

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



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

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**BOROUGH OF LAKEHURST  
COUNTY OF OCEAN**

**PART I**

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

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Lakehurst  
County of Ocean  
Lakehurst, New Jersey

### Opinions

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

### Unmodified Opinion on Regulatory Basis of Accounting

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

### Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

### Basis for Opinions

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

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

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

## **Responsibilities of Management for the Financial Statements**

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control(s) relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Lakehurst'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 of Lakehurst's ability to continue as a going concern for a reasonable period of time.

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

### ***Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024, on our consideration of the Borough of Lakehurst's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Lakehurst'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 of Lakehurst's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Lakewood, New Jersey  
June 18, 2024

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

Honorable Mayor and Members  
of the Borough Council  
Borough of Lakehurst  
Lakehurst, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Lakehurst, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 18, 2024. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Report On Internal Control Over Financial Reporting**

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

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

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

## **Report On Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Lakewood, New Jersey  
June 18, 2024

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND**

**Sheet 1 of 2**

**RESERVES - REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	A-4	\$ 1,475,052.94	\$ 1,511,426.10
Cash - Change Fund		820.00	820.00
		<u>1,475,872.94</u>	<u>1,512,246.10</u>
Due From State of N.J. (P.L. 1971, C. 20)	A-7	<u>1,170.78</u>	<u>1,420.78</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-5	107,337.88	57,557.00
Tax Title Liens Receivable	A-6	72,803.35	68,987.84
Property Acquired for Taxes		50,000.00	50,000.00
Revenue Accounts Receivable	A-8	6,078.12	9,465.49
Interfund - Grant Fund	A-14	242,436.30	-
		<u>478,655.65</u>	<u>186,010.33</u>
Deferred Charges:			
(N.J.S. 40A:4-55)	A-13	32,637.00	43,516.00
		<u>32,637.00</u>	<u>43,516.00</u>
		<u>1,988,336.37</u>	<u>1,743,193.21</u>
Grant Fund:			
Interfund - Current Fund	A-14	-	73,473.34
Grants Receivable	A-15	831,086.51	702,791.09
		<u>831,086.51</u>	<u>776,264.43</u>
		<u>\$ 2,819,422.88</u>	<u>\$ 2,519,457.64</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND**

**Sheet 2 of 2**

**RESERVES - REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

<b><u>Liabilities, Reserves and Fund Balance</u></b>	<b><u>Ref.</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Liabilities:			
Appropriation Reserves	A-3,9	\$ 372,166.90	\$ 256,421.92
Reserve for Encumbrances	A-3,9	114,314.59	49,826.16
Prepaid Taxes	A-4,5	34,695.68	45,193.46
Tax Overpayments		26,317.58	3,017.26
Reserve for:			
Revision and Codification of Ordinances		3,285.00	3,285.00
Master Plan Update		-	3,382.50
Reassessment		1,742.00	1,742.00
Municipal Relief Revenue Reserve	A-4	30,815.47	15,411.25
Accounts Payable		19,228.10	19,228.10
County Taxes Payable	A-10	5,172.66	2,176.61
Local District School Tax Payable	A-11	130,506.00	198,497.00
Interfunds:			
Grant Fund	A-14	-	73,473.34
		<u>738,243.98</u>	<u>671,654.60</u>
Reserve for Receivables and Other Assets		478,655.65	186,010.33
Fund Balance	A-1	771,436.74	885,528.28
		<u>1,988,336.37</u>	<u>1,743,193.21</u>
Grant Fund:			
Interfund - Current Fund	A-14	242,436.30	-
Reserve for Encumbrances	A-16	61,300.82	580.25
Appropriated Reserves	A-16	503,144.97	477,383.40
Unappropriated Reserves	A-17	24,204.42	298,300.78
		<u>831,086.51</u>	<u>776,264.43</u>
		<u>\$ 2,819,422.88</u>	<u>\$ 2,519,457.64</u>

There was deferred school taxes on December 31, 2023 and 2022 of \$500,749.00 (Exhibit A-11).

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-1

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**

**FUND BALANCE - REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b><u>Ref.</u></b>	<b><u>Year 2023</u></b>	<b><u>Year 2022</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Fund Balance Utilized	A-2	\$ 742,074.00	\$ 537,700.00
Miscellaneous Revenue Anticipated	A-2	1,760,857.70	1,386,692.02
Receipts from Delinquent Taxes	A-5	57,577.00	48,371.94
Receipts from Current Taxes	A-2	4,848,265.67	4,648,149.47
Non-Budget Revenues	A-2	216,833.64	300,057.30
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-9	219,832.31	110,594.12
Interfunds Returned		-	136,885.47
Return of Prior Year Tax Refund	A-4	4,808.48	-
Total Income		<u>7,850,248.80</u>	<u>7,168,450.32</u>
<b><u>Expenditures</u></b>			
Budget Appropriations within Caps:			
Operations:			
Salaries and Wages		1,695,225.00	1,581,925.00
Other Expenses		1,484,003.00	1,493,170.00
Deferred Charges and Statutory Expenditures		431,823.00	379,170.00
Budget Appropriations excluded from Caps:			
Operations:			
Salaries and Wages		105,000.00	105,000.00
Other Expenses		642,797.46	464,688.58
Capital Improvements		91,200.00	17,500.00
Municipal Debt Service		304,497.30	304,570.66
Deferred Charges		19,215.00	19,349.00
County Taxes	A-3	<u>4,773,760.76</u>	<u>4,365,373.24</u>
Local District School Tax	A-10	786,965.28	691,104.91
Refund of Prior Year Revenue	A-4	-	4,808.48
Interfund Advances		242,436.30	-
Total Expenditures		<u>7,222,266.34</u>	<u>6,400,459.63</u>
Excess in Revenue		\$ 627,982.46	\$ 767,990.69
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	-	<u>54,395.00</u>
Statutory Excess to Fund Balance		627,982.46	822,385.69
Fund Balance January 1	A	<u>885,528.28</u>	<u>600,842.59</u>
		1,513,510.74	1,423,228.28
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>742,074.00</u>	<u>537,700.00</u>
Fund Balance December 31	A	<u>\$ 771,436.74</u>	<u>\$ 885,528.28</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 1 of 3

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Ref.</b>	<b>Anticipated Budget</b>	<b>Special N.J.S.A. 40A:4-87</b>	<b>Realized</b>	<b>Excess or (Deficit)</b>
		\$	\$	\$	\$
Fund Balance Anticipated	A-1	742,074.00	-	742,074.00	-
<b><u>Miscellaneous Revenues</u></b>					
Licenses					
Alcoholic Beverages	A-8	10,000.00	-	12,850.00	2,850.00
Other	A-8	6,000.00	-	11,591.00	5,591.00
Fees and Permits					
Other	A-8	100,000.00	-	172,261.24	72,261.24
Interest and Costs on Taxes	A-8	11,000.00	-	15,118.89	4,118.89
Interest on Investments and Deposits	A-8	7,000.00	-	21,882.63	14,882.63
State Aid:					
Energy Receipts Tax	A-8	297,481.00	-	297,481.18	.18
Municipal Relief Fund	A-8	15,411.25	-	15,411.25	-
Uniform Construction Code Fees	A-8	1,000.00	-	5,404.90	4,404.90
Lakehurst Elementary School - Police Service Contract	A-8	80,000.00	-	52,000.00	(28,000.00)
Northeast Housing LLC - Borough of Lakehurst	A-8	160,000.00	-	441,086.50	281,086.50
Northeast Housing LLC - Borough of Lakehurst	A-8	85,000.00	-	85,000.00	-
Uniform Fire Safety Act	A-8	2,600.00	-	4,919.20	2,319.20
American Rescue Plan Act Tranche #1	A-8	141,721.22	-	141,721.22	-
American Rescue Plan Act Tranche #2	A-8	141,721.23	-	141,721.23	-

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-2

STATEMENT OF REVENUES - REGULATORY BASIS

Sheet 2 of 3

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Special N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Grants Offset with Appropriations:					
NJ Transportation Trust Fund	A-15	\$ 278,800.00	\$ -	\$ 278,800.00	\$ -
Recycling Tonnage	A-15	4,445.13	-	4,445.13	-
Drunk Driving Enforcement Fund	A-15	19,305.00	-	19,305.00	-
Recycling Tonnage	A-15	7,920.23	-	7,920.23	-
Body Armor Grant	A-15	1,900.30	-	1,900.30	-
Clean Communities Program	A-15	5,037.80	-	5,037.80	-
NJDEP Stormwater Assistance Grant	A-15	-	25,000.00	25,000.00	-
Total Miscellaneous Revenues	A-1	<u>1,376,343.16</u>	<u>25,000.00</u>	<u>1,760,857.70</u>	<u>359,514.54</u>
Receipts from Delinquent Taxes	A-1, 2	<u>53,326.00</u>	-	<u>57,577.00</u>	<u>4,251.00</u>
Subtotal General Revenues		<u>2,171,743.16</u>	<u>25,000.00</u>	<u>2,560,508.70</u>	<u>363,765.54</u>
Amount to be Raised by Taxes for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2	<u>2,747,115.28</u>	-	<u>2,810,491.37</u>	<u>63,376.09</u>
Total General Revenues		<u>4,918,858.44</u>	<u>25,000.00</u>	<u>5,371,000.07</u>	<u>427,141.63</u>
Non-Budget Revenues	A-1, 2	<u>-</u>	-	<u>216,833.64</u>	<u>216,833.64</u>
	A-3	<u>\$ 4,918,858.44</u>	<u>\$ 25,000.00</u>	<u>\$ 5,587,833.71</u>	<u>\$ 643,975.27</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-2

**STATEMENT OF REVENUES - REGULATORY BASIS**

Sheet 3 of 3

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b><u>Ref.</u></b>	
<b><u>Analysis of Realized Revenues</u></b>		
<b><u>Allocation of Current Tax Collections</u></b>		
Revenue from Collections	A-1,5	\$ 4,848,265.67
Allocated to School and County Taxes	A-10, 11	<u>2,206,069.28</u>
Balance or Support of Municipal Budget Appropriations		<u>2,642,196.39</u>
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>168,294.98</u>
Amount for Support of Municipal Budget Appropriations		<u>\$ 2,810,491.37</u>
<b><u>Analysis of Non-Budget Revenues</u></b>		
Municipal Court Fines		\$ 81,301.23
Cell Tower		57,326.67
Sale of Municipal Assets		19,643.23
Cannabis Applications		15,000.00
Police Other		12,502.30
Clerk Other		10,645.75
Police Impound Yard		10,192.21
Refunds		4,506.24
Off Duty Police Admin		4,007.50
Other		<u>1,708.51</u>
	A-1,4	<u>\$ 216,833.64</u>
Receipts	A-4	\$ 135,532.41
Revenue Accounts Receivable	A-8	<u>81,301.23</u>
		<u>\$ 216,833.64</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 1 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2023**

**OPERATIONS WITHIN CAPS**

**General Government**

	Appropriated		Budget After Modification	Expended		Unexpended Balance Cancelled
	Budget			Paid or Charged	Reserved	
Administrative and Executive	\$	100.00	\$	-	\$	-
Salaries and Wages		500.00		82.00		418.00
Other Expenses						
Mayor and Council						
Salaries and Wages		46,800.00		46,116.56		683.44
Other Expenses		1,500.00		1,231.00		269.00
Municipal Clerk						
Salaries and Wages		96,400.00		86,610.29		7,289.71
Other Expenses		24,250.00		19,371.52		4,878.48
Central Postage						
Other Expenses		4,250.00		4,000.00		750.00
Legal Advertising						
Other Expenses		4,800.00		4,141.52		1,858.48
Financial Administration						
Salaries and Wages		60,000.00		57,591.66		2,408.34
Other Expenses		17,850.00		17,582.63		767.37
Audit Services						
Other Expenses		17,000.00		18,000.00		-
Information Technology						
Other Expenses		23,000.00		17,830.22		5,169.78
Collection of Taxes						
Salaries and Wages		63,000.00		53,081.88		9,918.12
Other Expenses		4,100.00		6,205.05		1,794.95
Assessment of Taxes						
Salaries and Wages		16,025.00		15,976.08		48.92
Other Expenses		1,050.00		651.80		398.20
Legal Services and Costs						
Salaries and Wages		40,275.00		40,201.92		73.08
Other Expenses		18,000.00		3,597.50		14,402.50

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 2 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>		
	<u>Budget</u>			<u>Paid or Charged</u>	<u>Reserved</u>			
Engineering Services and Costs	\$	19,100.00	\$	13,389.23	\$	5,710.77	\$	-
Other Expenses								
Historical Preservation								
Other Expenses		500.00		-		500.00		-
<b>Land Use Administration</b>								
Municipal Land Use Law (N.J.S. 40:55D-1)								
Land Use Board								
Salaries and Wages		5,875.00		5,823.84		51.16		-
Other Expenses		600.00		-		600.00		-
<b>Code Enforcement and Administration</b>								
Code Enforcement								
Salaries and Wages		9,925.00		9,895.92		29.08		-
Other Expenses		500.00		-		500.00		-
<b>Insurance</b>								
General Liability								
Workers Compensation		78,000.00		77,700.00		300.00		-
Employee Group Health		73,071.00		68,142.00		4,929.00		-
Health Benefits Waiver		585,832.00		490,654.92		51,627.08		-
<b>Public Safety Functions</b>								
Police								
Salaries and Wages:								
Officers		611,557.55		537,904.30		73,653.25		-
American Rescue Plan		283,442.45		283,442.45		-		-
Clerical		47,025.00		44,172.19		2,852.81		-
Crossing Guards		27,025.00		23,857.50		3,167.50		-
Other Expenses		90,000.00		89,885.17		114.83		-
Other Expenses - Tow Charges		7,500.00		7,200.00		300.00		-
Emergency Management								
Salaries and Wages		6,800.00		6,759.84		40.16		-
Other Expenses		1,000.00		657.76		342.24		-

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



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 3 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Budget After Modification</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>			<u>Paid or Charged</u>	<u>Reserved</u>	
First Aid Squad Contribution	\$	20,000.00	\$	20,000.00	\$	-
Other Expenses						
Uniform Safety Act		8,875.00	8,875.00	8,839.92	35.08	-
Salaries and Wages		500.00	500.00	-	500.00	-
Other Expenses						
Municipal Court		28,250.00	28,250.00	28,195.92	54.08	-
Salaries and Wages		10,600.00	10,600.00	5,264.52	5,335.48	-
Other Expenses						
Fire		36,000.00	36,000.00	35,904.21	95.79	-
Other Expenses		8,000.00	8,000.00	8,000.00	-	-
Other Expenses - Maintenance of Vehicles						
Municipal Prosecutor		18,975.00	18,975.00	18,937.06	37.94	-
Salaries and Wages		100.00	100.00	-	100.00	-
Other Expenses						
Public Defender		8,000.00	8,000.00	6,000.00	2,000.00	-
Other Expenses						
<b><u>Public Works Functions</u></b>						
Road Repairs and Maintenance		63,500.00	63,500.00	58,664.09	4,835.91	-
Salaries and Wages		8,750.00	8,750.00	4,868.82	3,881.18	-
Other Expenses						
Garbage and Trash Removal		126,000.00	126,000.00	117,492.26	8,507.74	-
Salaries and Wages		5,000.00	6,000.00	5,014.82	985.18	-
Other Expenses						
Recycling		63,500.00	63,500.00	58,746.13	4,753.87	-
Salaries and Wages		5,000.00	5,000.00	4,301.00	699.00	-
Other Expenses						
Public Buildings, Grounds and Lakes		63,500.00	63,500.00	52,248.91	11,251.09	-
Salaries and Wages		45,000.00	45,000.00	36,461.51	8,538.49	-
Other Expenses						
Vehicle Maintenance		76,000.00	72,800.00	54,581.91	18,218.09	-
Other Expenses						

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 4 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b><u>Health and Human Services</u></b>					
Animal Control					
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 1,685.00	\$ 315.00	\$ -
<b><u>Park and Recreation Functions</u></b>					
Youth and Recreation					
Salaries and Wages	10,775.00	10,775.00	8,427.66	2,347.34	-
Other Expenses	1,300.00	1,300.00	879.31	420.69	-
<b><u>Other Common Operating Functions</u></b>					
Celebration of Public Events					
Other Expenses	17,500.00	17,500.00	14,787.11	2,712.89	-
<b><u>Utility Expenses and Bulk Purchases</u></b>					
Landfill Disposal Cost - Other Expenses					
Gasoline	103,500.00	111,500.00	101,500.00	10,000.00	-
Electricity	65,000.00	65,000.00	50,250.12	14,749.88	-
Telephone	34,000.00	38,000.00	31,303.50	6,696.50	-
Natural Gas	30,000.00	30,000.00	26,227.04	3,772.96	-
Street Lighting	35,000.00	35,000.00	21,322.42	13,677.58	-
Total Operations within Caps	<u>3,206,378.00</u>	<u>3,179,228.00</u>	<u>2,854,435.23</u>	<u>324,792.77</u>	<u>-</u>
Detail:					
Salaries and Wages	1,414,282.55	1,695,225.00	1,279,543.93	132,238.62	-
Other Expenses	1,792,095.45	1,484,003.00	1,574,891.30	192,554.15	-
<b><u>STATUTORY EXPENDITURES WITHIN CAPS</u></b>					
Contribution to:					
Public Employees' Retirement System of New Jersey	95,396.00	111,096.00	111,093.99	2.01	-
Police and Firemen's Retirement System of New Jersey	172,503.00	172,503.00	172,503.00	-	-
Social Security System	136,374.00	130,124.00	122,393.18	7,730.82	-
Unemployment Compensation Insurance	300.00	18,000.00	17,719.00	281.00	-
Defined Contribution Retirement Program	100.00	100.00	-	100.00	-
Total Statutory Expenditures within Caps	<u>404,673.00</u>	<u>431,823.00</u>	<u>423,709.17</u>	<u>8,113.83</u>	<u>-</u>
Total Appropriations within Caps	<u>3,611,051.00</u>	<u>3,611,051.00</u>	<u>3,278,144.40</u>	<u>332,906.60</u>	<u>-</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

Sheet 5 of 7

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b>OPERATIONS EXCLUDED FROM CAPS</b>					
Employee Group Health Insurance Cap Exclusion	\$ 64,468.00	\$ 64,468.00	\$ 64,468.00	\$ -	\$ -
PERS Cap Exclusion	15,526.00	15,526.00	15,526.00	-	-
PFRS Cap Exclusion	53,426.00	53,426.00	53,426.00	-	-
Garbage and Trash Removal Cap Exclusion	8,500.00	8,500.00	8,500.00	-	-
Worker's Compensation Cap Exclusion	4,929.00	4,929.00	4,929.00	-	-
Shared Service Agreements:					
Lakehurst Elementary School - Police					
Service Contract	40,000.00	40,000.00	39,999.84	.16	-
Township of Holmdel					
Chief Financial Officer	66,540.00	66,540.00	66,540.00	-	-
Township of Manchester					
Municipal Court	51,000.00	51,000.00	50,000.00	1,000.00	-
Additional Appropriations Offset by Revenues:					
Northeast Housing LLC - Lakehurst					
Police					
Salaries and Wages	65,000.00	65,000.00	64,999.92	.08	-
Other Expenses	10,000.00	10,000.00	-	10,000.00	-
Administration					
Other Expenses	26,000.00	26,000.00	-	26,000.00	-
<b>Public and Private Programs Offset by Revenues</b>					
Clean Communities Program	5,037.80	5,037.80	5,037.80	-	-
Drunk Driving Enforcement Fund	19,305.00	19,305.00	19,305.00	-	-
Body Worn Camera Grant	1,900.30	1,900.30	1,900.30	-	-
New Jersey Transportation Trust Fund	278,800.00	278,800.00	278,800.00	-	-
Recycling Tonnage Grant	12,365.36	12,365.36	12,365.36	-	-
NJDEP Stormwater Assistance Grant		25,000.00	25,000.00	-	-
Total Operations excluded from Caps	<u>722,797.46</u>	<u>747,797.46</u>	<u>710,797.22</u>	<u>37,000.24</u>	<u>-</u>
Detail:					
Salaries and Wages	105,000.00	105,000.00	104,999.76	.24	-
Other Expenses	617,797.46	642,797.46	605,797.46	37,000.00	-

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

BOROUGH OF LAKEHURST - COUNTY OF OCEAN

CURRENT FUND

Exhibit A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Sheet 6 of 7

FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
<b><u>CAPITAL IMPROVEMENTS EXCLUDED FROM CAPS</u></b>					
Capital Improvement Fund	\$ 17,500.00	\$ 17,500.00	\$ 17,500.00	\$ -	\$ -
Purchase of Police SUV & Related Equipment	63,700.00	63,700.00	63,700.00	-	-
Purchase of Office Equipment	10,000.00	10,000.00	7,739.94	2,260.06	-
Total Capital Improvements excluded from Caps	<u>91,200.00</u>	<u>91,200.00</u>	<u>88,939.94</u>	<u>2,260.06</u>	<u>-</u>
<b><u>MUNICIPAL DEBT SERVICE EXCLUDED FROM CAPS</u></b>					
Payment of Bond Principal	215,800.00	215,800.00	215,800.00	-	-
Interest on Bonds	90,500.00	90,500.00	88,697.30	-	1,802.70
Total Municipal Debt Service excluded from Caps	<u>306,300.00</u>	<u>306,300.00</u>	<u>304,497.30</u>	<u>-</u>	<u>1,802.70</u>
<b><u>DEFERRED CHARGES EXCLUDED FROM CAPS</u></b>					
Special Emergency Authorizations					
5 Years ( N.J.S.A. 40A: 4-55)	10,879.00	10,879.00	10,879.00	-	-
Transferred to Board of Education for Use of					
Local Schools	8,336.00	8,336.00	8,336.00	-	-
Total Deferred Charges excluded from Caps	<u>19,215.00</u>	<u>19,215.00</u>	<u>19,215.00</u>	<u>-</u>	<u>-</u>
Total General Appropriations excluded from Caps	<u>1,139,512.46</u>	<u>1,164,512.46</u>	<u>1,123,449.46</u>	<u>39,260.30</u>	<u>1,802.70</u>
Subtotal General Appropriations	4,750,563.46	4,775,563.46	4,401,593.86	372,166.90	1,802.70
Reserve for Uncollected Taxes	168,294.98	168,294.98	168,294.98	-	-
Total General Appropriations	<u>\$ 4,918,858.44</u>	<u>\$ 4,943,858.44</u>	<u>\$ 4,569,888.84</u>	<u>\$ 372,166.90</u>	<u>\$ 1,802.70</u>
	Ref.	A-2		A	A-1

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-3**

**SCHEDULE OF EXPENDITURES - REGULATORY BASIS**

**Sheet 7 of 7**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b><u>Ref.</u></b>	<b><u>Appropriated Budget After Modification</u></b>
Budget	A-2	\$ 4,918,858.44
Appropriation by 40A:4-87	A-2	25,000.00
		<b><u>\$ 4,943,858.44</u></b>
	<b><u>Ref.</u></b>	<b><u>Expended Paid or Charged</u></b>
Reserve for Uncollected Taxes	A-2	\$ 168,294.98
Disbursements	A-4	3,933,991.81
Reserve for Encumbrances	A	114,314.59
Deferred Charges	A	10,879.00
Interfund - Grant Fund	A-14	342,408.46
		<b><u>\$ 4,569,888.84</u></b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**TRUST FUNDS**

**Exhibit B**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND RESERVES**

**REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

	<b><u>Ref.</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Assets</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Cash	B-1	\$ <u>1,298.10</u>	\$ <u>1,154.80</u>
<b><u>Other Trust Fund</u></b>			
Cash	B-1	<u>407,727.32</u>	<u>415,351.87</u>
		\$ <u><u>409,025.42</u></u>	\$ <u><u>416,506.67</u></u>
<b><u>Liabilities and Reserves</u></b>			
<b><u>Animal Control Trust Fund</u></b>			
Due to State Department of Health	B-2	\$ 4.20	\$ 4.20
Reserve for Animal Control Trust Fund			
Expenditures	B-3	<u>1,293.90</u>	<u>1,150.60</u>
		<u>1,298.10</u>	<u>1,154.80</u>
<b><u>Other Trust Fund</u></b>			
Reserve for:			
Miscellaneous Trust Accounts	B-6	<u>407,727.32</u>	<u>415,351.87</u>
		<u>407,727.32</u>	<u>415,351.87</u>
		\$ <u><u>409,025.42</u></u>	\$ <u><u>416,506.67</u></u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES,**

**RESERVES AND FUND BALANCE**

**REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

	<b><u>Ref.</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Assets</u></b>			
Cash	C-2	\$ 118,179.24	\$ 112,196.40
Grants Receivable	C-3	4,700.00	4,700.00
Deferred Charges to Future Taxation: Funded	C-4	<u>2,545,093.00</u>	<u>2,760,893.00</u>
		<u>\$ 2,667,972.24</u>	<u>\$ 2,877,789.40</u>
<b><u>Liabilities and Reserves</u></b>			
Capital Improvement Fund	C-6	\$ 54,054.66	\$ 36,554.66
Improvement Authorizations: Funded	C-7	57,876.95	69,394.11
General Serial Bonds Payable	C-8	2,545,093.00	2,760,893.00
Fund Balance	C-1	<u>10,947.63</u>	<u>10,947.63</u>
		<u>\$ 2,667,972.24</u>	<u>\$ 2,877,789.40</u>

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 of \$-0-.

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-1**

**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

Balance December 31, 2022 and 2023	<u>Ref.</u> C	\$ <u>10,947.63</u>
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The accompanying Notes to Financial statements are an integral part of this statement.



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY FUND**

Exhibit D

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**

Sheet 1 of 2

**AND FUND BALANCE -REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

	<b><u>Ref.</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Assets</u></b>			
<b><u>Operating Fund</u></b>			
Cash	D-4	\$ 544,240.77	\$ 528,729.75
Change Fund		100.00	100.00
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	19,169.49	32,534.13
Total Operating Fund		<u>563,510.26</u>	<u>561,363.88</u>
<b><u>Capital Fund</u></b>			
Cash	D-4	258,292.50	343,234.08
Fixed Capital	D-7	6,071,116.19	5,976,762.19
Fixed Capital Authorized and Uncompleted	D-8	1,000,996.00	1,000,996.00
Total Water-Sewer Utility Capital Fund		<u>7,330,404.69</u>	<u>7,320,992.27</u>
Total Assets		<u>\$ 7,893,914.95</u>	<u>\$ 7,882,356.15</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Operating Fund</u></b>			
Liabilities:			
Reserve for Encumbrances	D-3	\$ 3,866.00	\$ 3,445.88
Appropriation Reserves	D-3	125,294.46	45,799.97
Prepaid Consumer Accounts	D-4	10,530.81	4,163.13
Accounts Payable	D-9	2,900.00	2,900.00
Accrued Interest Payable	D-11	6,143.97	6,807.14
		<u>148,735.24</u>	<u>63,116.12</u>
Reserve for Receivables		19,169.49	32,534.13
Fund Balance	D-1	395,605.53	465,713.63
Total Operating Fund		<u>563,510.26</u>	<u>561,363.88</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY FUND**

**Exhibit D**

**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**

**Sheet 2 of 2**

**AND FUND BALANCE -REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
<b><u>Capital Fund</u></b>			
Liabilities:			
Improvement Authorizations:			
Funded	D-12	\$ 41,358.29	\$ 41,358.29
Unfunded	D-12	793,885.42	805,000.00
Reserve for Encumbrances	D-12	22,314.25	34,587.25
Capital Improvement Fund	D-13	205,734.54	295,088.54
Reserve for Amortization	D-14	4,200,410.06	3,950,316.75
Reserve for Deferred Amortization	D-15	175,996.00	175,996.00
USDA Loan Payable	D-16	1,575,799.13	1,624,538.44
Serial Bonds Payable	D-17	314,907.00	394,107.00
Total Capital Fund		<u>7,330,404.69</u>	<u>7,320,992.27</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,893,914.95</u>	<u>\$ 7,882,356.15</u>

There were bonds and notes authorized but not issued on December 31, 2023 and 2022 of \$805,000 and \$832,800 respectively.

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-1**

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE**

**REGULATORY BASIS**

**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b><u>Ref.</u></b>	<b><u>Year 2023</u></b>	<b><u>Year 2022</u></b>
<b><u>Revenue and Other Income Realized</u></b>			
Surplus Anticipated	D-2	\$ 369,528.69	\$ 272,120.00
Rents	D-2	1,103,343.25	1,137,883.20
Miscellaneous	D-2	134,784.81	138,041.24
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-9	44,702.62	98,397.52
Total Income		<u>1,652,359.37</u>	<u>1,646,441.96</u>
<b><u>Expenditures</u></b>			
Operating		1,144,800.00	1,048,420.00
Capital Improvements		5,000.00	35,000.00
Debt Service		175,338.78	172,141.59
Deferred Charges and Statutory Expenditures		27,800.00	-
	D-3	<u>1,352,938.78</u>	<u>1,255,561.59</u>
Excess in Revenue		299,420.59	390,880.37
Fund Balance January 1	D	<u>465,713.63</u>	<u>346,953.26</u>
		765,134.22	737,833.63
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>369,528.69</u>	<u>272,120.00</u>
Fund Balance December 31	D	<u>\$ 395,605.53</u>	<u>\$ 465,713.63</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-2**

**STATEMENT OF REVENUES - REGULATORY BASIS**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 369,528.69	\$ 369,528.69	\$ -
Miscellaneous	D-1,4	10,000.00	134,784.81	124,784.81
Rents	D-1,6	<u>975,000.00</u>	<u>1,103,343.25</u>	<u>128,343.25</u>
		<u>\$ 1,354,528.69</u>	<u>\$ 1,607,656.75</u>	<u>\$ 253,128.06</u>
	<u>Ref.</u>	D-3		
<b><u>Analysis of Miscellaneous Revenue</u></b>				
Interest Collected on Delinquent Rents			\$ 3,027.45	
Interest on Deposits			9,523.83	
Cell Tower Rent			<u>122,233.53</u>	
	D-2		<u>\$ 134,784.81</u>	
Receipts	D-4		<u>\$ 134,784.81</u>	

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

Exhibit D-3

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**

	Appropriated		Expended		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 390,000.00	\$ 390,000.00	\$ 362,827.04	\$ 27,172.96	\$ -
Other Expenses	335,000.00	354,000.00	329,851.58	24,148.42	-
Audit and Professional	16,000.00	18,000.00	18,000.00	-	-
Shared Service Holmdel Township	22,180.00	22,180.00	22,180.00	-	-
Ocean County Utility Authority	323,120.00	302,120.00	230,097.79	72,022.21	-
Capital Improvements:					
Capital Improvement Fund	5,000.00	5,000.00	5,000.00	-	-
Debt Service:					
Payment of Bond Principal	79,200.00	79,200.00	79,200.00	-	-
Interest on Bonds	10,500.00	10,500.00	8,910.09	-	1,589.91
USDA Loan Principal	48,739.31	48,739.31	48,739.31	-	-
USDA Loan Interest	38,489.38	38,489.38	38,489.38	-	-
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Cash Deficit Ordinance 2017-04	27,800.00	27,800.00	27,800.00	-	-
Statutory Expenditures:					
Contribution to:					
Social Security System	28,500.00	28,500.00	26,549.13	1,950.87	-
Public Employee's Retirement System:	30,000.00	30,000.00	30,000.00	-	-
	<u>\$ 1,354,528.69</u>	<u>\$ 1,354,528.69</u>	<u>\$ 1,227,644.32</u>	<u>\$ 125,294.46</u>	<u>\$ 1,589.91</u>
<b>Ref.</b>	D-2	D-1		D	D-1
Reserve for Encumbrances			\$ 3,866.00		
Cash Disbursements			1,054,025.53		
Interfunds					
Current Fund			122,353.32		
Accrued Interest on Bonds, Notes and Loans			47,399.47		
			<u>\$ 1,227,644.32</u>		

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**PAYROLL FUND**

**Exhibit G**

**COMPARATIVE STATEMENT OF ASSETS AND LIABILITIES**

**REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
Cash	\$ <u>48.37</u>	\$ <u>48.37</u>
<b><u>Liabilities</u></b>		
Payroll Deductions Payable	\$ <u>48.37</u>	\$ <u>48.37</u>

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS**

**Exhibit H**

**REGULATORY BASIS**

**DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b><u>Assets</u></b>		
General Fixed Assets:		
Land	\$ 1,714,100.00	\$ 1,714,100.00
Buildings	5,058,337.68	5,058,337.68
Vehicles	1,111,346.68	1,142,154.68
Equipment	<u>612,667.51</u>	<u>605,779.51</u>
	<u>\$ 8,496,451.87</u>	<u>\$ 8,520,371.87</u>
<b><u>Liabilities</u></b>		
Investment in General Fixed Assets	<u>\$ 8,496,451.87</u>	<u>\$ 8,520,371.87</u>

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

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**BOROUGH OF LAKEHURST  
COUNTY OF OCEAN**

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

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of the Borough of Lakehurst, County of Ocean, New Jersey (the “Borough”), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough as required by N.J.S. 40A:5-5. The financial statements of the Borough do not include the operations of the Boards of Education, first aid organization or volunteer fire companies which are subject to separate audits.

The Governmental Accounting Standards Board (“GASB”) Statement 14, as amended by GASB Statements No. 39, 61, 80, 90 and 97, established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The criteria differ from the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) requirements where certain boards, commissions, and agencies of the Borough, by statute or other directive, report separately on their financial statements.

**B. Descriptions of Funds**

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles.

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differs from the fund structure required by generally accepted accounting principles (“GAAP”):

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

**Animal Control Trust Fund** - dog and cat license revenues and expenditures.

**Trust Other Fund** - sundry deposits held for satisfactory completion of specific work; receipts and disbursements for dedicated purposes.

**General Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of general capital facilities, other than those acquired through the Current Fund, including the status of bonds and notes authorized for said purposes.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Descriptions of Funds (Continued)**

**Water-Sewer Utility Operating Fund** - revenues and expenditures necessary to operate a municipally-owned water-sewer supply system from user fees.

**Water-Sewer Utility Capital Fund** - resources, including Federal and State Grants in aid of construction, and expenditures for the acquisition of water-sewer capital facilities, other than those acquired through the Water-Sewer Utility Operating Fund, including the status of bonds and notes authorized for said purposes.

**Payroll Fund** - receipt and disbursement for payroll costs and payroll taxes.

**General Fixed Assets Account Group** - used to account for fixed assets used in general government operations.

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenues** - Federal and State grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. Federal and State grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Encumbrances** - contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**Deferred Charges** - the regulatory basis of accounting utilized by the Borough requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as "paid or charged" exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheets. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount which would normally be liquidated with expendable available financial resources be recorded as an expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water Utility Operating Fund would be on a full accrual basis. The compensated absence liability at December 31, 2023 is set forth in Note 4.

**Property Acquired for Taxes** - Recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded at its market value.

**Sale of Municipal Assets** - Cash proceeds from the sale of Borough owned property may be reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

**Interfunds** - Advances in the Current Fund are reported as interfund receivables with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve. The status of interfunds is set forth in Note 12.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

**General Fixed Assets** - In accordance with the New Jersey Administrative Code, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system. Fixed assets acquired prior 1992 are based on an inspection and appraisal prepared by an independent firm. All general fixed assets acquired after 1992 are recorded at cost.

Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

GAAP does not require utilization of a general fixed asset account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation is not recorded in the General Fixed Assets Account Group.

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

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

**Utility Fixed Assets** - Accounting for utility fund “fixed capital” remains unchanged.

Property and equipment purchased by the Water-Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the costs of acquisitions of property, equipment and improvements.

Property and equipment of the Water-Sewer Utility Fund are not depreciated. Principal payments for Water-Sewer Utility debt are recorded as expenditures in the Water-Sewer Utility Statement of Operations.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Accounting (Continued)**

**Utility Fixed Assets (Continued)**

During 2023 and 2022 the following changes occurred in the fixed assets of the Borough:

	<u>Balance</u>	<u>Expended from</u>		<u>Less:</u>	<u>Balance</u>
	<u>Jan. 1, 2023</u>	<u>Current or</u>	<u>Utility</u>	<u>Disposals</u>	<u>Dec. 31, 2023</u>
		<u>Capital</u>	<u>Fund</u>		
		<u>Fund</u>			
General Fixed Assets Account Group:					
Land	\$ 1,714,100	\$		\$	\$ 1,714,100
Buildings	5,058,338				5,058,338
Vehicles	1,142,155			30,808	1,111,347
Equipment	605,779	6,888			612,667
	<u>8,520,372</u>	<u>6,888</u>		<u>30,808</u>	<u>8,496,452</u>
Water-Sewer Utility Fund:					
Fixed Capital	5,976,762		94,354		6,071,116
Fixed Capital Authorized and Uncompleted	1,000,996				1,000,996
	<u>6,977,758</u>		<u>94,354</u>		<u>7,072,112</u>
	\$ <u>15,498,130</u>	\$ <u>6,888</u>	\$ <u>94,354</u>	\$ <u>30,808</u>	\$ <u>15,568,564</u>

	<u>Balance</u>	<u>Expended from</u>		<u>Balance</u>
	<u>Jan. 1, 2022</u>	<u>Current or</u>	<u>Utility</u>	<u>Dec. 31, 2022</u>
		<u>Capital</u>	<u>Fund</u>	
		<u>Fund</u>		
General Fixed Assets Account Group:				
Land	\$ 1,714,100	\$		\$ 1,714,100
Buildings	5,058,338			5,058,338
Vehicles	1,142,155			1,142,155
Equipment	528,490	77,289		605,779
	<u>8,443,083</u>	<u>77,289</u>		<u>8,520,372</u>
Water-Sewer Utility Fund:				
Fixed Capital	5,976,762			5,976,762
Fixed Capital Authorized and Uncompleted	175,996		825,000	1,000,996
	<u>6,152,758</u>		<u>825,000</u>	<u>6,977,758</u>
	\$ <u>14,595,841</u>	\$ <u>77,289</u>	\$ <u>825,000</u>	\$ <u>15,498,130</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Financial Statements**

The GASB Codification requires the financial statements of a governmental unit to be presented in accordance with GAAP. The Borough presents its financial statements in accordance with another comprehensive basis of accounting as promulgated by the Division which differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

**E. Budgets and Budgetary Accounting**

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division in accordance with applicable statutes.

**F. Impact of Recently Issued Accounting Principles**

**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.

**Accounting Pronouncements Adopted in Current Year**

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

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

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



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Impact of Recently Issued Accounting Principles (Continued)**

**Accounting Pronouncements Effective in Future Reporting Periods**

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

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

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

**NOTE 2. CASH AND CASH EQUIVALENTS**

**A. Deposits**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

At year-end the carrying amount of the Borough's deposits was \$2,804,839 and the bank balance amount was \$3,143,853. Of this amount \$500,000 was covered by federal depository insurance, a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered \$2,603,536 and \$40,317 was in the State of New Jersey's Cash Management Fund.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. 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.
  - (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) Municipal investment pools.
  - (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 public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
    - (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.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**B. Investments (Continued)**

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute up to one twentieth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized. The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities.

At year end, carrying value of the Borough's investments and the investment balance amount was \$40,317.

**C. Cash Management Plan**

In accordance with N.J.S. 40A:5-14, every municipality shall adopt a cash management plan and shall deposit and invest its funds pursuant to that plan. The plan shall be approved annually by majority vote of the governing body and may be modified from time to time in order to reflect changes in federal or state law or regulations. The chief financial officer shall be charged with administering the plan.

When an investment in bonds maturing in more than one year is authorized, the maturity of those bonds shall approximate the prospective use of the funds invested.

The plan also requires a monthly report to the governing body summarizing all investments made or redeemed since the previous report and shall include, at a minimum, the specific detailed information as set forth in the statute.

**D. Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following categories described below:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>
FDIC	\$ 500,000	\$ 500,000
GUDPA	2,603,536	2,558,558
Uninsured	40,317	38,377
	<b><u>\$ 3,143,853</u></b>	<b><u>\$ 3,096,935</u></b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)**

**D. Credit Risk Categories (Continued)**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk.

State law limits investments as noted above.

During the year, the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of the year, no such investments were held by the Borough.

**NOTE 3. DEBT**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

**A. Long-Term Debt**

On December 31, 2023, the Borough had long-term debt as follows:

**General Capital Fund**

2.25% to 2.50% General Obligation Bonds issued February 21 2013, installment maturities to March 1, 2026	\$ 320,000
2.00% to 4.00% General Obligation Refunding Bonds issued May 15, 2013, installment maturities to December 1, 2040	<u>2,225,093</u>
	\$ <u>2,545,093</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 3. DEBT (CONTINUED)**

**A. Long-Term Debt (Continued)**

**Water-Sewer Utility Capital Fund**

3.25% U.S.D.A. Water-Sewer Loan issued December 23, 1999, installment maturities to December 23, 2039	\$ 666,965
1.75% to U.S.D.A. Water-Sewer Loan issued October 13, 2020, installment maturities to December 30, 2060	908,834
2.25% to 2.50% General Obligation Bonds issued February 21, 2013, installment maturities to March 1, 2026	235,000
2.00% to 4.00% General Obligation Refunding Bonds issued May 15, 2013, installment maturities to December 1, 2040	<u>79,907</u>
	\$ <u>1,890,706</u>

The General Capital Fund bonds mature semi-annually in variable amounts to the year 2040. The Water-Sewer Utility Capital Fund bonds and loans mature serially in variable amounts to the year 2060. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

	<u>General Capital</u>		<u>Utility Capital</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 105,000	\$ 82,126	\$ 125,073	\$ 45,775
2025	105,000	79,632	131,646	42,421
2026	476,700	77,007	146,158	39,209
2027		44,945	54,312	35,356
2028	260,550	44,945	65,259	33,859
2029-2033	743,050	232,396	330,040	142,825
2034-2038	328,100	112,418	359,836	93,148
2039-2043	526,693	42,135	188,397	51,826
2044-2048			129,577	37,854
2049-2053			141,373	26,057
2054-2058			154,241	13,189
2059-2060			<u>64,794</u>	<u>1,416</u>
Total	\$ <u>2,545,093</u>	\$ <u>715,604</u>	\$ <u>1,890,706</u>	\$ <u>562,935</u>

**B. Short-term Debt**

On December 31, 2023, the Borough had no outstanding bond anticipation notes.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 3. DEBT (CONTINUED)**

**C. Bonds and Notes Authorized but not Issued**

At December 31 the Borough had authorized but not issued bonds and notes as follows:

	<u>2023</u>	<u>2022</u>
General Capital Fund	\$ -0-	\$ -0-
Water-Sewer Utility Capital Fund	\$ 805,000	\$ 832,800

**D. Borrowing Power**

New Jersey statutes limit the debt of a municipality to 3.5% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt at December 31, 2023 was 1.254%. The Borough's remaining borrower power is 2.246%.

The summary of municipal debt for the last three years and the calculation of statutory net debt is presented in the Supplementary Data section of this report.

**E. Summary of Debt Activity**

During 2023 and 2022 the following changes occurred in the outstanding debt of the Borough:

	<u>Balance</u> <u>Jan. 1, 2023</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Due within</u> <u>One Year</u>
General Debt:				
Serial Bonds	\$ 2,760,893	\$ 215,800	\$ 2,545,093	\$ 105,000
Water Utility Fund Debt:				
Serial Bonds	394,107	79,200	314,907	75,000
U.S.D.A. Loan Payable	1,624,538	48,739	1,575,799	50,073
	<u>\$ 4,779,538</u>	<u>\$ 343,739</u>	<u>\$ 4,435,799</u>	<u>\$ 596,773</u>
	<u>Balance</u> <u>Jan. 1, 2022</u>	<u>Retired</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Due within</u> <u>One Year</u>
General Debt:				
Serial Bonds	\$ 2,971,693	\$ 210,800	\$ 2,760,893	\$ 215,800
Water Utility Fund Debt:				
Bond Anticipation Note				
Serial Bonds	468,307	74,200	394,107	79,200
U.S.D.A. Loan Payable	1,671,983	47,445	1,624,538	48,739
	<u>\$ 5,111,983</u>	<u>\$ 332,445</u>	<u>\$ 4,779,538</u>	<u>\$ 343,739</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 4. ACCRUED SICK AND VACATION BENEFITS**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation and sick pay. The Borough permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation approximates \$22,395 at December 31, 2023. In accordance with New Jersey accounting principles this amount is not reported as an expenditure or liability in the accompanying financial statements.

**NOTE 5. FUND BALANCES APPROPRIATED**

The fund balances at December 31 which have been appropriated and included as anticipated revenue in the municipal budget for the year ending December 31 of the succeeding years are as follows:

	<u>2023</u>	<u>2022</u>
Current Fund	\$ 740,000	\$ 742,074
Water-Sewer Utility Operating Fund	366,000	369,529

**NOTE 6. TAXES AND WATER-SEWER CHARGES COLLECTED IN ADVANCE**

Taxes and water-sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

	<u>Balance December 31</u>	
	<u>2023</u>	<u>2022</u>
Prepaid Taxes	\$ 34,696	\$ 45,193
Prepaid Water-Sewer Charges	10,531	4,163

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES**

New Jersey statutes require that taxable valuation of real property be prepared by the Borough Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the Borough, Local School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Borough Tax Collector (the "Collector") on or before May 13th.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 7. ASSESSMENT AND COLLECTION OF PROPERTY TAXES (CONTINUED)**

Tax bills are prepared then mailed by the Collector of the Borough annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The N.J. Statutes allow a grace period of 10 days for each payment period and the Borough granted this option to taxpayers.

Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

**NOTE 8. DEFERRED CHARGES TO FUTURE TAXATION FUNDED AND UNFUNDED**

Upon the authorization of capital projects, the Borough establishes deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statute 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

**NOTE 9. SCHOOL TAXES**

Local District School Taxes have been raised and liabilities deferred. Section 13 of P.L. 1991, C. 63 required that any municipality that levied school taxes on a school year basis shall defer from the 1991 municipal purposes tax levy at least 25% of the amount allowable to be deferred (which is 50% (fifty percent) of the levy). The remainder of the allowable amount shall be deferred from the levy in each of the next three years (1992-1994). The amounts so deferred shall be regarded as fund balance and shall be used to offset the local property tax levy for local purposes.



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 9. SCHOOL TAXES (CONTINUED)**

In 1992 at least 50% of the amount allowable to be deferred from the 1992 tax levy was required to offset the 1993 local property tax levy and the total amount of deferral at December 31, 1993 was 75% of the amount allowable to be deferred based on the 1993 tax levy. In 1994 Section 13, P.L. 1991, C. 63 was amended to provide municipalities with the option to determine the percentage if any of the amount allowable to be deferred to offset the local property tax levy for local purposes.

	<b><u>Local District School Tax</u></b>	
	<b><u>Balance</u></b>	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2023</u></b>	<b><u>Dec. 31, 2022</u></b>
Balance of Tax	\$ 631,255	\$ 699,246
Deferred	<u>500,749</u>	<u>500,749</u>
Tax Payable	\$ <u>130,506</u>	\$ <u>198,497</u>

**NOTE 10. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough is a member of the Ocean County Municipal Joint Insurance Fund, and the Municipal Excess Liability Fund, public entity risk pools currently operating as a common risk management and insurance programs for municipalities within the state. The Borough pays an actuarially determined annual assessment to Ocean County Municipal Joint Insurance Fund for its insurance coverage and that of the Municipal Excess Liability Fund. Supplemental assessments may be levied to supplement the funds. The Borough has not been notified on any supplemental assessments. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**NOTE 11. CONTINGENT LIABILITIES**

**State and Federal Financial Assistance**

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the 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. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the Borough estimates that no material liabilities will result from such audits.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 11. CONTINGENT LIABILITIES (CONTINUED)**

**Pending Litigation**

There are actions which have been instituted against the Borough which are either in the discovery stage or whose final outcome cannot be determined at the present time. In the opinion of the administration, the amount of ultimate liability with respect to these actions will not materially affect the financial position of the Borough.

It is the opinion of the Borough officials that there is no litigation threatened or pending that would materially affect the financial position of the Borough or adversely affect the Borough's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The Borough officials believe that negligence and other types of liability suits, of which the Borough is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

**NOTE 12. INTERFUND RECEIVABLES AND PAYABLES**

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

	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
Current Fund	\$ 242,436	\$ -
Grant Fund	-	242,436
	<u>\$ 242,436</u>	<u>\$ 242,436</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.

	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
Current Fund	\$ 494,850	\$ 810,760
Grant Fund	539,369	223,459
Animal Control Trust Fund	766	766
Other Trust Fund	122,986	122,986
General Capital Fund	1,100	1,100
Water-Sewer Utility Operating Fund	264,282	264,282
Water-Sewer Utility Capital Fund	117,742	117,742
	<u>\$ 1,541,095</u>	<u>\$ 1,541,095</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 12. INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)**

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

**NOTE 13. ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2023 consisted of intergovernmental grants, taxes and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the Borough's individual major and fiduciary funds, in the aggregate, are as follows:

	<u>Current Fund</u>	<u>Grant Fund</u>	<u>General Capital Fund</u>	<u>Utility Operating Fund</u>	<u>Total (Memo Only)</u>
Federal and State Aid	\$ 180,141	\$ 831,087	\$ 4,700	\$	\$ 835,787
Taxes	180,141				180,141
Utility					
Rents				19,169	19,169
Other	6,078				6,078
	<u>\$ 186,219</u>	<u>\$ 831,087</u>	<u>\$ 4,700</u>	<u>\$ 19,169</u>	<u>\$ 1,041,175</u>

**NOTE 14. 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 the Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (Continued)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Plan Description (Continued)**

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 before reaching age 62 with 25 or more years of service credit 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.

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

**Basis of Presentation** - The schedules of employer allocations and the schedules of pension amounts by employer (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 amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

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. 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 fiscal year 2022 the State's pension contribution was 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 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 was paid by the employers in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2013 and were adjusted by the rate of return on the actuarial value of assts. Borough contributions to PERS amounted to \$140,922 for 2022.

**Components of Net Pension Liability** - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability is valued to be \$1,686,460. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was .01117%, which was a decrease of .09291% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<b><u>Dec. 31, 2022</u></b>	<b><u>Dec. 31, 2021</u></b>
Actuarial Valuation Date (including roll forward)	July 1, 2022	July 1, 2021
Deferred Outflows of Resources	\$ 225,433	\$ 81,072
Deferred Inflows of Resources	465,231	1,098,725
Net Pension Liability	1,686,460	1,233,016
Borough's Portion of the Plan's Total Net Pension Liability	0.01117%	0.01041%

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources** - Pension Expense and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Borough's proportionate share of the PERS expense, calculated by the plan as of the June 30, 2022 measurement date was a net credit of \$167,792. This credit is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$140,922 to the plan in 2022.

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 12,172	\$ 10,734
Changes of assumptions	5,225	252,530
Net difference between projected and actual earnings on pension plan investments	69,801	
Changes in proportion	<u>138,235</u>	<u>201,967</u>
	\$ <u>225,433</u>	\$ <u>465,231</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension expense as follows:

<b><u>Year Ending December 31</u></b>	<b><u>PERS</u></b>
2023	\$ (157,409)
2024	(86,447)
2025	(48,689)
2026	65,666
2027	<u>(12,919)</u>
	\$ <u>(239,798)</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	
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
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017		5.48
June 30, 2018		5.63
June 30, 2019		5.21
June 30, 2020		5.16
June 30, 2021	5.13	5.04
Differences between projected and actual investment earnings on pension plan investments		
Year of Pension Plan Deferral:		
June 30, 2018	5	
June 30, 2019	5	
June 30, 2020	5	
June 30, 2021	5	
June 30, 2022	5	
Changes in Proportion and Differences between Authority Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

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

	<b><u>PERS</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2018 - June 30, 2021

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

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



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. 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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	<u>100.00%</u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on these assumptions, the pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Municipal bond rates of 2.16% as of June 30, 2021 and 3.54% as of June 30, 2022 were used in the development of the blended GASB discount rate after the Plan's fiduciary net position was no longer sufficient to make future benefit payments, when applicable. As selected by the State Treasurer, the rates are based on the Bond Buyer GO 20-Bond Municipal Bond Index. As of June 30, 2022, based on the assumptions above, the pension Plan's fiduciary net position is expected to be sufficient to make all projected future benefit payments for current Plan members; therefore, the GASB discount rate as of June 30, 2022 is equal to the long-term rate of return of 7.00%.

**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:

	<b><u>Decrease</u></b> <b><u>(6.00%)</u></b>	<b><u>Discount</u></b> <b><u>(7.00%)</u></b>	<b><u>Increase</u></b> <b><u>(8.00%)</u></b>
Borough's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Borough	\$ 2,184,956	\$ 1,686,460	\$ 1,288,657

**Special Funding Situation** – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**A. Public Employees' Retirement System (PERS) (Continued)**

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the State's proportionate share of the employer pension expense and related revenue, associated with the District, calculated by the plan as of the June 30, 2022 measurement date was \$3,548.

**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 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 represent membership tiers for PFRS:

<b><u>Tier</u></b>	<b><u>Definition</u></b>
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 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 LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**A. Police and Firemen's Retirement System (PFRS) (Continued)**

**Plan Description (Continued)**

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2022, the State contributed an amount 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. Municipality contributions to PFRS amounted to \$225,929 for 2022.

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

**Net Pension Liability and Pension Expense** - At December 31, 2022, the Borough's proportionate share of the PFRS net pension liability is valued to be \$1,988,433. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2022, was .0174%, which was an increase of .00363% from its proportion measured as of June 30, 2021.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

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

**Balances at December 31, 2022 and December 31, 2021**

	<u>Dec. 31, 2022</u>		<u>Dec. 31, 2021</u>
Actuarial Valuation Date (including roll forward)	July 1, 2022		July 1, 2021
Deferred Outflows of Resources	\$ 786,316	\$	190,672
Deferred Inflows of Resources	492,026		1,032,097
Net Pension Liability	1,988,433		1,004,417
Borough's Portion of the Plan's Total Net Pension Liability	0.01737%		0.01374%

**Inflows of Resources** - At December 31, 2022, the Borough's proportionate share of the PFRS expense, calculated by the plan as of the June 30, 2022 measurement date was \$74,274. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$225,929 to the plan in 2022.

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 90,002	\$	121,819
Changes of assumptions	5,450		250,304
Net difference between projected and actual earnings on pension plan investments	182,082		
Changes in proportion	508,782		119,903
	<u>\$ 786,316</u>	\$	<u>492,026</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen’s Retirement System (PFRS) (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension expense as follows:

	<b><u>Year Ending December 31</u></b>	<b><u>PFRS</u></b>	
	2023	\$ (21,677)	
	2024	14,219	
	2025	17,231	
	2026	204,245	
	2027	78,995	
	Thereafter	<u>1,277</u>	
		\$ <u>294,290</u>	
			<b><u>Deferred Outflows of Resources</u></b>
			<b><u>Deferred Inflows of Resources</u></b>
Difference between Expected and Actual Experience			
Year of Pension Plan Deferral:			
June 30, 2017		5.59	-
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	-
Changes of Assumptions			
Year of Pension Plan Deferral:			
June 30, 2017		-	5.59
June 30, 2018		-	5.73
June 30, 2019		-	5.92
June 30, 2020		-	5.90
June 30, 2022		-	6.22

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

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

**Pension Expense and Deferred Outflows/Inflows of Resources (Continued)**

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Projected and Actual Investment		
Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between		
Authority Contributions and Proportionate		
Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	5.59
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

**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.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

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

**Special Funding Situation (Continued)**

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$353,883 as of December 31, 2022. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was .01737%, which was an increase of .00363% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough's.

Borough's Proportionate Share of the Net Pension Liability	\$ 1,988,433
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>353,883</u>
Total Net Pension Liability	\$ <u>2,342,316</u>

At December 31, 2022, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2022, measurement date was \$40,829.

**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:



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

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

**Actuarial Assumptions (Continued)**

	<b><u>PFRS</u></b>
Inflation rate:	
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	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

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

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**B. Police and Firemen’s Retirement System (PFRS) (Continued)**

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

	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%
	<u>100.00%</u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

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

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

**Sensitivity of the Borough's proportionate share of 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:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 2,728,345	\$ 1,988,433	\$ 1,372,453
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	485,566	353,883	244,257
	<u>\$ 3,213,911</u>	<u>\$ 2,342,316</u>	<u>\$ 1,616,710</u>

**C. Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by *N.J.S.A. 43:15C-1* et. seq.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 14. PENSION OBLIGATIONS (CONTINUED)**

**C. Defined Contribution Retirement Program (DCRP) (Continued)**

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

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

**NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

**Plan Description** - The Borough contributes to the State Health Benefits Program (“SHBP”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursements to retirees and their covered dependents.

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**General Information about the OPEB Plan (Continued)**

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

**Basis of Presentation**

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,321, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases\*:

Public Employees' Retirement System (PERS)

Initial Fiscal Year Applied

Rate for all future years            2.75% to 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years            3.25% to 16.25% based on years of service

Mortality:

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

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

\* - Salary Increases are based on years if service within the respective plan.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**OPEB Obligation and OPEB Expense**

The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2022 was \$5,319,677. The Borough's proportionate share was \$-0-.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.03294%, which was a decrease of 0.00117% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB expense in the amount of \$208,591 for the State's proportionate share of the OPEB expense attributable to the Borough. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date. Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

**Discount Rate**

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

**Sensitivity of Net OPEB Liability to Changes in the Discount Rate**

The following presents the collective net OPEB liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

	<u>At 1%</u> <u>Decrease (2.54%)</u>	<u>At Discount</u> <u>Rate (3.54%)</u>	<u>At 1%</u> <u>Increase (4.54%)</u>
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 6,166,576.55	\$ 5,319,677.00	\$ 4,638,267.08
State of New Jersey's Total Nonemployer OPEB Liability	18,720,632,230.00	16,149,595,478.00	14,080,955,857.00

**Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate**

The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 4,512,842.16	\$ 5,319,677.00	\$ 6,353,005.24
State of New Jersey's Total Nonemployer OPEB Liability	13,700,188,049.00	16,149,595,478.00	19,286,596,671.00

**Additional Information** - The following is a summary of the collective balances of the local group at June 30, 2022:

**Collective Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 7,897,070,518.00	\$ 8,536,291,345.00
Collective Deferred Inflows of Resources	13,408,600,309.00	12,481,961,743.00
Collective Net OPEB Liability	16,149,595,478.00	17,999,781,235.00
Borough's Portion	0.032940%	0.034108%



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2023	\$ (1,463,380,541.00)
2024	(1,464,672,406.00)
2025	(1,156,630,075.00)
2026	(516,557,746.00)
2027	(115,810,526.00)
Thereafter	<u>(794,478,497.00)</u>
	<u>\$ (5,511,529,791.00)</u>

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 for the years 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2022, the Program membership consisted of the following:

	<u>June 30, 2022</u>
Active Plan Members	84,057
Retirees Currently Receiving Benefits	<u>16,440</u>
Total Plan Members	<u><u>100,497</u></u>

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2023**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Service Cost	\$ 796,654,029.00
Interest on the Total OPEB Liability	401,372,615.00
Change of Benefit Terms	402,474,416.00
Differences Between Expected and Actual Experience	572,046,963.00
Changes of Assumptions	(3,599,550,175.00)
Contributions From the Employer	(389,490,003.00)
Contributions From Non-Employer Contributing Entity	(45,792,081.00)
Net Investment Income	(235,962.00)
Administrative Expense	12,334,441.00
	<hr/>
Net Change in Total OPEB Liability	(1,850,185,757.00)
Total OPEB Liability (Beginning)	<hr/> 17,999,781,235.00
Total OPEB Liability (Ending)	<hr/> <hr/> \$ 16,149,595,478.00

**Special Funding Situation**

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

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

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2023**

**NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

Additionally, the State's proportionate share of the OPEB liability attributable to the Borough is \$205,229 as of December 31, 2022. The OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the OPEB liability was determined using update procedures to roll forward the total OPEB liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The State's proportion of the OPEB liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2022 was 0.00608%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2021, which is the same proportion as the Borough's. At December 31, 2022, the Borough's and the State of New Jersey's proportionate share of the OPEB liability were as follows:

State of New Jersey's Proportionate Share of OPEB	
Liability Associated with the Borough	\$ <u>205,229</u>

At December 31, 2022, the State's proportionate share of the OPEB benefit, associated with the Borough, calculated by the plan as of the June 30, 2022 measurement date was \$(33,662).

**NOTE 17. LEASES**

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

Cell Tower - KBM. The current lease term expires October 12, 2029 with three available five year term extensions. Payments in 2023 totaled \$57,326.67.

Cell Tower - AT&T. The current lease term expires September 30, 2027 with four available five year term extensions. Payments in 2023 totaled \$51,246.14.

Cell Tower - T-Mobile. The current lease term expires February 23, 2028 with three available five year term extensions. Payments in 2023 totaled \$32,282.14.

Cell Tower - Dish. The current lease term expires January 31, 2047 with two available five year term extensions. Payments in 2023 totaled \$38,705.25.

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED DECEMBER 31, 2023**

**NOTE 18. SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and June 18, 2024, the date the financial statements were available to be issued.

**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-4**

**SCHEDULE OF CASH - TREASURER**

Balance December 31, 2022		\$ 1,511,426.10
Increased by Receipts:		
Taxes Receivable	\$ 4,846,131.95	
Prepaid Taxes	34,695.68	
Tax Overpayments	39,510.73	
State of New Jersey (Ch. 20, P.L. 1971)	11,750.00	
State of New Jersey Various Fees	175.00	
Revenue Accounts Receivable	1,199,797.21	
Miscellaneous Revenue Not Anticipated	135,532.41	
Reserve for Municipal Relief Fund	30,815.47	
Return of Prior Year Tax Refund	4,808.48	
Interfunds:		
Other Funds	271,391.62	
Grant Fund	223,459.13	
	<hr/>	<hr/>
		6,798,067.68
		<hr/>
		8,309,493.78
Decreased by Disbursements:		
Budget Appropriations	3,933,991.81	
Appropriation Reserves	86,415.77	
County Taxes Payable	783,969.23	
Local District School Tax	1,487,095.00	
Tax Refunds	13,193.15	
State of New Jersey Various Fees	175.00	
Reserve for Reassessment		
Reserve for Master Plan	3,382.50	
Interfunds:		
Other Funds	270,292.06	
Grant Fund	255,926.32	
	<hr/>	<hr/>
		6,834,440.84
		<hr/>
Balance December 31, 2023		\$ <u><u>1,475,052.94</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-5

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance		Added Taxes	2023 Levy	Collections		Due from State	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2023
	Dec. 31, 2022	Dec. 31, 2021			2022	2023				
2021	\$ 1,133.51	\$ -	\$ -	\$ -	\$ 1,133.51	\$ -	\$ -	\$ -	\$ -	\$ -
2022	56,423.49	20.00	-	-	56,443.49	-	-	-	-	-
2023	57,557.00	3,268.69	-	4,982,731.12	57,577.00	48,210.72	11,500.00	3,815.51	26,580.75	107,337.88
	\$ 57,557.00	\$ 3,288.69	\$ 4,982,731.12	\$ 48,210.72	\$ 4,846,131.95	\$ 11,500.00	\$ 3,815.51	\$ 26,580.75	\$ 107,337.88	

**Analysis of 2023 Property Tax Yield and Tax Levy**

Tax Yield:	
General Purpose Tax	\$ 4,950,068.44
Added and Omitted Taxes	32,662.68
General Purpose Tax	<u>\$ 4,982,731.12</u>

Tax Levy:	
Local District School Tax	\$ 1,419,104.00
County Taxes:	
County Tax	\$ 657,350.03
County Library Tax	62,227.89
County Health Tax	36,096.44
County Open Space Preservation	26,118.26
Due County for Added and Omitted Taxes	<u>5,172.66</u>
Total County Taxes	786,965.28
Local Tax for Municipal Purposes Levied	2,747,115.28
Add: Additional Tax Levied	<u>29,546.56</u>
	<u>\$ 4,982,731.12</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-6**

**SCHEDULE OF TAX TITLE LIENS**

Balance December 31, 2022	\$ 68,987.84
Increased by:	
Transfers from Taxes Receivable	<u>3,815.51</u>
Balance December 31, 2023	<u>\$ 72,803.35</u>

**SCHEDULE OF DUE FROM/TO STATE OF NEW JERSEY**

**PER CHAPTER 20, P.L. 1971**

**Exhibit A-7**

Balance December 31, 2022 - Due From	\$ 1,420.78
Increased by:	
2023 Senior Citizens and Veterans Deductions per Tax Duplicate	<u>11,750.00</u> <u>13,170.78</u>
Decreased by:	
Disallowed By Tax Collector: Current Year Deductions	\$ 250.00
Receipts	<u>11,750.00</u>
	<u>12,000.00</u>
Balance December 31, 2023 - Due From	<u>\$ 1,170.78</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-8

**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	<u>Balance Dec. 31, 2022</u>	<u>Accrued in 2023</u>	<u>Collections</u>	<u>Balance Dec. 31, 2023</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 12,850.00	\$ 12,850.00	\$ -
Other	-	11,591.00	11,591.00	-
Fees and Permits:				
Other	-	172,261.24	172,261.24	-
Fines and Costs:				
Municipal Court	9,465.49	77,913.86	81,301.23	6,078.12
Interest and Costs on Taxes	-	15,118.89	15,118.89	-
Interest on Investments and Deposits	-	21,882.63	21,882.63	-
State Aid:				
Energy Receipts Tax	-	297,481.18	297,481.18	-
Uniform Construction Code Fees	-	5,404.90	5,404.90	-
Lakehurst Elementary School - Police Service Contract	-	52,000.00	52,000.00	-
Northeast Housing LLC - Borough of Lakehurst	-	526,086.50	526,086.50	-
Uniform Fire Safety Act	-	4,919.20	4,919.20	-
American Rescue Plan Act Tranche #1	-	141,721.22	141,721.22	-
American Rescue Plan Act Tranche #2	-	141,721.23	141,721.23	-
	<u>\$ 9,465.49</u>	<u>\$ 1,480,951.85</u>	<u>\$ 1,484,339.22</u>	<u>\$ 6,078.12</u>
Receipts			\$ 1,199,797.21	
Interfunds			284,542.01	
			<u>\$ 1,484,339.22</u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 1 of 4

**OPERATIONS WITHIN CAPS**

	<u>Balance</u>	<u>Reserve for</u>	<u>Balance</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Dec. 31, 2022</u>	<u>Encumbrances</u>	<u>After</u>	<u>Charged</u>	<u>Lapsed</u>
			<u>Transfers</u>		
Administrative and Executive					
Other Expenses	\$ 98.70	\$ -	\$ 98.70	\$ -	\$ 98.70
Mayor and Council					
Salaries and Wages	328.50	-	328.50	-	328.50
Other Expenses	101.00	-	101.00	-	101.00
Municipal Clerk					
Salaries and Wages	51.00	-	51.00	-	51.00
Other Expenses	202.47	99.00	801.47	550.59	250.88
Legal Advertising					
Other Expenses	528.25	-	1,528.25	1,085.12	443.13
Financial Administration					
Salaries and Wages	271.69	-	271.69	-	271.69
Other Expenses	981.25	-	981.25	528.41	452.84
Audit Services					
Other Expenses	50.00	-	50.00	-	50.00
Information Technology					
Other Expenses	3,888.20	-	3,888.20	-	3,888.20
Collection of Taxes					
Salaries and Wages	1,324.94	-	1,324.94	-	1,324.94
Other Expenses	215.88	-	215.88	-	215.88
Assessment of Taxes					
Salaries and Wages	61.88	-	61.88	-	61.88
Other Expenses	1,268.82	17.60	1,286.42	17.60	1,268.82
Legal Services and Costs					
Salaries and Wages	61.00	-	61.00	-	61.00
Other Expenses	3,564.25	-	3,564.25	-	3,564.25
Engineering Services and Costs					
Other Expenses	7,653.50	-	7,653.50	533.25	7,120.25

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 2 of 4

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Historical Preservation	\$ 500.00	\$ -	\$ 500.00	\$ -	\$ 500.00
Other Expenses					
Municipal Land Use Law (N.J.S. 40:55D-1)					
Salaries and Wages	40.40	-	40.40	-	40.40
Other Expenses	1,055.00	-	1,055.00	-	1,055.00
Code Enforcement Officer					
Salaries and Wages	23.24	-	23.24	-	23.24
Other Expenses	500.00	-	500.00	-	500.00
Insurance					
General Liability	12.25	-	12.25	-	12.25
Workers' Compensation	40.75	-	40.75	-	40.75
Employee Group Health	29,226.38	-	21,726.38	4,599.66	17,126.72
Police					
Salaries and Wages:					
Officers	43,831.60	-	43,831.60	-	43,831.60
Clerical	101.52	-	101.52	-	101.52
Crossing Guards	3,816.50	-	3,816.50	-	3,816.50
Other Expenses	42,262.14	8,947.28	51,209.42	15,363.84	35,845.58
Other Expenses - Tow Charges	3,187.68	-	3,187.68	2,000.00	1,187.68
Emergency Management Services					
Salaries and Wages	348.12	-	348.12	-	348.12
Other Expenses	666.46	-	666.46	-	666.46
Uniform Safety Act					
Salaries and Wages	33.36	-	33.36	-	33.36
Other Expenses	500.00	-	500.00	-	500.00
Municipal Court					
Salaries and Wages	56.56	-	56.56	-	56.56
Other Expenses	2,452.41	-	2,452.41	2,113.88	338.53
Fire					
Other Expenses	2,410.77	19,846.48	22,257.25	19,846.48	2,410.77
Vehicle Maintenance	-	3,797.66	3,797.66	3,797.66	-

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 3 of 4

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Municipal Prosecutor	\$ 59.08	\$ -	\$ 59.08	\$ -	\$ 59.08
Salaries and Wages					
Other Expenses	100.00	-	100.00	-	100.00
Public Defender					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Road Repairs and Maintenance					
Salaries and Wages	1,715.11	-	1,715.11	-	1,715.11
Other Expenses	1,910.06	158.26	2,068.32	181.21	1,887.11
Garbage and Trash Removal					
Salaries and Wages	2,630.21	-	2,630.21	-	2,630.21
Other Expenses	4,484.41	-	4,484.41	12.00	4,472.41
Recycling					
Salaries and Wages	1,465.11	-	1,465.11	-	1,465.11
Other Expenses	2,315.05	1,000.00	3,315.05	-	3,315.05
Public Buildings, Grounds and Lakes					
Salaries and Wages	1,465.11	-	1,465.11	-	1,465.11
Other Expenses	9,804.23	5,155.32	14,959.55	5,780.19	9,179.36
Vehicle Maintenance					
Other Expenses	2,298.14	10,804.56	16,602.70	15,964.36	638.34
Animal Control					
Other Expenses	1,287.90	-	1,287.90	-	1,287.90
Youth and Recreation					
Salaries and Wages	34.10	-	34.10	-	34.10
Other Expenses	407.67	-	407.67	-	407.67
Celebration of Public Events					
Other Expenses	968.00	-	968.00	113.69	854.31

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-9

**SCHEDULE OF APPROPRIATION RESERVES**

Sheet 4 of 4

	<b>Balance Dec. 31, 2022</b>	<b>Reserve for Encumbrances</b>	<b>Balance After Transfers</b>	<b>Paid or Charged</b>	<b>Balance Lapsed</b>
Utilities:					
Landfill Disposal Cost - Other Expenses	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00
Gasoline	5,353.55	-	5,353.55	3,938.51	1,415.04
Electricity	7,810.74	-	7,810.74	713.68	7,097.06
Telephone	6,751.97	-	6,751.97	1,472.36	5,279.61
Natural Gas	3,634.58	-	6,134.58	5,809.61	324.97
Street Lighting	5,305.36	-	5,305.36	1,993.67	3,311.69
Social Security System	342.01	-	342.01	-	342.01
Unemployment Compensation Insurance	10.52	-	10.52	-	10.52
Defined Contribution Retirement Program	100.00	-	100.00	-	100.00
Total Appropriations within Caps	<u>222,969.38</u>	<u>49,826.16</u>	<u>272,795.54</u>	<u>86,415.77</u>	<u>186,379.77</u>

**OPERATIONS EXCLUDED FROM CAPS**

Shared Service Agreements:					
Lakehurst Elementary School - Police Contract	.16	-	.16	-	.16
Township of Manchester - Municipal Court	1,000.00	-	1,000.00	-	1,000.00
Northeast Housing LLC - Lakehurst Police					
Salaries and Wages	.08	-	.08	-	.08
Other Expenses	10,000.00	-	10,000.00	-	10,000.00
Administration					
Other Expenses	22,452.30	-	22,452.30	-	22,452.30
Total Appropriations excluded from Caps	<u>33,452.54</u>	<u>-</u>	<u>33,452.54</u>	<u>-</u>	<u>33,452.54</u>
	\$ 256,421.92	\$ 49,826.16	\$ 306,248.08	\$ 86,415.77	\$ 219,832.31



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-10**

**SCHEDULE OF COUNTY TAXES PAYABLE**

Balance December 31, 2022		\$ 2,176.61
Increased by:		
County Tax	\$ 657,350.03	
County Library Tax	62,227.89	
County Health Tax	36,096.44	
County Open Space Tax	26,118.26	
Added and Omitted Taxes	<u>5,172.66</u>	
		<u>786,965.28</u>
		<u>789,141.89</u>
Decreased by:		
Payments		<u>783,969.23</u>
Balance December 31, 2023		<u><u>\$ 5,172.66</u></u>

**SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

**Exhibit A-11**

Balance December 31, 2022:			
School Tax Payable	\$ 198,497.00		
School Tax Deferred	<u>500,749.00</u>		
		\$ 699,246.00	
Increased by:			
Levy - School Year July 1, 2023 to June 30, 2024		<u>1,419,104.00</u>	
		<u>2,118,350.00</u>	
Decreased by:			
Payments		<u>1,487,095.00</u>	
Balance December 31, 2023:			
School Tax Payable	130,506.00		
School Tax Deferred	<u>500,749.00</u>		
		<u><u>\$ 631,255.00</u></u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-12**

**SCHEDULE OF INTERFUNDS - OTHER FUNDS**

	<b><u>Total (Memo Only)</u></b>	<b><u>Animal Control Trust</u></b>	<b><u>Other Trust Fund</u></b>	<b><u>General Capital Fund</u></b>	<b><u>Water-Sewer Operating Fund</u></b>
Increased by					
Disbursements					
Expenditure Paid in Current Fund	\$ 270,292.06	\$ 765.70	\$ 122,985.89	\$ -	\$ 146,540.47
Interest on Deposit	<u>1,099.56</u>	<u>-</u>	<u>-</u>	<u>1,099.56</u>	
Total Increases	<u>271,391.62</u>	<u>765.70</u>	<u>122,985.89</u>	<u>1,099.56</u>	<u>146,540.47</u>
Decreased by:					
Receipts					
Interfund Settlement	<u>\$ 271,391.62</u>	<u>\$ 765.70</u>	<u>\$ 122,985.89</u>	<u>\$ 1,099.56</u>	<u>\$ 146,540.47</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-13**

**SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-55**

<b><u>Date Authorized</u></b>	<b><u>Improvement Description</u></b>	<b><u>Net Amount Authorized</u></b>	<b>1/5 of</b>	<b><u>Net Amount Authorized</u></b>	<b><u>Balance Dec. 31, 2022</u></b>	<b><u>2023 Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2023</u></b>
3/17/2022	Reassessment	\$ 54,395.00		\$ 10,879.00	\$ 43,516.00	\$ 10,879.00	\$ 32,637.00

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-14**

**SCHEDULE OF INTERFUND**

**FEDERAL AND STATE GRANT FUND**

Balance December 31, 2022 - Due (From)/To		\$ 73,473.34
Increased by:		
Receipts:		
Grant Accounts Receivable Deposits	\$ 199,254.71	
Unappropriated Funds Received	24,204.42	
Transferred from 2023 Anticipated Revenue	<u>342,408.46</u>	
		<u>565,867.59</u>
		639,340.93
Decreased by:		
Grant Fund Disbursements	255,926.32	
Anticipated Revenue	283,442.45	
Transferred from 2023 Budget Appropriations	<u>342,408.46</u>	
		<u>881,777.23</u>
Balance December 31, 2023 - Due (From)/To		\$ <u><u>(242,436.30)</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-15**

**SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

**FEDERAL AND STATE GRANT FUND**

	<b><u>Balance</u></b>	<b>2023</b>	<b><u>Received</u></b>	<b><u>Balance</u></b>
	<b><u>Dec. 31, 2022</u></b>	<b><u>Budget</u></b>		<b><u>Dec. 31, 2023</u></b>
		<b><u>Revenue</u></b>		
2023 Grant Awards:				
Recycling Tonnage Grant	\$ -	\$ 12,365.36	\$ 12,365.36	\$ -
NJ DOT - Pine Street and Union	-	278,800.00	-	278,800.00
Drunk Driving Enforcement Fund	-	19,305.00	19,305.00	-
Body Armor Grant	-	1,900.30	1,900.30	-
Clean Communities Grant	-	5,037.80	5,037.80	-
NJDEP Stormwater	-	25,000.00	15,000.00	10,000.00
2022 Grant Awards:				
NJ DOT - Rose & Pine	234,000.00	-	112,461.38	121,538.62
CDBG - Orange St	35,000.00	-	35,000.00	-
Homeland Security Grant	7,507.94	-	-	7,507.94
ARP Firefighter Grant	33,000.00	-	-	33,000.00
2021 Grant Awards:				
Homeland Security Grant	15,000.00	-	-	15,000.00
NJ DOT - Lake Street	103,090.15	-	-	103,090.15
Body Worn Camera	32,608.00	-	13,043.20	19,564.80
2020 Grant Awards:				
NJ DOT - Orchard Street	204,440.15	-	-	204,440.15
2019 Grant Awards:				
NJ DOT - Willow Street	23,048.80	-	-	23,048.80
2017 Grant Awards:				
NJ DOT - Pine Street Phase I	15,096.05	-	-	15,096.05
	<b><u>\$ 702,791.09</u></b>	<b><u>\$ 342,408.46</u></b>	<b><u>\$ 214,113.04</u></b>	<b><u>\$ 831,086.51</u></b>
Interfund - Current Fund			\$ 199,254.71	
Unappropriated Reserves Realized			<u>14,858.33</u>	
			<b><u>\$ 214,113.04</u></b>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-16

**SCHEDULE OF APPROPRIATED RESERVES**

Sheet 1 of 2

**FEDERAL AND STATE GRANT FUND**

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Transfer from 2023 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Balance Dec. 31, 2023</u>
2023 Grant Awards:					
Recycling Tonnage Grant	\$ -	\$ 12,365.36	-	-	\$ 12,365.36
NJ DOT - Pine Street and Union	-	278,800.00	-	80,609.40	198,190.60
Drunk Driving Enforcement Fund	-	19,305.00	-	19,305.00	-
Body Armor Grant	-	1,900.30	-	1,063.41	836.89
Clean Communities Grant	-	5,037.80	-	3,145.55	1,892.25
NJDEP Stormwater	-	25,000.00	-	20,002.50	4,997.50
2022 Grant Awards:					
NJ DOT - Rose & Pine	211,271.10	-	-	141,268.90	70,002.20
CDBG - Orange St	-	-	490.25	490.25	-
Recycling Tonnage Grant	3,680.64	-	-	-	3,680.64
Homeland Security Grant	7,507.94	-	-	7,507.94	-
ARP Firefighter Grant	33,000.00	-	-	32,630.00	370.00
2021 Grant Awards:					
Body Armor Fund	1,113.83	-	-	751.86	361.97
Clean Communities Program	1,714.68	-	-	1,356.64	358.04
NJ DOT - Lake Street	12,571.05	-	-	185.00	12,386.05
Body Worn Camera	18,692.00	-	-	7,249.97	11,442.03
2020 Grant Awards:					
NJ DOT - Orchard Street	105,404.30	-	-	-	105,404.30
Recycling Tonnage Grant	3,144.78	-	-	499.92	2,644.86
Clean Communities Program	3,023.42	-	-	-	3,023.42
Body Armor Fund	263.24	-	-	263.24	-
Cops in Shops	2,200.00	-	-	-	2,200.00

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

Exhibit A-16

**SCHEDULE OF APPROPRIATED RESERVES**

Sheet 2 of 2

**FEDERAL AND STATE GRANT FUND**

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Transfer from 2023 Budget Appropriation</u>	<u>Reserve for Encumbrances</u>	<u>Expended</u>	<u>Balance Dec. 31, 2023</u>
2019 Grant Awards:					
Clean Communities Program	\$ 4,320.18	\$ -	-	-	\$ 4,320.18
NJ DOT - Willow Street	11,061.07	-	-	-	11,061.07
Recycling Tonnage Grant	3,197.23	-	90.00	540.00	2,747.23
2018 Grant Awards:					
Clean Communities Program	392.84	-	-	339.56	53.28
NJ DOT - Pine Street Phase II	18,707.99	-	-	-	18,707.99
2017 Grant Awards:					
Clean Communities Program	57.37	-	-	-	57.37
NJ DOT - Pine Street Phase I	32,072.06	-	-	-	32,072.06
Recycling Tonnage Grant	76.69	-	-	18.00	58.69
2016 Grant Awards:					
Clean Communities Program	1,086.81	-	-	-	1,086.81
2015 Grant Awards:					
Alcohol Education and Rehabilitation	58.93	-	-	-	58.93
Older Grants:					
Drunk Driving Enforcement Fund	2,765.25	-	-	-	2,765.25
	<u>\$ 477,383.40</u>	<u>\$ 342,408.46</u>	<u>\$ 580.25</u>	<u>\$ 317,227.14</u>	<u>\$ 503,144.97</u>
Reserve for Encumbrances				\$ 61,300.82	
Interfund - Current Fund				255,926.32	
				<u>\$ 317,227.14</u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**CURRENT FUND**

**Exhibit A-17**

**SCHEDULE OF UNAPPROPRIATED RESERVES**

**FEDERAL AND STATE GRANT FUND**

<b><u>Grant</u></b>	<b><u>Balance Dec. 31, 2022</u></b>	<b><u>Received</u></b>	<b><u>Realized as Revenue</u></b>	<b><u>Balance Dec. 31, 2023</u></b>
American Rescue Plan	\$ 283,442.45	\$ -	\$ 283,442.45	\$ -
Body Armor Fund	1,900.30	1,139.88	1,900.30	1,139.88
Clean Communities Program	5,037.80	5,650.51	5,037.80	5,650.51
PCB Settlement	-	17,414.03	-	17,414.03
Recycling Tonnage Grant	7,920.23	-	7,920.23	-
	<u>\$ 298,300.78</u>	<u>\$ 24,204.42</u>	<u>\$ 298,300.78</u>	<u>\$ 24,204.42</u>
			Budget Appropriation - Current Fund	\$ 283,442.45
			Transfer to Appropriated Reserves	<u>14,858.33</u>
				<u>\$ 298,300.78</u>



**TRUST FUND**

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**TRUST FUNDS**

**Exhibit B-1**

**SCHEDULE OF CASH - TREASURER**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2022	\$ 1,154.80	\$ 415,351.87
Increased by Receipts:		
Due State of New Jersey	\$ 192.00	\$ -
Dog Licenses and Other Fees	717.00	-
Miscellaneous Reserves	<u>-</u>	<u>213,888.85</u>
	<u>909.00</u>	<u>213,888.85</u>
	<u>2,063.80</u>	<u>629,240.72</u>
Decreased by Disbursements:		
Interfund - Current Fund	765.70	122,985.89
Miscellaneous Reserves	<u>-</u>	<u>98,527.51</u>
	<u>765.70</u>	<u>221,513.40</u>
Balance December 31, 2023	<u>\$ 1,298.10</u>	<u>\$ 407,727.32</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**ANIMAL CONTROL TRUST FUND**

**Exhibit B-2**

**SCHEDULE OF DUE STATE OF NEW JERSEY**

Balance December 31, 2022	\$ 4.20
Increased by:	
Fees Collected	\$ <u>192.00</u>
	196.20
Decreased by:	
Interfund - Current Fund Disbursements	<u>192.00</u>
Balance December 31, 2023	\$ <u><u>4.20</u></u>

**SCHEDULE OF RESERVE FOR ANIMAL CONTROL**

**TRUST FUND EXPENDITURES**

**Exhibit B-3**

Balance December 31, 2022	\$ 1,150.60
Increased by:	
Animal Control License Fees Collected	<u>717.00</u>
	1,867.60
Decreased by:	
Interfund - Current Fund:	
Expenditures Under R.S. 4:19-15.11	<u>573.70</u>
Balance December 31, 2023	\$ <u><u>1,293.90</u></u>

**License Fees Collected**

<u>Year</u>	<u>Amount</u>
2022	\$ <u>677.60</u>
2021	<u>723.00</u>
	\$ <u><u>1,400.60</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**ANIMAL CONTROL FUND**

**Exhibit B-4**

**SCHEDULE OF INTERFUND - CURRENT FUND**

Increased by:

Disbursements Made by Current Fund:

Due to State

\$ 192.00

Expenditures Under R.S. 4:19-15.11

573.70

\$ 765.70

Decreased by:

Disbursements

\$ 765.70

**OTHER TRUST FUND**

**SCHEDULE OF INTERFUND - CURRENT FUND**

**Exhibit B-5**

Increased by:

Disbursed in Current Fund

\$ 122,985.89

Decreased by:

Disbursements

\$ 122,985.89

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**OTHER TRUST FUND**

**Exhibit B-6**

**SCHEDULE OF MISCELLANEOUS RESERVES**

	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance</b>
	<b>Dec. 31, 2022</b>			<b>Dec. 31, 2023</b>
Accumulated Sick Leave	\$ 10,724.01	\$ -	\$ -	\$ 10,724.01
Affordable Housing	-	76,690.00	5,222.50	71,467.50
Escrow Deposits	78,793.11	56,645.63	56,675.56	78,763.18
Maintenance Guarantee	55,289.74	-	-	55,289.74
Parking Offense Adjudication Act	715.73	8.00	-	723.73
Performance Guarantee	84,485.11	16,620.00	8,572.95	92,532.16
Police Donations	-	6,413.82	4,721.24	1,692.58
Police Forfeiture Funds	14,748.62	5,878.58	2,779.16	17,848.04
Premium on Tax Sale	79,900.00	-	79,900.00	-
Public Defender	1,605.71	1,628.50	2,475.00	759.21
Recreation Trust	4,661.43	3,135.00	4,728.82	3,067.61
Storm Recovery	61,548.84	-	6,478.38	55,070.46
Third Party Tax Title Lien Redemption	132.00	43,085.89	43,085.89	132.00
Unemployment	18,584.65	3,783.43	6,873.90	15,494.18
Uniform Fire Safety Act - Penalty Monies	4,162.92	-	-	4,162.92
	<b>\$ 415,351.87</b>	<b>\$ 213,888.85</b>	<b>\$ 221,513.40</b>	<b>\$ 407,727.32</b>
Receipts/Disbursements		\$ 213,888.85	\$ 98,527.51	
Interfund - Current Fund		-	122,985.89	
		<b>\$ 213,888.85</b>	<b>\$ 221,513.40</b>	

**GENERAL CAPITAL FUND**

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-2**

**SCHEDULE OF CASH**

Balance December 31, 2022		\$ 112,196.40
Increased by Receipts:		
Interfund - Current Fund	\$ 1,099.56	
Capital Improvement Fund	<u>17,500.00</u>	
		<u>18,599.56</u>
		<u>130,795.96</u>
Decreased by Disbursements:		
Interfund - Current Fund	1,099.56	
Improvement Authorizations	<u>11,517.16</u>	
		<u>12,616.72</u>
Balance December 31, 2023		<u><u>\$ 118,179.24</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-3**

**ANALYSIS OF CASH**

	<b>Balance Dec. 31, 2022</b>	<b>Receipts Miscellaneous</b>	<b>Disbursements Improvement Authorizations</b>	<b>Balance Dec. 31, 2023</b>
Fund Balance	\$ 10,947.63	-	-	10,947.63
Capital Improvement Fund	36,554.66	17,500.00	-	54,054.66
Interfund - Current Fund	-	1,099.56	1,099.56	-
Grants Receivable - CDBG	(4,700.00)	-	-	(4,700.00)
Improvement Authorizations:				
<b>Ordinance</b>				
<b>Number</b>				
2017-03a	2,475.46	-	-	2,475.46
2019-08	2,897.42	-	-	2,897.42
2020-05	12,818.98	-	-	12,818.98
2021-07	32,545.30	-	5,843.67	26,701.63
2022-06	18,656.95	-	5,673.49	12,983.46
	<b>\$ 112,196.40</b>	<b>\$ 18,599.56</b>	<b>\$ 12,616.72</b>	<b>\$ 118,179.24</b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-4**

**SCHEDULE OF DEFERRED CHARGES TO FUTURE**

**TAXATION - FUNDED**

Balance December 31, 2022	\$ 2,760,893.00
Decreased by:	
2023 Budget Appropriations:	
Serial Bonds Payable	<u>215,800.00</u>
Balance December 31, 2023	<u><u>\$ 2,545,093.00</u></u>

**SCHEDULE OF INTERFUND - CURRENT FUND**

**Exhibit C-5**

Increased by:	
Interest Earned on Deposits	<u>\$ 1,099.56</u>
Decreased by:	
Interfund Liquidations	<u><u>\$ 1,099.56</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

**Exhibit C-6**

Balance December 31, 2022	\$ 36,554.66
Increased by:	
Budget Appropriation	<u>17,500.00</u>
Balance December 31, 2023	<u><u>\$ 54,054.66</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

Exhibit C-7

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Ordinance</b>		<b>Balance Dec. 31, 2022 Funded</b>	<b>Paid or Charged</b>	<b>Balance Dec. 31, 2023 Funded</b>
		<b>Date</b>	<b>Amount</b>			
2017-03a	Landfill Remediation	4/20/2017	\$ 20,000.00	\$ 2,475.46	\$ -	\$ 2,475.46
2019-08	Improvement to Recreation Fields	12/05/2019	38,772.55	2,897.42	-	2,897.42
2020-05	Various Improvements	10/01/2020	135,000.00	12,818.98	-	12,818.98
2021-07	Various Improvements	9/02/2021	100,000.00	32,545.30	5,843.67	26,701.63
2022-06	Various Improvements	6/02/2022	38,000.00	18,656.95	5,673.49	12,983.46
				<u>\$ 69,394.11</u>	<u>\$ 11,517.16</u>	<u>\$ 57,876.95</u>
	Disbursements				<u>\$ 11,517.16</u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**GENERAL CAPITAL FUND**

**Exhibit C-8**

**SCHEDULE OF GENERAL SERIAL BONDS**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Original Issue</u></b>	<b><u>Maturities of Bonds Outstanding Dec. 31, 2023</u></b>		<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2022</u></b>	<b><u>Paid By Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2023</u></b>
			<b><u>Date</u></b>	<b><u>Amount</u></b>				
General Obligation Bonds	2/21/2013	\$ 1,225,000.00	3/01/2024	\$ 105,000.00	2.375%	\$ 420,000.00	\$ 100,000.00	\$ 320,000.00
			3/01/2025	105,000.00	2.500%			
			3/01/2026	110,000.00	2.500%			
General Obligation Refunding Bonds	5/15/2013	3,450,643.00	12/01/2026	366,700.00	3.000%			
			12/01/2028	260,550.00	3.000%			
			12/01/2030	284,675.00	3.250%			
			12/01/2033	458,375.00	3.500%			
			12/01/2035	328,100.00	3.500%			
			12/01/2040	526,693.00	4.000%	2,340,893.00	115,800.00	2,225,093.00
						\$ 2,760,893.00	\$ 215,800.00	\$ 2,545,093.00

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**WATER/SEWER UTILITY FUND**

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-4**

**SCHEDULE OF WATER-SEWER UTILITY CASH - TREASURER**

	<b><u>Operating Fund</u></b>	<b><u>Capital Fund</u></b>
Balance December 31, 2022	\$ 528,729.75	\$ 343,234.08
Increased by Receipts:		
Miscellaneous Anticipated Revenue	\$ 134,784.81	\$ -
Consumer Accounts Receivable	1,099,180.12	-
Prepaid Consumer Accounts	10,530.81	-
Capital Improvement Fund	-	5,000.00
Reserve For Amortization	-	27,800.00
Interfunds:		
Water Sewer Utility Capital	<u>117,741.58</u>	<u>-</u>
	<u>1,362,237.32</u>	<u>32,800.00</u>
	<u>1,890,967.07</u>	<u>376,034.08</u>
Decreased by Disbursements:		
Budget Appropriations	1,054,025.53	-
Appropriation Reserves	4,543.23	-
Accrued Interest Payable	23,875.49	-
Interfunds:		
Current Fund	146,540.47	-
Water Sewer Capital	117,741.58	-
Water Sewer Utility Operating	<u>-</u>	<u>117,741.58</u>
	<u>1,346,726.30</u>	<u>117,741.58</u>
Balance December 31, 2023	<u>\$ 544,240.77</u>	<u>\$ 258,292.50</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-5

**ANALYSIS OF WATER-SEWER UTILITY CAPITAL CASH**

	Balance Dec. 31, 2022	Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
		Miscellaneous	Miscellaneous	Miscellaneous	Miscellaneous	From	To	
Capital Improvement Fund	\$ 295,088.54	\$ 5,000.00	\$ -	\$ 94,354.00	\$ -	\$ 117,741.58	\$ 205,734.54	
Interfund - Water-Sewer Utility Operating Fund	-	-	117,741.58	-	-	22,314.25	-	
Reserve for Encumbrances	34,587.25	-	-	34,587.25	-	-	22,314.25	
<b>Ordinance</b>								
<b>Number</b>	<b>Improvement Description</b>							
2017-04	Water Main Improvements	27,800.00	-	-	-	-	-	
2019-02	Acquisition of a Utility Truck	996.00	-	-	-	-	996.00	
2020-06	Various Water-Sewer Improvements	32,635.29	-	22,314.25	-	22,314.25	32,635.29	
2022-07	Repairs To A Utility Vehicle and Related Equipment	7,727.00	-	12,273.00	-	12,273.00	7,727.00	
2022-12	Water Treatment Plant Upgrades	-	-	11,114.58	-	-	(11,114.58)	
2023-21	Water Well Repairs	-	-	94,354.00	-	94,354.00	-	
		<u>\$ 343,234.08</u>	<u>\$ 32,800.00</u>	<u>\$ 117,741.58</u>	<u>\$ 268,997.08</u>	<u>\$ 268,997.08</u>	<u>\$ 258,292.50</u>	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-6**

**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

Balance December 31, 2022		\$ 32,534.13
Increased by:		
Consumer Accounts Receivable		<u>1,089,978.61</u>
		1,122,512.74
Decreased by:		
Collections:		
Deposits	\$ 1,099,180.12	
Prepayments Applied	<u>4,163.13</u>	
		<u>1,103,343.25</u>
Balance December 31, 2023		<u>\$ 19,169.49</u>

**WATER-SEWER UTILITY CAPITAL FUND**

**SCHEDULE OF FIXED CAPITAL**

**Exhibit D-7**

	<b>Balance</b>
	<b><u>Dec. 31, 2023</u></b>
Water-Sewer System	\$ 4,737,315.84
Water Tower	832,714.31
Land	132,500.00
Building	23,200.00
Vehicles	210,239.32
Equipment	<u>135,146.72</u>
	<u>\$ 6,071,116.19</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-8

**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date</b>	<b>Ordinance Amount</b>	<b>Balance Dec. 31, 2023</b>
2016-10	Various Water-Sewer Improvements	9/15/2016	\$ 75,000.00	\$ 75,000.00
2019-02	Acquisition of a Utility Truck	5/02/2019	35,000.00	996.00
2020-06	Various Water-Sewer Improvements	10/01/2020	100,000.00	100,000.00
2022-07	Repairs to A Utility Vehicle and Related Equipment	6/02/2022	20,000.00	20,000.00
2022-12	Water Treatment Plant Upgrades	12/01/2022	805,000.00	805,000.00
				<b>\$ 1,000,996.00</b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

Exhibit D-9

**WATER-SEWER UTILITY OPERATING FUND**

**SCHEDULE OF APPROPRIATION RESERVES**

	<u>Balance Dec. 31, 2022</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:					
Salaries and Wages	\$ 12,550.45	\$ -	\$ 12,550.45	\$ -	\$ 12,550.45
Other Expenses	20,226.96	3,445.88	23,672.84	4,543.23	19,129.61
Audit and Professional	50.00	-	50.00	-	50.00
Ocean County Utilities Authority	12,662.58	-	12,662.58	-	12,662.58
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	308.10	-	308.10	-	308.10
Public Employee's Retirement System	1.88	-	1.88	-	1.88
	<u>\$ 45,799.97</u>	<u>\$ 3,445.88</u>	<u>\$ 49,245.85</u>	<u>\$ 4,543.23</u>	<u>\$ 44,702.62</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-10**

**SCHEDULE OF INTERFUNDS**

	<b>Total (Memo Only)</b>	<b>Current Fund</b>	<b>Water-Sewer Capital Fund</b>
Balance December 31, 2022 - Due From/Due (To)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Increased by:			
Disbursements:			
Interfund Settlement	146,540.47	146,540.47	-
Improvement Authorizations Paid	117,741.58	-	117,741.58
Total Increases	<u>264,282.05</u>	<u>146,540.47</u>	<u>117,741.58</u>
Decreased by:			
Receipts:			
Interfund Settlement	117,741.58	-	117,741.58
Disbursed by Current Fund			
Budget Appropriations	122,353.32	122,353.32	-
Accrued Interest	24,187.15	24,187.15	-
Total Decreases	<u>264,282.05</u>	<u>146,540.47</u>	<u>117,741.58</u>
Balance December 31, 2023 - Due From/Due (To)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY OPERATING FUND**

**Exhibit D-11**

**SCHEDULE OF ACCRUED INTEREST PAYABLE**

Balance December 31, 2022		\$ 6,807.14
Increased by:		
Budget Appropriations		<u>47,399.47</u>
		54,206.61
Decreased by:		
Interfund - Current Fund	\$ 24,187.15	
Disbursements	<u>23,875.49</u>	
		<u>48,062.64</u>
Balance December 31, 2023		<u><u>\$ 6,143.97</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-12

**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2022		2023 Authorizations	Reserve for Encumbrances	Paid or Charged	Balance Dec. 31, 2023	
				Funded	Unfunded				Funded	Unfunded
2019-02	Acquisition of a Utility Truck	5/02/2019	\$ 35,000.00	\$ 996.00	\$ -	\$ -	\$ -	\$ -	\$ 996.00	\$ -
2020-06	Various Water-Sewer Improvements	10/01/2020	100,000.00	32,635.29	-	-	22,314.25	22,314.25	32,635.29	-
2022-07	Repairs to A Utility Vehicle and Related Equipment	6/02/2022	20,000.00	7,727.00	-	-	12,273.00	12,273.00	7,727.00	-
2022-12	Water Treatment Plant Upgrades	12/01/2022	805,000.00	-	805,000.00	-	-	111,145.88	-	793,885.42
2023-21	Water Well Repairs	10/19/2023	94,354.00	-	-	94,354.00	-	94,354.00	-	-
				\$ 41,358.29	\$ 805,000.00	\$ 94,354.00	\$ 34,587.25	\$ 140,055.83	\$ 41,358.29	\$ 793,885.42
	Capital Improvement Fund					\$ 94,354.00				
	Reserve for Encumbrances							\$ 22,314.25		
	Interfund - Water-Sewer Utility Operating Fund							<u>117,741.58</u>		
								<u>\$ 140,055.83</u>		



**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-13**

**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2022	\$ 295,088.54
Increased by:	
2023 Budget Appropriation	5,000.00
	<u>300,088.54</u>
Decreased by:	
Appropriation to Finance Improvement Authorizations	94,354.00
	<u>94,354.00</u>
Balance December 31, 2023	\$ <u><u>205,734.54</u></u>

**SCHEDULE OF RESERVE FOR AMORTIZATION**

**Exhibit D-14**

Balance December 31, 2022	\$ 3,950,316.75
Increased by:	
Paid by Operating Budget:	
USDA Loan	\$ 48,739.31
Serial Bonds	79,200.00
Cash Deficit Ordinance 2017-04	27,800.00
Transferred from Deferred Reserve for Amortization	<u>94,354.00</u>
	<u>250,093.31</u>
Balance December 31, 2023	\$ <u><u>4,200,410.06</u></u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-15**

**SCHEDULE OF RESERVE FOR DEFERRED AMORTIZATION**

<b>Ordinance Number</b>	<b>Improvement Description</b>	<b>Date of Ordinance</b>	<b>Balance Dec. 31, 2022</b>	<b>Fixed Capital Authorized</b>	<b>To Reserve for Amortization Fixed Capital</b>	<b>Balance Dec. 31, 2023</b>
2016-10	Various Water-Sewer Improvements	9/15/2016	\$ 75,000.00	\$ -	\$ -	\$ 75,000.00
2019-02	Acquisition of a Utility Vehicle	5/02/2019	996.00	-	-	996.00
2020-06	Various Water-Sewer Improvements	10/01/2020	100,000.00	-	-	100,000.00
2023-21	Water Well Repairs	10/19/2023	-	94,354.00	94,354.00	-
			<b>\$ 175,996.00</b>	<b>\$ 94,354.00</b>	<b>\$ 94,354.00</b>	<b>\$ 175,996.00</b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-16

**SCHEDULE OF USDA LOAN PAYABLE**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount of Original Issue</u></b>	<b><u>Loan Maturities Outstanding Date</u></b>	<b><u>Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance Dec. 31, 2022</u></b>	<b><u>Paid by Budget Appropriation</u></b>	<b><u>Balance Dec. 31, 2023</u></b>
Water-Sewer Improvements	12/23/1999	\$ 1,200,000.00	12/23/2022-39	See D-16 Sheet 1 of 2	3.25%	\$ 698,351.01	\$ 31,386.00	\$ 666,965.01
Water-Sewer Improvements	10/13/2020	960,000.00	10/13/2022-60	See D-16 Sheet 2 of 2	1.75%	926,187.43	17,353.31	908,834.12
						<u>\$ 1,624,538.44</u>	<u>\$ 48,739.31</u>	<u>\$ 1,575,799.13</u>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**MATURITY SCHEDULE**

**\$1,200,000 WATER-SEWER IMPROVEMENT LOAN**

**USDA - 3.25%**

Exhibit D-16

Sheet 1 of 2

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2024	\$ 32,415	\$ 21,417
2025	33,677	20,155
2026	34,573	19,259
2027	35,706	18,126
2028	36,876	16,956
2029	38,084	15,748
2030	39,332	14,500
2031	40,621	13,211
2032	41,952	11,880
2033	43,326	10,506
2034	44,746	9,086
2035	46,212	7,620
2036	47,726	6,106
2037	49,290	4,542
2038	51,105	2,727
2039	51,324	1,699
	<b><u>\$ 666,965</u></b>	<b><u>\$ 193,538</u></b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-16**

**MATURITY SCHEDULE**

**Sheet 2 of 2**

**\$960,000 WATER-SEWER IMPROVEMENT LOAN**

**USDA - 1.75%**

<b><u>Due</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2024	\$ 17,658.32	\$ 15,827.68
2025	17,968.69	15,517.31
2026	18,284.52	15,201.48
2027	18,605.90	14,880.10
2028	18,932.93	14,553.07
2029	19,265.70	14,220.30
2030	19,604.33	13,881.67
2031	19,948.91	13,537.09
2032	20,299.54	13,186.46
2033	20,656.34	12,829.66
2034	21,019.40	12,466.60
2035	21,388.85	12,097.15
2036	21,764.79	11,721.21
2037	22,147.34	11,338.66
2038	22,536.62	10,949.38
2039	22,932.73	10,553.27
2040	23,335.81	10,150.19
2041	23,745.98	9,740.02
2042	24,163.35	9,322.65
2043	24,588.06	8,897.94
2044	25,020.23	8,465.77
2045	25,460.00	8,026.00
2046	25,907.50	7,578.50
2047	26,362.87	7,123.13
2048	26,826.23	6,659.77
2049	27,297.75	6,188.25
2050	27,777.55	5,708.45
2051	28,265.78	5,220.22
2052	28,762.60	4,723.40
2053	29,268.14	4,217.86
2054	29,782.58	3,703.42
2055	30,306.05	3,179.95
2056	30,838.73	2,647.27
2057	31,380.77	2,105.23
2058	31,932.33	1,553.67
2059	32,493.59	992.41
2060	32,303.31	421.28
	<b><u>\$ 908,834.12</u></b>	<b><u>\$ 329,386.47</u></b>

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

Exhibit D-17

**SCHEDULE OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2023		Interest Rate	Balance Dec. 31, 2022	Paid by Budget Appropriation	Balance Dec. 31, 2023
			Date	Amount				
General Obligation Bonds	2/21/2013	\$895,000.00	3/01/2024	\$75,000.00	2.375%	\$ 310,000.00	\$ 75,000.00	\$ 235,000.00
			3/01/2025	80,000.00	2.500%			
			3/01/2026	80,000.00	2.500%			
General Obligation Refunding Bonds	5/15/2013	124,357.00	12/01/2026	13,300.00	3.000%	84,107.00	4,200.00	79,907.00
			12/01/2028	9,450.00	3.000%			
			12/01/2030	10,325.00	3.250%			
			12/01/2033	16,625.00	3.500%			
			12/01/2035	11,900.00	3.500%			
		12/01/2040	18,307.00	4.000%				
					\$ 394,107.00	\$ 79,200.00	\$ 314,907.00	

**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**WATER-SEWER UTILITY CAPITAL FUND**

**Exhibit D-18**

**SCHEDULE OF BONDS AND NOTES AUTHORIZED**

**BUT NOT ISSUED**

**Ordinance  
Number**  
2022-12

**Improvement Description**  
Water Treatment Plant Upgrades

**Balance  
Dec. 31, 2023**  
\$ 805,000.00

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**BOROUGH OF LAKEHURST  
COUNTY OF OCEAN**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**BOROUGH OF LAKEHURST  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

None.

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

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

FEDERAL AWARDS

No Prior Year Findings.

**BOROUGH OF LAKEHURST  
COUNTY OF OCEAN**

**PART III**

**SUPPLEMENTARY DATA  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Tax Rate	\$ <u>2.128</u>	\$ <u>3.253</u>	\$ <u>3.233</u>
Apportionment of Tax Rate			
Municipal	1.181	1.849	1.828
County	.337	.478	.469
Local School	.610	.926	.936
Assessed Valuation			
2023	\$ 232,616,000		
2022		\$ 144,542,555	
2021			\$ 143,429,434

**COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY**

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

<b><u>Year</u></b>	<b><u>Tax Levy</u></b>	<b><u>Currently</u></b>	
		<b><u>Cash Collection</u></b>	<b><u>Percentage of Collection</u></b>
2023	\$ 4,982,731	\$ 4,848,266	97.30%
2022	4,716,810	4,648,150	98.54%
2021	4,654,353	4,596,965	98.77%

**DELINQUENT TAXES AND TAX TITLE LIENS**

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

<b><u>Year Ended December 31</u></b>	<b><u>Amount of Tax Title Liens</u></b>	<b><u>Amount of Delinquent Taxes</u></b>	<b><u>Total Delinquent</u></b>	<b><u>Percentage of Tax Levy</u></b>
2023	\$ 72,803	\$ 107,338	\$ 180,141	3.62%
2022	68,988	57,557	126,545	2.68%
2021	65,263	49,506	114,769	2.47%

The last tax sale was held on December 12, 2023 and was complete.

The number of tax title liens receivable on December 31, 2023, 2022 and 2021 were 5, 5 and 5, respectively.

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2023	\$ 50,000
2022	50,000
2021	50,000

**COMPARISON OF WATER-SEWER UTILITY RENTS**

<u>Year</u>	<u>Rents</u>	<u>Prior Year Delinquent</u>	<u>Cash Collection</u>
2023	\$ 1,089,979	\$ 32,534	\$ 1,103,343
2022	1,096,907	73,510	1,137,883
2021	1,088,191	50,513	1,065,593

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
<b><u>Current Fund</u></b>		
2023	\$ 771,437	\$ 740,000
2022	885,528	742,074
2021	600,843	537,700
2020	292,285	270,000
2019	938,799	787,250
<b><u>Water-Sewer Fund</u></b>		
2023	\$ 395,606	\$ 366,000
2022	465,714	369,529
2021	346,953	272,120
2020	318,528	264,951
2019	329,642	246,651



**SUMMARY OF MUNICIPAL DEBT**

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<b><u>Issued</u></b>			
General:			
Bonds, Notes and Loans	\$ 2,545,093	\$ 2,760,893	\$ 2,971,693
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>1,890,706</u>	<u>2,018,645</u>	<u>2,140,290</u>
Debt Issued	4,435,799	4,779,538	5,111,983
<b><u>Authorized and not Issued</u></b>			
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>805,000</u>	<u>832,800</u>	<u>27,800</u>
Net Bonds and Notes Issued and			
Authorized but not Issued	\$ <u>5,240,799</u>	\$ <u>5,612,338</u>	\$ <u>5,139,783</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 1.254%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 196,000	\$ 196,000	\$
Water-Sewer Utility Debt	2,695,706	2,695,706	
General Debt	<u>2,545,093</u>	<u>                    </u>	<u>2,545,093</u>
	\$ <u>5,436,799</u>	\$ <u>2,891,706</u>	\$ <u>2,545,093</u>

Net Debt \$2,545,093 divided by Equalized Valuation basis per N.J.S.A. 40A:2-6 as amended \$202,985,505 = 1.254%.

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

3.5% of Equalized Valuation Basis	\$ 7,104,493
Net Debt	<u>2,545,093</u>
Remaining Borrowing Power	\$ <u>4,559,400</u>

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

Cash Receipts from Fees, Rents or Other		
Charges for the Year		\$ 1,607,657
Deductions:		
Operating and Maintenance Cost	\$ 1,172,600	
Debt Service	<u>175,339</u>	
		<u>1,347,939</u>
Excess in Revenues		\$ <u>259,718</u>

\*\*\*\*\*

**BOROUGH OF LAKEHURST  
COUNTY OF OCEAN**

**PART IV**

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

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**BOROUGH OF LAKEHURST - COUNTY OF OCEAN**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<b><u>Name</u></b>	<b><u>Title</u></b>
Harry Robbins	Mayor
Steven Oglesby	Council President
Brian DiMeo	Councilmember
Robert McCarthy	Councilmember
James Davis	Councilmember
Patricia Hodges	Councilmember
Bernadette Dugan	Councilmember
Ian Goldman	Attorney
Maryanne Capasso	Municipal Clerk
Wayne Sibilila	Chief Financial Officer
John D. Antonides	Tax/Utility Collector & Search Official
Martin Lynch	Tax Assessor
Daniel F. Sahin	Magistrate
Tracy Barcus	Court Administrator

There were Employee's Blanket Performance Bonds in the amount of \$50,000 for the Borough employees and court personnel carried by the Ocean County Joint Insurance Fund and \$950,000 carried by the Municipal Excess Liability Joint Insurance Fund.

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Certified Public Accountants + Advisors

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Honorable Mayor and Members  
of the Borough Council  
Borough of Lakehurst  
County of Ocean  
Lakehurst, New Jersey

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

#### **GENERAL COMMENTS:**

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year ended December 31, 2023.

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

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

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

## **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 1, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

### **OTHER COMMENTS (FINDINGS):**

None.

### **RECOMMENDATIONS:**

None.



## Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Jerry W. Conaty  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 581

Lakewood, New Jersey  
June 18, 2024