)</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|----------------------------|
| Balance, December 31, 2022 | \$ 37,176.66 |
| Increased by: | |
| Current Year Payables | <u>-</u> |
| | 37,176.66 |
| Decreased By: | |
| Cash Disbursements | <u>-</u> |
| Balance, December 31, 2023 | <u><u>\$ 37,176.66</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance, December 31, <u>2022</u> | <u>Encumbrances</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> | <u>Overexpended</u> |
|--|---|---------------------|---------------------------------------|---------------------------|---------------|---------------------|
| GENERAL GOVERNMENT | | | | | | |
| Administration and Executive: | | | | | | |
| Office of the Mayor: | | | | | | |
| Other Expenses | \$ 569.83 | \$ - | \$ 569.83 | \$ 477.90 | \$ 91.93 | \$ - |
| General Administration: | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 550.11 | 380.46 | 930.57 | 3,464.93 | - | 2,534.36 |
| Drug Education Program | | | | | | |
| Other Expenses | 4,000.00 | - | 4,000.00 | - | 4,000.00 | - |
| Human Resources (Personnel) | | | | | | |
| Salaries and Wages | 870.74 | - | 870.74 | - | 870.74 | - |
| Municipal Clerk's Office: | | | | | | |
| Salaries and Wages | 879.41 | - | 879.41 | - | 879.41 | - |
| Other Expenses | 5,833.70 | 1,231.38 | 7,065.08 | 6,313.00 | 752.08 | - |
| Annual Audit | | | | | | |
| Other Expenses | 20,000.00 | - | 20,000.00 | 20,000.00 | - | - |
| Computerized Data Processing | | | | | | |
| Other Expenses | 5,588.92 | - | 5,588.92 | - | 5,588.92 | - |
| Revenue Administration | | | | | | |
| Salaries and Wages | 303.86 | - | 303.86 | - | 303.86 | - |
| Other Expenses | 7,068.53 | - | 7,068.53 | - | 7,068.53 | - |
| Tax Assessment Administration: | | | | | | |
| Other Expenses | 1,370.71 | - | 1,370.71 | - | 1,370.71 | - |
| Department of Finance: | | | | | | |
| Financial Administration: | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 1,682.04 | - | 1,682.04 | 312.88 | 1,369.16 | - |
| Department of Law: | | | | | | |
| Legal Services and Costs: | | | | | | |
| Salaries and Wages | 999.92 | - | 999.92 | - | 999.92 | - |
| Other Expenses | - | - | - | 645.00 | - | 645.00 |
| Cost of Tax Appeals | 2,850.96 | - | 2,850.96 | - | 2,850.96 | - |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 100.00 | - | 100.00 | - | 100.00 | - |
| Other Expenses | - | - | - | - | - | - |
| Department of Parks, Recreation and Social Services: | | | | | | |
| Recreation Services and Programs | | | | | | |
| Salaries and Wages | - | - | - | - | - | - |
| Other Expenses | 4,056.25 | - | 4,056.25 | 1,246.43 | 2,809.82 | - |
| Public Library | | | | | | |
| Other Expenses | 782.47 | - | 782.47 | - | 782.47 | - |
| Celebration of Public Events: | | | | | | |
| Other Expenses | 1,955.76 | - | 1,955.76 | - | 1,955.76 | - |
| Insurance | | | | | | |
| General Liability | 4,689.01 | - | 4,689.01 | - | 4,689.01 | - |
| Surety Bonds | 488.00 | - | 488.00 | - | 488.00 | - |
| Workers Compensation | 12.01 | - | 12.01 | - | 12.01 | - |
| Employee Group Health | 153,425.41 | - | 153,425.41 | 2,558.52 | 150,866.89 | - |
| Health Benefit Waiver | 10,200.00 | - | 10,200.00 | - | 10,200.00 | - |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance, December 31, <u>2022</u> | <u>Encumbrances</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> | <u>Overexpended</u> |
|--|---|---------------------|---------------------------------------|---------------------------|---------------|---------------------|
| Department of Public Safety: | | | | | | |
| Police: | | | | | | |
| Salaries and Wages | 242.13 | - | 242.13 | - | 242.13 | |
| Other Expenses | 5,304.47 | 80,288.04 | 85,592.51 | 97,689.16 | - | 12,096.65 |
| Office of Emergency Management | | | | | | |
| Other Expenses | - | - | - | - | - | |
| Aid to Volunteer Fire Companies: | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 215.69 | 20,140.38 | 20,356.07 | 21,032.36 | - | 676.29 |
| Aid to Volunteer Ambulance Companies: | | | | | | |
| Other Expenses | 13,000.00 | - | 13,000.00 | 12,374.02 | 625.98 | |
| Uniform Fire Safety Act (Fire Department): | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 6,816.69 | - | 6,816.69 | 4,183.24 | 2,633.45 | |
| Department of Community Development: | | | | | | |
| Engineering Services and Costs: | | | | | | |
| Other Expenses | 2,420.39 | - | 2,420.39 | 7,449.45 | - | 5,029.06 |
| Planning Board: | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 6,441.36 | - | 6,441.36 | 27,051.27 | - | 20,609.91 |
| Master Plan | 1,000.00 | - | 1,000.00 | - | 1,000.00 | |
| COAH Planner | | | | | | |
| Other Expenses | 8,175.51 | - | 8,175.51 | - | 8,175.51 | |
| Affordable Housing | | | | | | |
| Other Expenses | - | - | - | - | - | |
| Department of Public Works: | | | | | | |
| Public Buildings and Grounds: | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 7,133.53 | 20,113.75 | 27,247.28 | 27,105.03 | 142.25 | |
| Street/Road Repairs and Maintenance: | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 4,188.93 | 16,157.54 | 20,346.47 | 15,729.84 | 4,616.63 | |
| Solid Waste Collection: | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 3,180.68 | 3,361.82 | 6,542.50 | 9,027.85 | - | 2,485.35 |
| Vehicle Maintenance: | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 1,825.08 | 11,240.67 | 13,065.75 | 15,692.11 | - | 2,626.36 |
| Right to Know/Safety: | | | | | | |
| Other Expenses | 844.85 | 60.00 | 904.85 | 483.81 | 421.04 | |
| Municipal Court | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 1,311.49 | - | 1,311.49 | 120.66 | 1,190.83 | |
| Public Defender | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 500.00 | - | 500.00 | - | 500.00 | |
| Animal Control Services | | | | | | |
| Other Expenses | 897.10 | 825.00 | 1,722.10 | 825.00 | 897.10 | |
| Environmental Commission | | | | | | |
| Other Expenses | 1,575.00 | - | 1,575.00 | - | 1,575.00 | |
| State Uniform Construction Code | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| Other Expenses | 328.25 | - | 328.25 | 41.20 | 287.05 | |
| Construction Official | | | | | | |
| Salaries and Wages | - | - | - | - | - | |
| | - | - | - | 73.50 | - | 73.50 |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance, December 31, <u>2022</u> | <u>Encumbrances</u> | Balance After <u>Modifications</u> | Paid or <u>Charged</u> | <u>Lapsed</u> | <u>Overexpended</u> |
|--|---|----------------------|---------------------------------------|---------------------------|----------------------|---------------------|
| Utilities: | | | | | | |
| Electricity | - | - | - | - | - | - |
| Landfill Solid Waste Disposal Costs | 23,161.31 | - | 23,161.31 | 26,386.33 | - | 3,225.02 |
| Street Lighting | - | - | - | 5,885.83 | - | 5,885.83 |
| Telephone | 22,961.06 | 330.15 | 23,291.21 | 609.63 | 22,681.58 | |
| Natural Gas | 450.27 | - | 450.27 | 10.79 | 439.48 | |
| Telecommunication Costs | 875.16 | - | 875.16 | 260.83 | 614.33 | |
| Gasoline | - | - | - | 12,110.75 | - | 12,110.75 |
| Contingent | 5,000.00 | - | 5,000.00 | - | 5,000.00 | |
| Deferred Charges and Statutory Expenditures - Municipal Within "CAPS" | | | | | | |
| Contribution To: | | | | | | |
| Unemployment Insurance | - | - | - | 1,642.76 | - | 1,642.76 |
| Social Security System (O.A.S.I.) | 5,668.77 | - | 5,668.77 | - | 5,668.77 | |
| LOSAP: | | | | | | |
| Other Expenses | 45,000.00 | - | 45,000.00 | 40,650.00 | 4,350.00 | |
| Mechanical Services - Highlands | | | | | | |
| Other Expenses | - | - | - | - | - | |
| Recycling (N.J.S.A. 13:1E-96.5): | | | | | | |
| Other Expenses | 4,140.28 | - | 4,140.28 | 558.69 | 3,581.59 | |
| Monmouth County Dispatch Service | | | | | | |
| Other Expenses | 72,071.72 | - | 72,071.72 | - | 72,071.72 | |
| Capital Improvements Excluded from CAPS | | | | | | |
| Police Portable Radios | 18,367.00 | 97,184.00 | 115,551.00 | 97,184.00 | 18,367.00 | |
| AM Radio | 6,168.60 | - | 6,168.60 | 6,035.00 | 133.60 | |
| Telephone Poles | 15,000.00 | - | 15,000.00 | - | 15,000.00 | |
| Office Extension - Garage | 1,000.00 | - | 1,000.00 | 1,936.90 | - | 936.90 |
| Storage Container | 1,600.00 | - | 1,600.00 | 308.20 | 1,291.80 | |
| Office Trailer | 127.17 | - | 127.17 | 127.17 | - | |
| Fire Department Turn Out Gear | 20,000.00 | - | 20,000.00 | 19,779.64 | 220.36 | |
| | | | | | - | |
| Total General Appropriations | <u>\$ 535,270.13</u> | <u>\$ 251,313.19</u> | <u>\$ 786,583.32</u> | <u>\$ 487,383.68</u> | <u>\$ 369,777.38</u> | <u>\$ 70,577.74</u> |
| Cash Disbursed | | | | \$ 487,383.68 | | |
| Transferred To Accounts Payable | | | | - | | |
| | | | | <u>\$ 487,383.68</u> | | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|---------------------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 251,313.19 |
| Increased By: | |
| Current Appropriations Charged | <u>202,353.22</u> |
| | 453,666.41 |
| Decreased By: | |
| Transferred to Appropriation Reserves | <u>251,313.19</u> |
| Balance, December 31, 2023 | <u><u>\$ 202,353.22</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|-------------------------------|---------------------|----------------------------|
| Balance, December 31, 2022 | | \$ 97,726.43 |
| Increased By: | | |
| Cash Receipts | <u>\$ 86,455.42</u> | <u>86,455.42</u> |
| | | 184,181.85 |
| Decreased By: | | |
| Refunds | 38,546.44 | |
| Overpayments Applied to Taxes | <u>97,726.43</u> | <u>136,272.87</u> |
| Balance, December 31, 2023 | | <u><u>\$ 47,908.98</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|-----------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 214,698.64 |
| Increased By: | |
| Cash Receipts | <u>124,951.21</u> |
| | 339,649.85 |
| Decreased By: | |
| Applied To Taxes Receivable | <u>214,698.64</u> |
| Balance, December 31, 2023 | <u><u>\$ 124,951.21</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR SHADE TREE COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|----------------------------|
| Balance, December 31, 2022 | \$ 23,677.09 |
| Increased By: | |
| Cash Receipts | <u>10,270.00</u> |
| | 33,947.09 |
| Decreased By: | |
| Cash Disbursements | <u>19,679.44</u> |
| Balance, December 31, 2023 | <u><u>\$ 14,267.65</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR STATE LIBRARY AID
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 1,071.00

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|----------------------------|------------------|----------------------------|
| Balance, December 31, 2022 | | \$ 5,380.68 |
| Increased By: | | |
| 2023 Tax Levy: | | |
| County Tax | \$ 2,112,408.03 | |
| County Library Tax | 152,817.62 | |
| County Health Tax | 42,074.33 | |
| County Open Space Tax | 299,275.83 | |
| Added and Omitted Taxes | <u>13,392.63</u> | |
| | | <u>2,619,968.44</u> |
| | | 2,625,349.12 |
| Decreased By: | | |
| Cash Disbursed | | <u>2,611,956.49</u> |
| Balance, December 31, 2023 | | <u><u>\$ 13,392.63</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|--|---------------------|------------------------|
| Balance, December 31, 2022 | | |
| School Tax Payable | \$ 1,223,093.87 | |
| School Tax Deferred | <u>1,462,835.63</u> | \$ 2,685,929.50 |
| Increased By: | | |
| Levy - School Year July 1, 2023 to June 30, 2024 | | <u>5,788,728.00</u> |
| | | 8,474,657.50 |
| Decreased By: | | |
| Cash Disbursed | | <u>5,715,898.00</u> |
| Balance, December 31, 2023 | | |
| School Tax Payable | \$ 1,295,923.87 | |
| School Tax Deferred | <u>1,462,835.63</u> | \$ 2,758,759.50 |
| <u>2023 Liability for Regional District School Tax</u> | | |
| Tax Payable, December 31, 2023 | \$ 1,295,923.87 | |
| Tax Paid | <u>5,715,898.00</u> | \$ 7,011,821.87 |
| Less: | | |
| Tax Payable, December 31, 2022 | | <u>1,223,093.87</u> |
| Amount Charged to 2023 Operations | | <u>\$ 5,788,728.00</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL DISTRICT HIGH SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|---|----|---------------------|------------------------|
| Balance, December 31, 2022 | | | |
| School Tax Payable | \$ | 873,149.06 | |
| School Tax Deferred | | <u>1,459,966.84</u> | |
| | | | \$ 2,333,115.90 |
| Increased By: | | | |
| Levy - School Year July 1, 2023 to June 30, 2024 | | | <u>4,341,634.00</u> |
| | | | 6,674,749.90 |
| Decreased By: | | | |
| Cash Disbursed | | | <u>4,370,180.00</u> |
| Balance, December 31, 2022 | | | |
| School Tax Payable | \$ | 844,603.06 | |
| School Tax Deferred | | <u>1,459,966.84</u> | |
| | | | <u>\$ 2,304,569.90</u> |
| <u>2023 Liability for Regional District High School Tax</u> | | | |
| Tax Payable, December 31, 2023 | \$ | 844,603.06 | |
| Tax Paid | | <u>4,370,180.00</u> | |
| | | | \$ 5,214,783.06 |
| Less: | | | |
| Tax Payable, December 31, 2022 | | | <u>873,149.06</u> |
| Amount Charged To 2023 Operations | | | <u>\$ 4,341,634.00</u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF MARRIAGE LICENSE FEES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|-------------------------|
| Balance, December 31, 2022 | \$ - |
| Increased By: | |
| Cash Receipts | <u>425.00</u> |
| | 425.00 |
| Decreased By: | |
| Cash Disbursements | <u>225.00</u> |
| Balance, December 31, 2023 | <u><u>\$ 200.00</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF INTERFUND RECEIVABLE (PAYABLE) - GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|------------------------------------|-------------------|-------------------------------|
| Balance, December 31, 2022 | | \$ (628,310.18) |
| Increased By: | | |
| Disbursed by Current Fund: | | |
| Appropriated Reserves | \$ 506,775.64 | |
| Trust Other Fund Transfer | - | |
| Cancellation - Grants Appropriated | - | |
| 2023 Anticipated Revenue | <u>155,210.32</u> | |
| | | <u>661,985.96</u> |
| | | 33,675.78 |
| Decreased By: | | |
| Deposited in Current Fund: | | |
| Grants Receivable | 334,414.04 | |
| Grants Unappropriated | 1,459.82 | |
| Open Space Grant Receipt Transfer | | |
| Cancellation - Grants Receivable | | |
| 2023 Budget Appropriations: | | |
| Grants Appropriated | <u>155,210.32</u> | |
| | | <u>491,084.18</u> |
| Balance, December 31, 2023 | | <u><u>\$ (457,408.40)</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|-------------------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 64,744.30 |
| Increased By: | |
| Transfer from Appropriated Reserves | <u>470,394.55</u> |
| | 535,138.85 |
| Decreased By: | |
| Transfer to Appropriated Reserves | <u>64,744.30</u> |
| Balance, December 31, 2023 | <u><u>\$ 470,394.55</u></u> |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, 2022 | 2023 Budget Revenue Realized | Received | Transferred From Unappropriated Reserves | Cancelled | Balance December 31, 2023 |
|------------------------------------|---------------------------------|---------------------------------------|----------------------|---|-------------|---------------------------------|
| Federal: | | | | | | |
| CDBG Roadway Grant | \$ 249,135.61 | \$ - | \$ - | \$ - | \$ - | \$ 249,135.61 |
| Sub-Total Federal | 249,135.61 | - | - | - | - | 249,135.61 |
| State: | | | | | | |
| Impaired Driving Countermeasures | 3,600.00 | - | - | - | - | 3,600.00 |
| Drunk Driving Enforcement | | 4,800.00 | | 4,800.00 | - | - |
| Body Armor Replacement | - | 1,305.76 | - | 1,305.76 | - | - |
| Alcohol Education | - | 2,340.00 | - | 2,340.00 | - | - |
| Bulletproof Vest Grant | 110.86 | 3,819.70 | 3,930.56 | - | - | - |
| DOT - 2016 Road Improvement Grant | 80,000.00 | - | - | - | - | 80,000.00 |
| DOT - 2019 Road Improvement Grant | 158,548.81 | - | - | - | - | 158,548.81 |
| DOT - 2020 Road Improvement Grant | 456,402.92 | - | 197,538.62 | - | - | 258,864.30 |
| DOT - 2021 Road Improvement Grant | 320,000.00 | - | - | - | - | 320,000.00 |
| DOT - 2022 Road Improvement Grant | 251,900.00 | - | - | - | - | 251,900.00 |
| Body Worn Camera Grant | 22,010.40 | 7,336.80 | 7,336.80 | - | - | 22,010.40 |
| Memorial Parkway Street Project | | 60,131.71 | 60,131.71 | - | - | - |
| LEAP | | 27,439.10 | 27,439.10 | - | - | - |
| Recycling Tonnage | | 7,788.15 | 7,788.15 | - | - | - |
| Sustainable New Jersey | | 2,000.00 | 2,000.00 | - | - | - |
| Stormwater Assistance | | 25,000.00 | 15,000.00 | - | - | 10,000.00 |
| Clean Communities | | 13,249.10 | 13,249.10 | - | - | - |
| Sub-Total State | 1,292,572.99 | 155,210.32 | 334,414.04 | 8,445.76 | - | 1,104,923.51 |
| Monmouth County - Open Space Grant | 250,000.00 | - | - | - | - | 250,000.00 |
| Total | \$ 1,791,708.60 | \$ 155,210.32 | \$ 334,414.04 | \$ 8,445.76 | \$ - | \$ 1,604,059.12 |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, 2022 | Transferred From Encumbrances Payable | Transferred from 2023 Budget Appropriations | Paid or Charged | Encumbrances | Cancelled | Balance December 31, 2023 |
|---|---------------------------------|---|---|----------------------|----------------------|-------------|---------------------------------|
| Federal: | | | | | | | |
| US Department of Housing and Urban Development Community Development Block Grant Roadway | \$ 221,638.90 | \$ 27,100.21 | \$ - | \$ 60,557.23 | \$ - | \$ - | \$ 188,181.88 |
| Sub-Total Federal | 221,638.90 | 27,100.21 | - | 60,557.23 | - | - | 188,181.88 |
| State: | | | | | | | |
| Clean Communities Program | 32,410.90 | - | 13,249.10 | 14,005.74 | - | - | 31,654.26 |
| Recycling Tonnage Grant | 15,902.90 | - | 7,788.15 | - | - | - | 23,691.05 |
| Alcohol Rehabilitation Program | 1,409.13 | - | 2,340.00 | - | - | - | 3,749.13 |
| DOT - 2016 Road Improvement Grant | 5,070.00 | 14,668.29 | - | 14,668.29 | - | - | 5,070.00 |
| DOT - 2019 Road Improvement Grant | 314,850.00 | - | - | - | - | - | 314,850.00 |
| DOT - 2020 Road Improvement Grant | 679,642.00 | 9,323.10 | - | 173,869.83 | 469,129.52 | - | 45,965.75 |
| DOT - 2021 Road Improvement Grant | 320,000.00 | - | - | - | - | - | 320,000.00 |
| DOT - 2022 Road Improvement Grant | 251,900.00 | - | - | - | - | - | 251,900.00 |
| Bulletproof Vest Grant | 1,298.38 | 1,079.00 | 3,819.70 | 1,571.15 | - | - | 4,625.93 |
| Body Armor Fund | 4,036.58 | 1,173.70 | 1,305.76 | 3,075.16 | 1,265.03 | - | 2,175.85 |
| Drunk Driving Enforcement Fund | 3,899.34 | - | 4,800.00 | 3,899.34 | - | - | 4,800.00 |
| American Rescue Plan | 201,406.44 | - | - | 201,406.44 | - | - | - |
| Body Worn Camera Grant | 25,284.00 | 11,400.00 | 7,336.80 | 30,136.80 | - | - | 13,884.00 |
| Sustainable New Jersey | - | - | 2,000.00 | - | - | - | 2,000.00 |
| Impaired Driving Countermeasures | 3,600.00 | - | - | 3,585.66 | - | - | 14.34 |
| Green Communities | 3,000.00 | - | - | - | - | - | 3,000.00 |
| Municipal Road Mileage Grant | 11,480.15 | - | - | - | - | - | 11,480.15 |
| Memorial Parkway Street Project | - | - | 60,131.71 | - | - | - | 60,131.71 |
| LEAP | - | - | 27,439.10 | - | - | - | 27,439.10 |
| Stormwater Assistance | - | - | 25,000.00 | - | - | - | 25,000.00 |
| Sub-Total State | 1,875,189.82 | 37,644.09 | 155,210.32 | 446,218.41 | 470,394.55 | - | 1,151,431.27 |
| Monmouth County - Open Space Grant | 250,000.00 | - | - | - | - | - | 250,000.00 |
| Total | \$ 2,346,828.72 | \$ 64,744.30 | \$ 155,210.32 | \$ 506,775.64 | \$ 470,394.55 | \$ - | \$ 1,589,613.15 |
| Interfund - Current | | | | <u>\$ 506,775.64</u> | | | |
| | | | | <u>\$ 506,775.64</u> | | | |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, <u>2022</u> | Cash <u>Received</u> | Decreased By Budget <u>Appropriation</u> | Balance December 31, <u>2023</u> |
|-------------------------|--|-------------------------|--|--|
| State: | | | | |
| Drunk Driving Grant | \$ 4,800.00 | \$ - | \$ 4,800.00 | \$ - |
| Alcohol Education Grant | 2,340.00 | - | 2,340.00 | - |
| 2022 Body Armor Grant | 1,305.76 | 1,459.82 | 1,305.76 | 1,459.82 |
| | <hr/> | | | |
| Total | \$ 8,445.76 | \$ 1,459.82 | \$ 8,445.76 | \$ 1,459.82 |
| | <hr/> | | | |

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

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Animal Control Trust Fund</u> | <u>Trust - Other Funds</u> | <u>Open Space Trust Fund</u> |
|----------------------------------|--------------------------------------|--------------------------------|----------------------------------|
| Balance, December 31, 2022 | \$ 10,033.55 | \$ 725,408.17 | \$ 491,540.28 |
| Increased By Receipts: | | | |
| Due To: | | | |
| State of New Jersey | 220.20 | - | - |
| Current Fund | 344.98 | - | |
| Reserve for Animal Control Trust | | | |
| Fund Expenditures | 1,831.00 | - | - |
| Due from Open Space Trust Fund | - | 1,800.00 | 110,006.47 |
| Due from Current Fund | - | 46,128.20 | 112,288.12 |
| Encumbrances Cancelled | | | |
| Other Trust Reserves | - | 909,278.05 | - |
| | <u>2,396.18</u> | <u>957,206.25</u> | <u>222,294.59</u> |
| Total Receipts | | | |
| | <u>12,429.73</u> | <u>1,682,614.42</u> | <u>713,834.87</u> |
| Subtotal | | | |
| Decreased By Disbursements: | | | |
| Due To Current Fund | 6,528.55 | - | 560.27 |
| Due To State of NJ | 219.00 | - | - |
| Animal Control Trust Fund | | | |
| Expenditures | 215.50 | - | - |
| Due to Trust Other Funds | | | 1,800.00 |
| Reserve for Open Space | - | - | 156,653.24 |
| Encumbrances Payable | - | | 6,990.38 |
| Various Reserves | - | 435,426.54 | - |
| | <u>6,963.05</u> | <u>435,426.54</u> | <u>166,003.89</u> |
| Total Disbursements | | | |
| Balance, December 31, 2023 | <u>\$ 5,466.68</u> | <u>\$ 1,247,187.88</u> | <u>\$ 547,830.98</u> |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2023

| | | |
|----------------------------|---------------|---------------------------|
| Balance, December 31, 2022 | | \$ 3,555.00 |
| Increased By: | | |
| Dog License Fees Collected | | <u>1,831.00</u> |
| | | 5,386.00 |
| Decreased By: | | |
| Statutory Excess | \$ 1,550.50 | |
| Expenditures | <u>215.50</u> | |
| | | <u>1,766.00</u> |
| Balance, December 31, 2023 | | <u><u>\$ 3,620.00</u></u> |

License Fees Collected

| | |
|------|---------------------------|
| 2022 | \$ 1,820.00 |
| 2021 | <u>1,800.00</u> |
| | <u><u>\$ 3,620.00</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--------------------------------|-----------------------|
| Balance, December 31, 2022 | \$ - |
| Increased By: | |
| State Share of Dog License Fee | <u>220.20</u> |
| | 220.20 |
| Decreased By: | |
| Paid To State | <u>219.00</u> |
| Balance, December 31, 2023 | <u><u>\$ 1.20</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|----------------------------|----|-----------------|-----------------|
| Balance, December 31, 2022 | | \$ | 6,528.55 |
| Increased By: | | | |
| Due to Current Fund | \$ | 344.98 | |
| Interest | | - | |
| Statutory Excess | | <u>1,550.50</u> | |
| | | | <u>1,895.48</u> |
| | | | 8,424.03 |
| Decreased By: | | | |
| Cash Disbursements | | <u>6,528.55</u> | |
| Balance, December 31, 2023 | | <u>\$</u> | <u>1,895.48</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUNDS
SCHEDULE OF RESERVE FOR ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|---------------------------|
| Balance, December 31, 2022 | \$ 1,580.46 |
| Increased By: | |
| Various Reserves | <u>-</u> |
| | 1,580.46 |
| Decreased By: | |
| Various Reserves | <u>-</u> |
| Balance, December 31, 2023 | <u><u>\$ 1,580.46</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF INTERFUND RECEIVABLE - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|-----------------------------------|---------------|-------------------------|
| Balance, December 31, 2022 | | \$ 112,288.12 |
| Increased By: | | |
| Open Space Tax Levy | \$ - | |
| Open Space Added and Omitted Levy | <u>560.27</u> | <u>560.27</u> |
| | | 112,848.39 |
| Decreased By: | | |
| Cash Receipts | | <u>112,288.12</u> |
| Balance, December 31, 2023 | | <u><u>\$ 560.27</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
OPEN SPACE TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|-----------------------------------|---------------|-----------------------------|
| Balance, December 31, 2022 | | \$ 595,038.02 |
| Increased By: | | |
| Open Space Tax Levy | \$ 109,446.20 | |
| Open Space Added and Omitted Levy | 560.27 | |
| Interest Income | - | |
| | | <u>110,006.47</u> |
| | | 705,044.49 |
| Decreased By: | | |
| Disbursements | | <u>156,653.24</u> |
| Balance, December 31, 2023 | | <u><u>\$ 548,391.25</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
TRUST - OTHER FUNDS
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, <u>2022</u> | Transfer from Encumbrances <u>Payable</u> | <u>Increased</u> | <u>Decreased</u> | Transfer to Encumbrances <u>Payable</u> | Balance December 31, <u>2023</u> |
|--------------------------------|--|---|----------------------|----------------------|---|--|
| Reserve for: | | | | | | |
| Street Opening Deposits | \$ 22,411.00 | \$ - | \$ 111,300.00 | \$ - | \$ - | \$ 133,711.00 |
| Developer Deposits | 123,934.11 | 1,086.71 | 615,823.93 | 184,169.40 | 1,086.71 | 555,588.64 |
| P.O.A.A | 1,076.00 | - | 252.00 | 490.00 | - | 838.00 |
| Restitution | 1,036.57 | - | - | - | - | 1,036.57 |
| Construction Code - DCA Fees | 2,233.64 | - | 5,435.00 | 225.00 | - | 7,443.64 |
| Police Off Duty | 3,177.79 | - | 117,137.50 | 111,773.50 | - | 8,541.79 |
| Fire Marshall | 214.00 | - | - | - | - | 214.00 |
| Disposal of Forfeited Property | 5,716.93 | - | 486.37 | - | - | 6,203.30 |
| Police Vests | 3,400.00 | - | - | - | - | 3,400.00 |
| Parking Escrow | 1,000.00 | - | - | - | - | 1,000.00 |
| Public Defender | 3,729.36 | - | 1,200.00 | - | - | 4,929.36 |
| NJNG Center Avenue | 109,348.00 | - | - | - | - | 109,348.00 |
| Tax Sale Premiums | 253,190.13 | - | - | 108,832.10 | - | 144,358.03 |
| Third Part Lien Redemptions | 8.64 | - | - | - | - | 8.64 |
| Unemployment Trust | 37,187.03 | - | - | 22,390.25 | - | 14,796.78 |
| Accumulated Absences | 46,000.00 | - | 30,000.00 | - | - | 76,000.00 |
| COAH - Affordable Housing | 130,661.82 | - | 14,913.25 | 6,157.50 | - | 139,417.57 |
| Special Master Trust Fund | 124.14 | - | - | - | - | 124.14 |
| Police Donations | 200.00 | - | 570.00 | - | - | 770.00 |
| Lead Based Paint Fee | - | - | 2,560.00 | 680.00 | - | 1,880.00 |
| Police Explorer's | 506.25 | 493.75 | 9,600.00 | 708.79 | 493.75 | 9,397.46 |
| Harbor Security Deposits | 26,600.50 | - | - | - | - | 26,600.50 |
| | <u>\$ 771,755.91</u> | <u>\$ 1,580.46</u> | <u>\$ 909,278.05</u> | <u>\$ 435,426.54</u> | <u>\$ 1,580.46</u> | <u>\$ 1,245,607.42</u> |

| | | | |
|---------------------|----------------------|----------------------|----------------------|
| Cash Receipts | \$ 909,278.05 | \$ 435,426.54 | Cash Disbursements |
| Received in Current | - | - | Disbursed in Current |
| | <u>\$ 909,278.05</u> | <u>\$ 435,426.54</u> | |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF FUNDS HELD BY TRUSTEE
FOR THE YEAR ENDED DECEMBER 31, 2023

| | | |
|-----------------------------|-------------------|-------------------------------|
| Balance, December 31, 2022 | | \$ 925,501.05 |
| Increased By: | | |
| Borough Contributions | \$37,400.00 | |
| Appreciation of Investments | <u>157,071.77</u> | |
| | | <u>194,471.77</u> |
| | | 1,119,972.82 |
| Decreased By: | | |
| Withdrawals | 50,342.81 | |
| Loss on Investments | - | |
| Accounting Charges/Taxes | <u>2,025.00</u> | |
| | | <u>52,367.81</u> |
| Balance, December 31, 2023 | | <u><u>\$ 1,067,605.01</u></u> |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARD PROGRAM FUND ("LOSAP")
SCHEDULE OF RESERVE FOR LENGTH OF SERVICE AWARD PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2023

| | | |
|-----------------------------|-------------------|-------------------------------|
| Balance, December 31, 2022 | | \$ 925,501.05 |
| Increased By: | | |
| Borough Contributions | \$ 37,400.00 | |
| Appreciation of Investments | <u>157,071.77</u> | |
| | | <u>194,471.77</u> |
| | | 1,119,972.82 |
| Decreased By: | | |
| Withdrawals | 50,342.81 | |
| Loss on Investments | - | |
| Accounting Charges/Taxes | <u>2,025.00</u> | |
| | | <u>52,367.81</u> |
| Balance, December 31, 2023 | | <u><u>\$ 1,067,605.01</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|---|----|-------------------|--------------------------|
| Balance, December 31, 2022 | | \$ | 3,662.95 |
| Increased By: | | | |
| Deferred Charges Unfunded | \$ | 161,617.01 | |
| Due from Current Fund | | 415,863.46 | |
| Grants Receivable | | 240,000.00 | |
| Due to Harbor Commission Utility Operating Fund | | 700,000.00 | |
| Capital Improvement Fund | | <u>200,000.00</u> | |
| | | | <u>1,717,480.47</u> |
| | | | 1,721,143.42 |
| Decreased By: | | | |
| Improvement Authorizations | | 607,505.15 | |
| Bond Anticipation Notes | | <u>700,000.00</u> | |
| | | | <u>1,307,505.15</u> |
| Balance, December 31, 2023 | | \$ | <u><u>413,638.27</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | Balance December 31, <u>2023</u> |
|---|-----------------------------------|--|
| Capital Improvement Fund | | \$ 60,378.90 |
| Grants Receivable | | (630,048.27) |
| Fund Balance | | 59,792.84 |
| Due to Harbor Commission Utility Operating Fund | | 700,000.00 |
| Reserve for Debt Service | | 35,650.47 |
| Reserve for Encumbrances | | 60,498.30 |
| <u>Ordinance</u> | | |
| <u>Number</u> | <u>Improvement Description</u> | |
| 02-99/10-07 | Various Improvements | - |
| 11-9/8-13 | Various Improvements | 5,166.06 |
| 03-16 | Improvements to Avenue D Bulkhead | 35,822.00 |
| 21-18 | 2019 Road Program | (700,000.00) |
| 12-19/08-22 | Road Improvements | 558,960.61 |
| 16-21 | Various Capital Equipment | 28.05 |
| 13-2023 | Various Capital Improvements | <u>227,389.31</u> |
| | | <u><u>\$ 413,638.27</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|-----------------------------------|-------------------------------|
| Balance, December 31, 2022 | \$ 5,007,000.00 |
| Decreased By: | |
| Serial Bonds Paid by Current Fund | <u>827,000.00</u> |
| Balance, December 31, 2023 | <u><u>\$ 4,180,000.00</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | Balance December 31, 2022 | Paid In Current Fund Budget | Bond Issuance | BAN Paydown | Balance December 31, 2023 | Analysis of Balance | | |
|-----------------------------|--------------------------------|---------------------------------|-----------------------------------|------------------|----------------|---------------------------------|-------------------------------|---|----------------------|
| | | | | | | | Bond Anticipation Notes | Unexpended Improvement Authorizations | Expenditures |
| 02-99/10-07 | Various Improvements | \$ 161,617.01 | \$ 161,617.01 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 21-18 | 2019 Road Program | 700,000.00 | - | - | - | 700,000.00 | - | - | 700,000.00 |
| | | <u>\$ 861,617.01</u> | <u>\$ 161,617.01</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 700,000.00</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 700,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF INTERFUND - DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--|--------------------|
| Balance, December 31, 2022 | \$ 415,863.46 |
| Increased By: | |
| Capital Improvement Fund - Current Fund Budget | <u>-</u> |
| | 415,863.46 |
| Decreased By: | |
| Cash Disbursements | <u>415,863.46</u> |
| Balance, December 31, 2023 | <u><u>\$ -</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|----------------------------|
| Balance, December 31, 2022 | \$ 171,378.90 |
| Increased By: | |
| Current Fund Appropriation | <u>200,000.00</u> |
| | 371,378.90 |
| Decreased By: | |
| Improvement Authorizations | <u>311,000.00</u> |
| Balance, December 31, 2023 | <u><u>\$ 60,378.90</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Purpose | Date of Issue | Original Issue | Outstanding December 31, 2023 | | Interest Rate | Balance December 31, 2022 | Increased | Decreased | Balance December 31, 2023 |
|---|---------------|-----------------|----------------------------------|---------------|---------------|------------------------------|-----------|---------------|------------------------------|
| | | | Date | Amount | | | | | |
| Pooled Government Refunding Bonds Series 2015 | 12/4/2014 | \$ 2,759,000.00 | 12/1/2024 | \$ 405,000.00 | 4.000% | \$ 792,000.00 | - | \$ 387,000.00 | \$ 405,000.00 |
| Refunding Bonds | 9/13/2016 | 4,105,000.00 | 8/1/2024 | 375,000.00 | 4.000% | 3,365,000.00 | - | 370,000.00 | 2,995,000.00 |
| | | | 8/1/2025 | 395,000.00 | 4.000% | | | | |
| | | | 8/1/2026 | 410,000.00 | 4.000% | | | | |
| | | | 8/1/2027 | 425,000.00 | 4.000% | | | | |
| | | | 8/1/2028 | 450,000.00 | 4.000% | | | | |
| | | | 8/1/2029 | 460,000.00 | 4.000% | | | | |
| | | | 8/1/2030 | 480,000.00 | 4.000% | | | | |
| MCIA Bonds | 7/8/2021 | 910,000.00 | 3/1/2024 | 70,000.00 | 4.000% | 850,000.00 | - | 70,000.00 | 780,000.00 |
| | | | 3/1/2025 | 75,000.00 | 4.000% | | | | |
| | | | 3/1/2026 | 80,000.00 | 4.000% | | | | |
| | | | 3/1/2027 | 80,000.00 | 5.000% | | | | |
| | | | 3/1/2028 | 85,000.00 | 5.000% | | | | |
| | | | 3/1/2029 | 90,000.00 | 5.000% | | | | |
| | | | 3/1/2030 | 95,000.00 | 5.000% | | | | |
| | | | 3/1/2031 | 100,000.00 | 5.000% | | | | |
| | | | 3/1/2032 | 105,000.00 | 5.000% | | | | |
| | | | | | | | | | |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|---|----------------------------|
| Balance, December 31, 2022 | <u>\$ 35,650.47</u> |
| Increased By: | |
| Cash Receipts | <u>-</u> |
| | 35,650.47 |
| Decreased By: | |
| Revenue Anticipated in the Current Fund | <u>-</u> |
| Balance, December 31, 2023 | <u><u>\$ 35,650.47</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Ordinance Number | Ordinance Date | Improvement Description | Ordinance Amount | Balance December 31, 2022 | | 2023 Authorizations | Transfer from Encumbrance Payable | Expended | | | Balance December 31, 2023 | | |
|---------------------|---------------------|----------------------------------|---------------------|------------------------------|-------------|------------------------|---|----------------------|---------------------|-------------|------------------------------|-------------|--------------|
| | | | | Funded | Unfunded | | | Expended | Encumbered | Canceled | Funded | Unfunded | Overexpended |
| 08-13 | 04/10/13 | Various Improvements | \$ 7,625,676.00 | \$ 5,166.06 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,166.06 | \$ - | \$ - |
| 03-16 | 02/24/16 | Improvement to Avenue D Bulkhead | 250,000.00 | 35,822.00 | - | - | - | - | - | - | 35,822.00 | - | - |
| 12-19/08-22 | 9/11/2019, 6/9/2022 | Road Improvements | 1,870,048.27 | 1,103,694.43 | - | - | 35,648.94 | 580,382.76 | - | - | 558,960.61 | - | - |
| 16-21 | 07/23/21 | Various Capital Equipment | 290,000.00 | 38.05 | - | - | 4,000.00 | 4,010.00 | - | - | 28.05 | - | - |
| 13-2023 | 09/14/23 | Various Capital Improvements | 311,000.00 | | | 311,000.00 | | 23,112.39 | 60,498.30 | | 227,389.31 | | |
| | | | | <u>\$ 1,144,720.54</u> | <u>\$ -</u> | <u>\$ 311,000.00</u> | <u>\$ 39,648.94</u> | <u>\$ 607,505.15</u> | <u>\$ 60,498.30</u> | <u>\$ -</u> | <u>\$ 827,366.03</u> | <u>\$ -</u> | <u>\$ -</u> |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2023

| <u>Ord. Number</u> | <u>Improvement Description</u> | <u>Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> | <u>Increased</u> | <u>Decreases</u> | <u>Balance December 31, 2023</u> |
|------------------------|--------------------------------|--------------------------|--------------------------|-----------------------------|--------------------------|--|------------------|----------------------|--|
| 21-18 | 2019 Road Program | 3/6/2019 | 2/28/2022 | 2/27/2023 | 1.98% | \$ 700,000.00 | \$ - | \$ 700,000.00 | \$ - |
| | | | | | | <u>\$ 700,000.00</u> | <u>\$ -</u> | <u>\$ 700,000.00</u> | <u>\$ -</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Balance December 31, 2022</u> | <u>Bond Anticipation Notes Not Renewed</u> | <u>Paid In Current Fund Budget</u> | <u>Balance December 31, 2023</u> |
|-----------------------------|---|--|--|--|--|
| 02-99/10-07 21-18 | Various Improvements 2019 Road Program | \$ 161,617.01 | \$ - 700,000.00 | \$ 161,617.01 | \$ - 700,000.00 |
| | | <u>\$ 161,617.01</u> | <u>\$ 700,000.00</u> | <u>\$ 161,617.01</u> | <u>\$ 700,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Operating</u> | <u>Capital</u> |
|-----------------------------------|-------------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 925,482.02 | \$ 38,850.46 |
| Increased By Receipts: | | |
| Miscellaneous Revenue Anticipated | \$ 41,659.51 | \$ - |
| Consumer Accounts Receivable | 2,405,692.22 | - |
| Rent Overpayments | 20,099.84 | - |
| Capital Improvement Fund | - | 55,000.00 |
| Due from Current Fund | 74,159.69 | 36,042.19 |
| Due From Water/Sewer Capital Fund | <u>-</u> | <u>110,335.34</u> |
| | 2,541,611.26 | 201,377.53 |
| | 3,467,093.28 | 240,227.99 |
| Decreased By Disbursements: | | |
| 2023 Budget Appropriations | 2,134,720.80 | - |
| 2022 Appropriation Reserves | 89,859.99 | - |
| Accrued Interest Payable | 117,533.76 | - |
| Due to Water/Sewer Operating Fund | 110,335.34 | - |
| Rent Overpayments Refunded | <u>4,310.95</u> | <u>-</u> |
| | 2,456,760.84 | - |
| Balance, December 31, 2023 | <u><u>\$ 1,010,332.44</u></u> | <u><u>\$ 240,227.99</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, <u>2023</u> |
|--|--|
| Due From Current Fund | \$ - |
| Bond Covenant Reserves: | |
| Borough of Atlantic Highlands Allocation | 12,109.44 |
| Borough of Highlands Allocation | 13,118.55 |
| Due From Harbor Capital | - |
| Due From Water/Sewer Operating | - |
| Capital Improvement Fund | <u>215,000.00</u> |
| | <u><u>\$ 240,227.99</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|----------------------------|----|------------------|-------------------------|
| Balance, December 31, 2022 | | \$ | 109,565.51 |
| Increased By: | | | |
| Rent Overpayments | | | |
| Water/Sewer Rents Levied | | | <u>2,426,322.05</u> |
| | | | 2,535,887.56 |
| Decreased By: | | | |
| Cash Received | \$ | 2,405,692.22 | |
| Overpayments Applied | | <u>32,434.36</u> | |
| | | | <u>2,438,126.58</u> |
| Balance, December 31, 2023 | | \$ | <u><u>97,760.98</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND COVENANT RESTRICTED RESERVES
DECEMBER 31, 2023 AND 2022**

| | Balance December 31, <u>2023</u> | Balance December 31, <u>2022</u> |
|--|--|--|
| Reserve for AHHRSA Revenue Fund | \$ 222.56 | \$ 222.56 |
| Reserve for Bond Reserve Fund | 1.13 | 1.13 |
| Reserve for Renewal and Replacement Fund | 25,003.76 | 25,003.76 |
| Reserve for Bond Service Fund | <u>0.54</u> | <u>0.54</u> |
| | <u>\$ 25,227.99</u> | <u>\$ 25,227.99</u> |
| Allocation: | | |
| Borough of Atlantic Highlands | \$ 12,109.44 | \$ 12,109.44 |
| Borough of Highlands | <u>13,118.55</u> | <u>13,118.55</u> |
| | <u>\$ 25,227.99</u> | <u>\$ 25,227.99</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|---|----|------------|--------------------------------|
| Balance, December 31, 2022 | | | \$ 13,016,772.21 |
| Increased By: | | | |
| Capital Outlay - Current Budget Appropriation | \$ | 27,859.00 | |
| Capital Outlay - Appropriation Reserves | | 8,796.42 | |
| Capital Outlay Prior Year Adjustment | | 51,947.19 | |
| Serial Bonds Reduced | | 312,000.00 | |
| Loans Paid by Operating Budget | | 76,688.55 | |
| | | | <u>477,291.16</u> |
| | | | 13,494,063.37 |
| Decreased By: | | | |
| Refunding Bonds | | | <u>-</u> |
| Balance, December 31, 2023 | | | <u><u>\$ 13,494,063.37</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, 2022 | Reserve for Encumbrances | Balance After Transfers | Paid or Charged | Balance Lapsed | Overexpended |
|------------------------------|---------------------------------|-----------------------------|-------------------------------|-----------------------------------|---------------------|--------------|
| Operating: | | | | | | |
| Salaries and Wages | \$ 126,747.43 | \$ - | \$ 126,747.43 | \$ - | \$ 126,747.43 | \$ - |
| Other Expenses | 35,257.92 | 3,159.34 | 13,817.26 | 50,312.70 | - | 36,495.44 |
| Bank Fees | - | - | 600.00 | - | 600.00 | - |
| Insurance | 36,924.89 | - | 84,924.89 | - | 84,924.89 | - |
| Sewerage Treatment Fees | 56,532.55 | - | 32,532.55 | 33,687.57 | - | 1,155.02 |
| Total Operating | 255,462.79 | 3,159.34 | 258,622.13 | 84,000.27 | 212,272.32 | 37,650.46 |
| Capital Improvements: | | | | | | |
| Capital Outlay | 3,072.42 | 5,724.00 | 8,796.42 | 8,796.42 | - | - |
| Total Capital Improvements | 3,072.42 | 5,724.00 | 8,796.42 | 8,796.42 | - | - |
| Statutory Expenditures: | | | | | | |
| Contributions To: | | | | | | |
| Social Security | 567.06 | - | 567.06 | - | 567.06 | - |
| Total Statutory Expenditures | 567.06 | - | 567.06 | - | 567.06 | - |
| Total | \$ 259,102.27 | \$ 8,883.34 | \$ 267,985.61 | \$ 92,796.69 | \$ 212,839.38 | \$ 37,650.46 |
| | | | | Cash Disbursements | \$ 89,859.99 | |
| | | | | Accounts Payable - Capital Outlay | 2,936.70 | |
| | | | | | <u>\$ 92,796.69</u> | |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|---------------------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 8,883.34 |
| Increased By: | |
| Transfer from Budget Appropriations | <u>188,523.29</u> |
| | 197,406.63 |
| Decreased By: | |
| Transferred to Appropriation Reserves | <u>8,883.34</u> |
| Balance, December 31, 2023 | <u><u>\$ 188,523.29</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF CUSTOMER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

| | | | |
|---|----|------------------|-------------------------|
| Balance, December 31, 2022 | | \$ | 36,745.31 |
| Increased by: | | | |
| Cash Received | | | <u>20,099.84</u> |
| | | | 56,845.15 |
| Decreased by: | | | |
| Cash Disbursements | \$ | 4,310.95 | |
| Applied to Consumer Accounts Receivable | | <u>32,434.36</u> | |
| | | | <u>36,745.31</u> |
| Balance, December 31, 2023 | | \$ | <u><u>20,099.84</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|----------------------------|-------------------|----------------------------|
| Balance, December 31, 2022 | | \$ 38,673.72 |
| Increased By: | | |
| Current Appropriations | | <u>113,488.93</u> |
| | | 152,162.65 |
| Decreased By: | | |
| Cancelled | \$ - | |
| Interest Paid | <u>117,533.76</u> | <u>117,533.76</u> |
| Balance, December 31, 2023 | | <u><u>\$ 34,628.89</u></u> |

Analysis of Accrued Interest

| <u>Principal Outstanding</u> <u>December 31, 2023</u> | <u>Interest</u> <u>Rate</u> | <u>From</u> | <u>To</u> | <u>Days</u> | <u>Amount</u> |
|--|--------------------------------|-------------|------------|-------------|----------------------------|
| Serial Bonds: | | | | | |
| \$ 1,290,000.00 | Various | 9/1/2023 | 12/31/2023 | 121 | \$ 19,275.97 |
| 357,000.00 | Various | 12/1/2023 | 12/31/2023 | 30 | 1,190.00 |
| 324,000.00 | Various | 8/1/2023 | 12/31/2023 | 152 | 5,277.78 |
| 345,000.00 | Various | 8/1/2022 | 12/31/2023 | 152 | <u>5,826.67</u> |
| | | | | | 31,570.42 |
| Loans Payable: | | | | | |
| \$ 225,000.00 | Various | 8/1/2023 | 12/31/2023 | 152 | <u>3,058.47</u> |
| | | | | | <u><u>\$ 34,628.89</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--------------------------------------|----------------------------|
| Balance, December 31, 2022 | \$ 11,650.66 |
| Increased by: | |
| Transfer from Appropriation Reserves | <u>2,936.70</u> |
| Balance, December 31, 2023 | <u><u>\$ 14,587.36</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | |
|---|--------------|--------------------------------|
| Balance, December 31, 2022 | | \$ 16,513,346.44 |
| Increased by: | | |
| Capital Outlay - Current Budget Appropriation | \$ 27,859.00 | |
| Capital Outlay - Appropriation Reserves | 8,796.42 | |
| Capital Outlay Prior Year Adjustment | 51,947.19 | |
| Other Capital Acquisitions | <u>-</u> | |
| | | <u>88,602.61</u> |
| Balance, December 31, 2023 | | <u><u>\$ 16,601,949.05</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding December 31, 2023</u> | | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> | <u>Decreased</u> | <u>Balance December 31, 2023</u> |
|--|--------------------------|-----------------------|--|---------------|--------------------------|--|------------------|--|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| Water/Sewer Utility Refunding Bonds | 12/4/2014 | 1,054,000.00 | 12/1/2024 | 119,000.00 | 4.000% | \$ 475,000.00 | \$ 118,000.00 | \$ 357,000.00 |
| | | | 12/1/2025 | 119,000.00 | 4.000% | | | |
| | | | 12/1/2026 | 119,000.00 | 4.000% | | | |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF WATER/SEWER SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding December 31, 2023</u> | | <u>Interest Rate</u> | <u>Balance</u> | <u>Decreased</u> | <u>Balance</u> |
|---------------------------------------|--------------------------|-----------------------|--|---------------|--------------------------|------------------------------|----------------------|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | <u>December 31, 2022</u> | | <u>December 31, 2023</u> |
| 2016 MCIA (AHHRSA) Refunding Bonds | 10/5/2016 | 405,000.00 | 8/1/2024 | 36,000.00 | 4.000% | 358,000.00 | 34,000.00 | 324,000.00 |
| | | | 8/1/2025 | 38,000.00 | 4.000% | | | |
| | | | 8/1/2026 | 36,000.00 | 4.000% | | | |
| | | | 8/1/2027 | 38,000.00 | 4.000% | | | |
| | | | 8/1/2028 | 41,000.00 | 4.000% | | | |
| | | | 8/1/2029 | 43,000.00 | 4.000% | | | |
| | | | 8/1/2030 | 46,000.00 | 4.000% | | | |
| | | | 8/1/2031 | 46,000.00 | 3.000% | | | |
| 2016 MCIA Refunding Bonds | 10/5/2016 | 475,000.00 | 8/1/2024 | 45,000.00 | 4.000% | 390,000.00 | 45,000.00 | 345,000.00 |
| | | | 8/1/2025 | 45,000.00 | 4.000% | | | |
| | | | 8/2/2026 | 50,000.00 | 4.000% | | | |
| | | | 8/3/2027 | 50,000.00 | 4.000% | | | |
| | | | 8/4/2028 | 50,000.00 | 4.000% | | | |
| | | | 8/5/2029 | 50,000.00 | 4.000% | | | |
| | | | 8/6/2030 | 55,000.00 | 4.000% | | | |
| 2021 MCIA Refunding Bonds | 7/8/2021 | 1,415,000.00 | 3/1/2024 | 120,000.00 | 4.000% | 1,405,000.00 | 115,000.00 | 1,290,000.00 |
| | | | 3/1/2025 | 125,000.00 | 4.000% | | | |
| | | | 3/1/2026 | 130,000.00 | 4.000% | | | |
| | | | 3/1/2027 | 135,000.00 | 5.000% | | | |
| | | | 3/1/2028 | 140,000.00 | 5.000% | | | |
| | | | 3/1/2029 | 150,000.00 | 5.000% | | | |
| | | | 3/1/2030 | 160,000.00 | 5.000% | | | |
| | | | 3/1/2031 | 160,000.00 | 5.000% | | | |
| | | | 3/1/2032 | 170,000.00 | 3.000% | | | |
| | | | | | | <u>\$ 2,628,000.00</u> | <u>\$ 312,000.00</u> | <u>\$ 2,316,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding December 31, 2023</u> | | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> | <u>Decreased Paid by Budget Appropriation</u> | <u>Balance December 31, 2023</u> |
|---|--------------------------|-----------------------|--|---------------|--------------------------|--|---|--|
| | | | <u>Date</u> | <u>Amount</u> | | | | |
| New Jersey Environmental Infrastructure Fund Series 2014A (AHHRSA) | 8/1/2014 | \$ 1,114,875.00 | 2/1/2024 | \$ 18,896.18 | 0.000% | \$ 623,574.23 | \$ 56,688.55 | \$ 566,885.68 |
| | | | 8/1/2024 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2025 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2025 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2026 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2026 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2027 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2027 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2028 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2028 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2029 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2029 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2030 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2030 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2031 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2031 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2032 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2032 | 37,792.37 | 0.000% | | | |
| | | | 2/1/2033 | 18,896.18 | 0.000% | | | |
| | | | 8/1/2033 | 37,792.55 | 0.000% | | | |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
WATER/SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Outstanding December 31, 2023</u> | | <u>Interest Rate</u> | <u>Balance</u> | <u>Decreased</u> | <u>Balance</u> |
|--|--------------------------|-----------------------|--|---------------|--------------------------|------------------------------|---|------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | | <u>December 31, 2022</u> | <u>Paid by Budget Appropriation</u> | <u>December 31, 2023</u> |
| New Jersey Environmental Infrastructure Trust Series 2014A (AHHRSA) | 8/1/2014 | \$ 365,000.00 | 8/1/2024 | \$ 20,000.00 | 5.000% | \$ 245,000.00 | \$ 20,000.00 | \$ 225,000.00 |
| | | | 8/1/2025 | 20,000.00 | 3.000% | | | |
| | | | 8/1/2026 | 20,000.00 | 3.000% | | | |
| | | | 8/1/2027 | 20,000.00 | 3.000% | | | |
| | | | 8/1/2028 | 20,000.00 | 3.000% | | | |
| | | | 8/1/2029 | 25,000.00 | 3.000% | | | |
| | | | 8/1/2030 | 25,000.00 | 3.000% | | | |
| | | | 8/1/2031 | 25,000.00 | 3.000% | | | |
| | | | 8/1/2032 | 25,000.00 | 3.125% | | | |
| | | | 8/1/2033 | 25,000.00 | 3.250% | | | |
| | | | | | | <u>\$ 868,574.23</u> | <u>\$ 76,688.55</u> | <u>\$ 791,885.68</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | <u>Operating Fund</u> | <u>Capital Fund</u> |
|--|------------------------|------------------------|
| Balance, December 31, 2022 | \$ 3,547,298.65 | \$ 1,936,895.04 |
| Increased By Receipts: | | |
| Gas Station Operations | \$ 2,325,655.92 | - |
| Harbor Operations | 4,773,734.21 | - |
| Miscellaneous Revenue Anticipated | 106,956.14 | - |
| Sales Tax Payable | 31,824.37 | - |
| Due from Harbor Operating Fund | - | 123,199.79 |
| Due to Harbor Operating Fund | - | 776,800.21 |
| Due from Payroll Fund | 213.56 | - |
| Due to Harbor Capital Fund | - | - |
| Due from Current Fund | - | 3,327.00 |
| Due to Current Fund | - | 100,000.00 |
| Bond Anticipation Notes | - | 640,600.00 |
| Capital Improvement Fund | - | 100,000.00 |
| Premium on Bond Anticipation Notes | - | - |
| | <u>7,238,384.20</u> | <u>1,743,927.00</u> |
| | 10,785,682.85 | 3,680,822.04 |
| Decreased By Disbursements: | | |
| 2023 Appropriations | 5,617,028.19 | - |
| Sales Tax Payable | 36,221.33 | - |
| Accounts Payable | - | - |
| Appropriation Reserves | 206,310.45 | - |
| Accrued Interest on Bonds | 88,335.09 | - |
| Refund of Prior Year Revenue | - | - |
| Expenditure without Appropriation for Bond | - | - |
| Anticipation Notes | - | 100,000.00 |
| Bond Anticipation Notes | - | 1,540,600.00 |
| Due to Harbor Operating | - | - |
| Due to Harbor Capital Fund | 123,199.79 | - |
| Due to Current Fund | 292,626.14 | - |
| Due from Harbor Capital Fund | 776,800.21 | - |
| Due from General Capital Fund | 700,000.00 | - |
| Due from Current Fund | 83,218.80 | - |
| | <u>7,923,740.00</u> | <u>1,640,600.00</u> |
| Balance, December 31, 2023 | <u>\$ 2,861,942.85</u> | <u>\$ 2,040,222.04</u> |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF HARBOR COMMISSION UTILITY CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2023

| | | | Balance December 31, <u>2023</u> |
|--------------------------------------|--------------------------------|--|--|
| Capital Improvement Fund | | | \$ 277,512.71 |
| Fund Balance | | | 13,577.66 |
| Reserve for Heritage Square | | | 26,691.00 |
| Reserve for Debt Service | | | 755,079.50 |
| Reserve for Encumbrances | | | 7,865.30 |
| Due to Harbor Utility Operating Fund | | | 776,800.21 |
| Due to Current Fund | | | 100,000.00 |
| Deferred Charges | | | (100,000.00) |
| Ordinance | | | |
| <u>Number</u> | <u>Improvement Description</u> | | |
| 03-13/05-13 | Various Harbor Improvements | | 135,386.71 |
| 12-13 | Various Harbor Improvements | | <u>1,042,482.92</u> |
| | | | <u>\$ 2,040,222.04</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF INTERFUND OF DUE FROM/(TO) HARBOR COMMISSION UTILITY CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ (123,199.79) |
| Increased by: | |
| Cash Disbursement | <u>776,800.21</u> |
| | 653,600.42 |
| Decreased by: | |
| Cash Receipts | <u>123,199.79</u> |
| Balance, December 31, 2023 | <u><u>\$ 776,800.21</u></u> |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

| | Balance December 31, <u>2023</u> | Balance December 31, <u>2022</u> |
|---|--|--|
| Overexpenditure of Improvement Authorizations | \$ 95,173.97 | \$ 95,173.97 |
| Expenditure without Appropriation for Bond | | |
| Anticipation Notes | <u>100,000.00</u> | <u>-</u> |
| | <u><u>\$ 195,173.97</u></u> | <u><u>\$ 95,173.97</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|-------------------------------|
| Balance, December 31, 2022 | \$ 1,261,219.80 |
| Increased By: | |
| Harbor Fees Levied | <u>4,741,586.99</u> |
| | 6,002,806.79 |
| Decreased By: | |
| Collections | <u>4,773,734.21</u> |
| Balance, December 31, 2023 | <u><u>\$ 1,229,072.58</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 177,512.71 |
| Increased By: | |
| Budget Appropriation | <u>100,000.00</u> |
| Balance, December 31, 2023 | <u><u>\$ 277,512.71</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF ACCOUNTS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|-----------------------------|
| Balance, December 31, 2022 | \$ 3,497.50 |
| Increased by: | |
| Appropriation Reserves | <u>114,366.75</u> |
| | 117,864.25 |
| Decreased By: | |
| Cash Disbursements | <u>-</u> |
| Balance, December 31, 2023 | <u><u>\$ 117,864.25</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF SALES TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|----------------------------|-------------------------|
| Balance, December 31, 2022 | \$ 5,108.61 |
| Increased By: | |
| Cash Receipts | <u>31,824.37</u> |
| | 36,932.98 |
| Decreased By: | |
| Cash Disbursed | <u>36,221.33</u> |
| Balance, December 31, 2023 | <u><u>\$ 711.65</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|-----------------------------|--------------------------------|
| Balance, December 31, 2022 | \$ 23,731,720.39 |
| Increased By: | |
| Budget Capital Outlay - | |
| 2023 Budget Appropriations | 5,249.00 |
| 2022 Appropriation Reserves | <u>180,041.75</u> |
| Balance, December 31, 2023 | <u><u>\$ 23,917,011.14</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Ordinance</u> | | <u>Balance</u> <u>December 31,</u> <u>2023</u> | <u>Balance</u> <u>December 31,</u> <u>2022</u> |
|-----------------------------|---|-------------------|-----------------|--|--|
| | | <u>Date</u> | <u>Amount</u> | | |
| 03-13 | Various Harbor Improvements | 3/13/2013 | \$ 7,000,000.00 | \$ 7,000,000.00 | \$ 7,000,000.00 |
| 05-13/12-13 | Various Harbor Improvements | 3/13/13 - 7/24/13 | 12,100,000.00 | 12,100,000.00 | 12,100,000.00 |
| 02-16/02-20 | Renovation of Public Restrooms and Showers in the Tow Boat Building | 2/24/16-2/13/20 | 1,500,000.00 | 1,500,000.00 | 1,500,000.00 |
| 08-21/15-21 | Repairs of Harbor Boat Ramp | 6/11/2022 | 450,000.00 | 450,000.00 | 450,000.00 |
| | | | | <u>\$ 21,050,000.00</u> | <u>\$ 21,050,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Balance December 31, 2022 | Encumbrances | Balance After Modifications | Paid or Charged | Lapsed |
|--|---------------------------------|--------------|-----------------------------------|----------------------|--------------|
| Operating: | | | | | |
| Salaries and Wages | \$ 79,872.25 | \$ - | \$ 79,872.25 | \$ 59,079.96 | \$ 20,792.29 |
| Other Expenses | 53,079.48 | 29,191.54 | 82,271.02 | 81,555.49 | 715.53 |
| Insurance | 2,439.70 | - | 2,439.70 | - | 2,439.70 |
| Total Operating | 135,391.43 | 29,191.54 | 164,582.97 | 140,635.45 | 23,947.52 |
| Capital Improvements: | | | | | |
| Capital Outlay | 178,267.44 | 25,825.00 | 204,092.44 | 180,041.75 | 24,050.69 |
| Total Capital Improvements | 178,267.44 | 25,825.00 | 204,092.44 | 180,041.75 | 24,050.69 |
| Statutory Expenditures: | | | | | |
| Contributions To: | | | | | |
| Social Security System (O.A.S.I.) | 4,916.26 | - | 4,916.26 | - | 4,916.26 |
| Total Statutory Expenditures | 4,916.26 | - | 4,916.26 | - | 4,916.26 |
| Total Harbor Commission Utility Appropriations | \$ 318,575.13 | \$ 55,016.54 | \$ 373,591.67 | \$ 320,677.20 | \$ 52,914.47 |
| Cash Disbursements | | | | \$ 206,310.45 | |
| Accounts Payable | | | | 114,366.75 | |
| | | | | <u>\$ 320,677.20</u> | |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | |
|--|----------------------------|
| Balance, December 31, 2022 | \$ 55,016.54 |
| Increased By: | |
| Transferred from Budget Appropriations | <u>97,940.10</u> |
| | 152,956.64 |
| Decreased By: | |
| Transfer to Appropriation Reserves | <u>55,016.54</u> |
| Balance, December 31, 2023 | <u><u>\$ 97,940.10</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|----------------------------------|----|------------------|-------------------------|
| Balance, December 31, 2022 | | \$ | 34,861.34 |
| Increased by: | | | |
| Budget Appropriations | | | <u>80,128.80</u> |
| | | | 114,990.14 |
| Decreased By: | | | |
| Cancellation of Accrued Interest | \$ | - | |
| Interest Paid | | <u>88,335.09</u> | |
| | | | <u>88,335.09</u> |
| Balance, December 31, 2023 | | \$ | <u><u>26,655.05</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF HARBOR COMMISSION SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Improvement Description</u> | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Maturities of Bonds Outstanding December 31, 2023</u> | | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> | <u>Paid by Budget Appropriation</u> | <u>Balance December 31, 2023</u> |
|--|--------------------------|---------------------------|--|---------------|--------------------------|--|---|--|
| Harbor Commission Utility Refunding | 12/4/2014 | \$ 1,016,000.00 | 12/1/2024 | \$ 116,000.00 | 4.000% | \$ 458,000.00 | \$ 110,000.00 | \$ 348,000.00 |
| | | | 12/1/2025 | 116,000.00 | 4.000% | | | |
| | | | 12/1/2026 | 116,000.00 | 4.000% | | | |
| Harbor Commission Utility Refunding of 2010 Issue | 10/5/2016 | 915,000.00 | 8/1/2024 | 85,000.00 | 4.000% | 745,000.00 | 80,000.00 | 665,000.00 |
| | | | 8/1/2025 | 85,000.00 | 4.000% | | | |
| | | | 8/1/2026 | 90,000.00 | 4.000% | | | |
| | | | 8/1/2027 | 95,000.00 | 4.000% | | | |
| | | | 8/1/2028 | 100,000.00 | 4.000% | | | |
| | | | 8/1/2029 | 105,000.00 | 4.000% | | | |
| | | | 8/1/2030 | 105,000.00 | 4.000% | | | |
| | | | | | | <u>\$ 1,203,000.00</u> | <u>\$ 190,000.00</u> | <u>\$ 1,013,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF HARBOR COMMISSION BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| <u>Ord. Number</u> | <u>Improvement Description</u> | <u>Original Note</u> | <u>Date of Issue</u> | <u>Date of Maturity</u> | <u>Interest Rate</u> | <u>Balance December 31, 2022</u> | <u>Increased</u> | <u>Decreases</u> | <u>Balance December 31, 2023</u> |
|------------------------|--|--------------------------|--------------------------|-----------------------------|--------------------------|--|----------------------|------------------------|--|
| 03-13/05-13 | Various Harbor Improvements | 3/21/2013 | 2/28/2022 | 2/27/2023 | 2.00% | \$ 900,000.00 | \$ - | \$ 900,000.00 | \$ - |
| 02-16/02-20 | Renovations to Public Restrooms and Showers in the Tow Boat Building | 7/13/2021 | 6/28/2023 | 6/28/2024 | 4.45% | 740,600.00 | 640,600.00 | 740,600.00 | 640,600.00 |
| | | | | | | <u>\$ 1,640,600.00</u> | <u>\$ 640,600.00</u> | <u>\$ 1,640,600.00</u> | <u>\$ 640,600.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Ordinance Number | Improvement Description | Date | Amount | Balance | | Increased by | | Decreased by | | Balance | |
|---------------------|---|-------------------|-----------------|------------------------|----------------------|---------------------|--------------------|---------------------|------|------------------------|----------------------|
| | | | | December 31, 2022 | | Reserve | | Reserve | | December 31, 2023 | |
| | | | | Funded | Unfunded | for Encumbrances | Paid or Charged | for Encumbrances | | Funded | Unfunded |
| 03-13/05-13 | Various Harbor Improvements | 2/13/2013 | \$ 7,000,000.00 | \$ - | \$ 135,386.71 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 135,386.71 |
| 12-13 | Various Harbor Improvements | 7/24/2013 | 12,100,000.00 | 1,042,482.92 | - | - | - | - | - | 1,042,482.92 | - |
| 02-16/02-20 | Renovations to Public Restrooms and Showers in the Tow Boat Building | 2/24/2016-2/13/20 | 1,500,000.00 | - | - | 7,865.30 | - | 7,865.30 | - | - | - |
| | | | | <u>\$ 1,042,482.92</u> | <u>\$ 135,386.71</u> | <u>\$ 7,865.30</u> | <u>\$ -</u> | <u>\$ 7,865.30</u> | | <u>\$ 1,042,482.92</u> | <u>\$ 135,386.71</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | |
|---|----|------------|--------------------------------|
| Balance, December 31, 2022 | | | \$ 22,538,120.39 |
| Increased By: | | | |
| Capital Outlay - Appropriation Reserves | \$ | 180,041.75 | |
| Capital Outlay - Appropriations | \$ | 5,249.00 | |
| Unfunded Ordinances Funded By Budget | | - | |
| Bond Anticipation Notes Paid | | 100,000.00 | |
| Serial Bonds Paid by Operating Budget | | 190,000.00 | |
| | | | <u>475,290.75</u> |
| Balance, December 31, 2023 | | | <u><u>\$ 23,013,411.14</u></u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 755,079.50

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR HERITAGE HOUSE
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022

\$ 26,691.00

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
FOR THE YEAR ENDED DECEMBER 31, 2023

| Ordinance Number | <u>Improvement Description</u> | Ordinance <u>Date</u> | Balance December 31, 2022 | Notes Paid by Operating Budget | Balance December 31, 2023 |
|---------------------|---|--------------------------|------------------------------|---|------------------------------|
| 03-13 | Various Harbor Improvements | 2/13/2013 | \$ 6,100,000.00 | \$ - | \$ 6,100,000.00 |
| 05-13/ 12-13 | Various Harbor Improvements | 3/13/2013 7/24/2013 | 12,100,000.00 | - | 12,100,000.00 |
| 02-16/02-20 | Renovations to Public Restrooms and Showers in the Tow Boat Building | 2/24/2016- 2/13/2021 | 750,000.00 | - | 750,000.00 |
| 08-21/15-21 | Repairs of Harbor Boat Ramp | 6/11/2021 | 450,000.00 | - | 450,000.00 |
| | | | <u>\$ 19,400,000.00</u> | <u>\$ -</u> | <u>\$ 19,400,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH, NEW JERSEY
HARBOR COMMISSION UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2023**

| Ordinance Number | <u>Improvement Description</u> | Balance <u>December 31, 2022</u> | Bond Anticipation Notes <u>Not Renewed</u> | Balance <u>December 31, 2023</u> |
|---------------------|---|-------------------------------------|--|-------------------------------------|
| 03-13/05-13 | Various Harbor Improvements | \$ - | \$ 900,000.00 | \$ 900,000.00 |
| 02-16/02-20 | Renovation of Public Restrooms and Showers in the Tow Boat Building | - | - | - |
| | | <u>\$ -</u> | <u>\$ 900,000.00</u> | <u>\$ 900,000.00</u> |

**BOROUGH OF ATLANTIC HIGHLANDS
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF INVESTMENTS IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | (as restated) | | | |
|-------------------------|---|----------------------|---------------------|--|
| | Balance, December 31, <u>2022</u> | <u>Additions</u> | <u>Dispositions</u> | Balance December 31, <u>2023</u> |
| Land | \$ 8,703,900.00 | \$ - | \$ - | \$ 8,703,900.00 |
| Buildings | 2,994,900.00 | - | - | 2,994,900.00 |
| Machinery and Equipment | 5,960,993.89 | 292,641.81 | - | 6,253,635.70 |
| | <u>\$ 17,659,793.89</u> | <u>\$ 292,641.81</u> | <u>\$ -</u> | <u>\$ 17,952,435.70</u> |

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART III

COMMENTS

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY
COMMENTS
YEAR ENDED DECEMBER 31 2023

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

N.J.S. 40A:11-4 states “Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law.”

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the municipal attorney’s opinion should be sought before a commitment is made. Our audit of expenditures did not reveal any individual payments in excess of the statutory limit for the performance of any work or the furnishing of any goods or services 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. 40A:11-6.

The minutes indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for “Professional Services” per N.J.S. 40A:11-5.

Purchases, Contracts or Agreements not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, “For all contracts that in the aggregate are less than the bid threshold but exceed 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L. 1971, c. 198 (C.40A:11-5), except for paragraph (a) of that subsection concerning professional services and paragraph (b) of that subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor.” In the auditing of the Borough’s expenditures, we performed tests of the Borough’s compliance with N.J.S. 40A:11-6.1 and noted no exceptions.

Examination of Claims

In the auditing the Borough’s expenditures, we did not and were not required to determine or establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being subject to the Borough’s system of internal control over the approval and payment of claims in accordance with N.J.S.A. 40A:5-16. However, we tested the Borough’s compliance with its established internal control system over the approval and payment of claims and noted no exceptions.

Payroll Withholdings

We did not and were not required to determine the propriety of withholdings from individual employee salaries for pensions, income taxes, social security and medicare taxes, and for other purposes.

COMMENTS (continued)

Collection of Interest on Delinquent Taxes, Utility and Other Municipal Assessments

On January 1, 2023, the Governing Body adopted a resolution setting the grace period, interest rates and policy for taxes and municipal charges for 2023. The following is an excerpt from the aforementioned resolution, relative to fixing the rate of interest to be to be charged for nonpayment of taxes or assessments:

WHEREAS, N.J.S.A. 54:4-67 permits the Governing Body to fix the rate of interest to be charged for nonpayment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law; and

WHEREAS, any unpaid taxes and municipal charges constitute an unfair burden on those taxpayers who pay their taxes and municipal charges in a timely manner and delinquent taxpayers should be required to carry their share of the tax burden; and,

WHEREAS, N.J.S.A. 40A:5-17.1 allows cancellation of property tax delinquent amounts or refunds in the amounts of less than \$10 and allows the Governing Body to authorize a municipal employee to process this cancellation at the end of the tax year,

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the Borough of Atlantic Highlands, County of Monmouth, State of New Jersey, that the tax year 2022 is closed effective December 31, 2022 and that property taxes shall be due and payable quarterly on February 1st, May 1st, August 1st and November 1st for the year 2023, with a ten-day grace period, after which dates, if unpaid, shall become delinquent, with interest charged as set forth below and reverting back to the due date on any quarterly installment of taxes. The Tax Collector is hereby authorized and directed to charge, subject to any abatement or discount for the late payment of taxes as provided by law:

1. Eight percent (8%) per annum on the first \$1,500 of taxes delinquent after due date; and
2. Eighteen (18%) per annum on any amount in excess of \$1,500 delinquent after due date; and,
3. An additional penalty of six percent (6%) shall be added to any taxes, interest and municipal charges in excess of \$10,000 that remain unpaid at the end of any calendar year. This shall be calculated on the sum of all taxes from year to year and not on an individual year basis.

Based upon our audit of the tax collector's records, interest was charged in accordance with the foregoing resolution.

COMMENTS (continued)

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year ended December 31, 2023:

| <u>Name</u> | <u>Title</u> |
|-----------------------|--|
| Loretta Gluckstein | Mayor |
| Lori Hohenleitner | Councilwoman, Council President |
| James Murphy | Councilman |
| Eileen Cusack | Councilwoman |
| Jon Crowley | Councilman |
| Brian Dougherty | Councilman |
| Vito Colasurdo | Councilman |
| Catherine Pooler | Tax and Utility Collector from April 10, 2023 |
| Kathleen Intravartolo | Tax and Utility Collector from January 1, 2023 through April 9, 2023 |
| Ricardo Llanos | Chief Financial Officer from November 2, 2023 |
| Christopher Santiago | Chief Financial Officer from January 1, 2023 through October 30, 2023 |
| Michelle Clark | Municipal Clerk |
| Janice Swaggerty | Court Administrator |
| Robert Ferragina | Business Administrator |
| Marguerite Schaffer | Municipal Attorney |

All employees are covered by a public employee dishonesty bond of \$50,000.00 by the Monmouth County Municipal Joint Insurance Fund. In addition, Borough employees are covered by a public employee dishonesty and faithful performance bond in the amount of \$950,000.00 by the Municipal Excess Liability Joint Insurance Fund.

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

PART IV

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023

Finding 2023-001*

We consider the following deficiency in internal control over financial reporting to be a material weakness relative to the maintenance of complete and accurate general ledgers on a timely basis.

Criteria

Internal control over financial reporting allows for management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Condition

The Borough did not maintain complete and accurate general ledgers for all funds during 2023 on a current and timely basis.

Cause

Internal control procedures were not in place for preventing, or detecting and correcting, misstatements of account balances recorded in the general ledger on a current and timely basis.

Effect

General ledgers that are not completely and accurately maintained present a reasonable possibility that a material misstatement in financial statement balances will not be prevented, or detected and corrected, on a timely basis by management or employees.

Recommendation

It is recommended that the Borough enhance its internal control system to ensure the maintenance of complete and accurate general ledgers for all funds on a current and timely basis.

Borough Response

Borough officials agree with the finding and will enhance its internal control system to ensure the maintenance of complete and accurate general ledgers for all funds on a current and timely basis.

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Other Internal Control and Compliance Matters

2023-002*

Comment

We noted that there were interfund balances at year-end.

Recommendation

We recommend that, where practicable, interfund balances be liquidated prior to year-end or subsequently liquidated on a timely basis in the following year.

2023-003

Comment

We noted that there were overexpenditures of appropriation reserves in the current fund and the water/sewer utility operating fund.

Recommendation

We recommend that internal control procedures be enhanced to avoid overexpenditures of appropriation reserves.

2023-004*

Comment

We noted that dedication by riders were not obtained from the Division of Local Government Services for certain reserve balances recorded in the trust other funds. In addition, we noted that certain reserve balances recorded in the current fund should be recorded in the other trust funds and that dedication by riders be obtained for these funds.

Recommendation

We recommend that dedication by rider resolutions be adopted and submitted to the Division of Local Government Services for approval required for certain reserve balances recorded in the other trust fund and for certain reserve balances recorded in the current fund that should be recorded in the other trust funds.

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Other Internal Control and Compliance Matters (continued)

2023-005*

Comment

We noted that a detailed payroll bank account balance analysis is not being performed on a current and timely basis.

Recommendation

We recommend that a detailed payroll bank account balance analysis be performed on a monthly basis.

2023-006

Comment

We noted that there was an expenditure without an appropriation in the harbor commission utility capital fund.

Recommendation

We recommend that internal control procedures be enhanced to avoid expenditures without an appropriation.

2023-007

Comment

We noted that clearing account bank reconciliations were not accurately reconciled to the general ledger.

Recommendation

We recommend that clearing account bank reconciliations be accurately reconciled to the general ledger on a current and timely basis.

BOROUGH OF ATLANTIC HIGHLANDS
COUNTY OF MONMOUTH
STATE OF NEW JERSEY

COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Status of Prior Year Recommendations

Except for the recommendations designated with an asterisk, corrective action was taken by the Borough on all other prior year recommendations.

The aforementioned comments and the related recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the Borough's regulatory basis financial statements taken as a whole.