

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF
BOROUGH OF HIGHTSTOWN**

**156 Bank Street
Hightstown, New Jersey 08520**

FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF HIGHTSTOWN
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2023

	<u>Page</u>
<u>ROSTER OF OFFICIALS</u>	1
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	2-4
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements – Regulatory Basis Performed in Accordance With <i>Government Auditing Standards</i>	5-6
<u>Exhibit Number</u>	
<u>FINANCIAL STATEMENTS</u>	
A Current Fund Comparative Balance Sheet – Regulatory Basis	7-8
A-1 Current Fund Statement of Operations and Change in Fund Balance – Regulatory Basis	9
A-2 Current Fund Statement of Revenues - Regulatory Basis	10-12
A-3 Current Fund Statement of Expenditures - Regulatory Basis	13-17
B Trust Fund Comparative Balance Sheet – Regulatory Basis	18-19
C General Capital Fund Comparative Balance – Regulatory Basis	20
C-1 General Capital Fund Statement of Fund Balance – Regulatory Basis	21
D Water-Sewer Utility Fund Comparative Balance Sheet – Regulatory Basis	22-23
D-1 Water-Sewer Utility Fund Comparative Statement of Operations and Change in Operating Fund Balance – Regulatory Basis	24
D-2 Water-Sewer Utility Capital Fund Statement of Capital Fund Balance – Regulatory Basis	25
D-3 Water-Sewer Utility Operating Fund Statement of Revenues - Regulatory Basis	26
D-4 Water-Sewer Utility Operating Fund Statement of Expenditures - Regulatory Basis	27
E Statement of Capital (General Fixed) Assets	28
Notes to Financial Statements	29-76
Required Supplementary Schedules	
RSI-1 Schedule of Borough Contributions – Public Employees Retirement System (PERS)	77
RSI-2 Schedule of Borough's Proportionate Share of the Net Pension Liability – Public Employees Retirement System (PERS)	78
RSI-3 Schedule of Borough's Proportionate Share of the Net Pension Liability – Police and Fireman Retirement System (PFRS)	79
RSI-4 Schedule of Borough Contributions – Police and Fireman Retirement System (PFRS)	80

BOROUGH OF HIGHTSTOWN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

<u>Exhibit</u> <u>Number</u>		<u>Page</u>
 <u>SUPPLEMENTARY – FUND AND ACCOUNT SCHEDULES</u>		
	<u>Current Fund:</u>	
A-4	Schedule of Cash	81
A-5	Schedule of Due from/(to) State of New Jersey	82
A-6	Schedule of Taxes Receivable and Analysis of Property Tax Yield	83
A-7	Schedule of Tax Title Liens	84
A-8	Schedule of Accounts Payable	85
A-9	Schedule of Reserve for Fire Safety and Code Enforcement	85
A-10	Schedule of Revenue Accounts Receivable	86
A-11	Schedule of 2022 Appropriation Reserves	87-89
A-12	Schedule of Prepaid Taxes	90
A-13	Schedule of Tax Overpayments	91
A-14	Schedule of Regional District School Tax Payable	91
A-15	Schedule of County Taxes Payable	92
A-16	Schedule of Due to State of New Jersey	93
A-17	Schedule of Cash – Grant Fund	94
A-18	Schedule of Grants Receivable – Grant Fund	95
A-19	Schedule of Reserve for Grants – Appropriated – Grant Fund	96
A-20	Schedule of Reserve for Grants – Unappropriated – Grant Fund	97
	 <u>Trust Fund:</u>	
B-1	Schedule of Trust Cash – Treasurer	98
B-2	Schedule of Due to NJS Department of Health	99
B-3	Schedule of Reserve for Animal Control Fund Expenditures	100
B-4	Schedule of Deposits for Redemption of Tax Sale Certificates	101
B-5	Schedule of Regional Contribution Agreement – Manalapan	101
B-6	Schedule of Due from Current Fund	102
B-7	Schedule of Reserve for Law Enforcement Fund	102
B-8	Schedule of Reserve for Public Defender	103
B-9	Schedule of Unemployment Trust Fund	103
B-10	Schedule of Payroll Deductions Payable	104
B-11	Schedule of Miscellaneous Trust Funds	105
B-12	Schedule of Reserve for Escrow Fees	106
B-13	Schedule of Housing Trust	107
B-14	Schedule of Length of Service Award Program [Unaudited]	108

BOROUGH OF HIGHTSTOWN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

Page

Exhibit
Number

SUPPLEMENTARY – FUND AND ACCOUNT SCHEDULES (CONTINUED)

<u>General Capital Fund:</u>		
C-2	Schedule of General Capital Fund Cash – Treasurer	109
C-3	Analysis of Capital Fund Cash and Investments	110
C-4	Schedule of Deferred Charges to Future Taxation – Funded	111
C-5	Schedule of Deferred Charges to Future Taxation – Unfunded	112
C-6	Schedule of Grants Receivable	113
C-7	Schedule of Various Reserves	114
C-8	Schedule of Improvement Authorizations	115
C-9	Schedule of Reserve for Capital Improvement Fund	116
C-10	Schedule of Bond Anticipation Notes	117
C-11	Schedule of Due from Water-Sewer Capital Fund	118
C-12	Schedule of General Serial Bonds	119
C-13	Schedule of Capital Improvement Loans	120
C-14	Schedule of Reserve for Encumbrances	121
C-15	Schedule of Bonds and Notes Authorized but Not Issued	122
<u>Water-Sewer Utility Operating Fund:</u>		
D-5	Schedule of Utility Cash – Collector/Treasurer	123
D-6	Schedule of Consumer Accounts Receivable	124
D-7	Schedule of 2022 Appropriation Reserves	125
D-8	Schedule of Consumer Overpayments	126
D-9	Schedule of Accrued Interest on Bonds, Loans and Notes	127
<u>Water-Sewer Utility Capital Fund:</u>		
D-10	Schedule of Utility Capital Cash	128
D-11	Analysis of Cash	129
D-12	Schedule of Grant Receivable – FEMA	130
D-13	Schedule of Fixed Capital	131
D-14	Schedule of Fixed Capital Authorized and Uncompleted	132
D-15	Schedule of Due to Water-Sewer Utility Operating Fund	133
D-16	Schedule of Sewer Serial Bonds	134
D-17	Schedule of Loans Payable	135-136
D-18	Schedule of Bond Anticipation Notes	137
D-19	Schedule of Reserve for Debt Services	138
D-20	Schedule of Improvement Authorizations	139
D-21	Schedule of Reserve for Encumbrances	140
D-22	Schedule of Reserve for Amortization	141
D-23	Schedule of Deferred Reserve for Amortization	141
D-24	Schedule of Capital Improvement Fund	142
D-25	Schedule of Bonds and Notes Authorized but Not Issued	143

BOROUGH OF HIGHTSTOWN
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2023

	<u>Page</u>
 <u>SUPPLEMENTARY & STATISTICAL DATA</u>	
Combined Balance Sheet – All Funds	144-145
Comparative Statement of Operations and Change in Fund Balance – Current Fund	146
Comparative Statement of Operations and Change in Fund Balance – Water and Sewer Utility Operating Fund	147
Comparative Schedule of Tax Rate Information	148
Comparison of Tax Levies and Current Collection	148
Delinquent Taxes and Tax Title Liens	148
Valuation of Property	149
Real Property Classification	149
Property Acquired by Tax Title Lien Liquidation	150
Comparison of Water and Sewer Utility Levies	150
Comparative Schedule of Fund Balances	150
Summary of Municipal Debt	151
Summary of Statutory Debt condition – Annual Debt Statement	152
Borrowing Power under NJSA 40A:2-6	152
Calculation of Self-Liquidating Purpose Water-Sewer Utility per NJSA 40A:2-45	152
 <u>AUDITOR'S COMMENTS AND RECOMMENDATIONS</u>	
General Comments:	
Internal Control Matters	153
Scope of Audit	154
Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4	154
Collection of Interest on Delinquent Taxes, Utility Charges and Assessments	155
Delinquent Taxes and Tax Title Liens	156
Water-Sewer Utility Operating Fund	156
Cash Balances	156
Revenues	157
Expenditures	157
Payroll	157
Miscellaneous Comments:	
Interfunds	157
Construction Code Official	158
Aged or Inactive Accounts	158
Technical Directives – State of New Jersey	158
Length of Service Awards Program	159
Internal Control Documentation	159
Administration and Accounting of State and Federal Grants	159
Cybersecurity	159
Other Officials Collecting Fees	159
Capital Funds	160
Deferred Charges	160
Presentation of Financial Statements	160
Appreciation	161
Recommendations	162

ROSTER OF OFFICIALS

BOROUGH OF HIGHTSTOWN

ROSTER OF OFFICIALS

DECEMBER 31, 2023

Governing Body

Susan Bluth, Mayor
Joshua Jackson, Council President
Joseph Cicalese, Councilmember
Cristina Fowler, Councilmember
Todd Frantz, Councilmember
Jeet Gulati, Councilmember
Frederick Montferrat, Councilmember

Other Officials

Dimitri Musing, Borough Administrator
Margaret Riggio, Borough Clerk, Purchasing Agent, Registrar of Vital Statistics
George Lang, Chief Financial Officer
Pamela Lewis, Tax Collector/Water-Sewer Collector
Ken Pacera, Tax Assessor
Seth Kurs, Magistrate
Carolyn Gaynor, Court Administrator
Timothy McNichols, Prosecutor
Carmela Roberts of *Roberts Engineering Group*, Borough Engineer
Frederick Raffetto of Hill Wallack, LLC, Borough Attorney
Robert J. Merryman of Apruzzese, McDermott, Mastro & Murphy
Borough Labor Counsel Attorney
Edward McManimon of McManimon, Scotland & Baumann, LLC, Bond Counsel

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Hightstown
County of Mercer
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Hightstown, County of Mercer, State of New Jersey as of December 31, 2023, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements – regulatory basis, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("the Division"); this includes 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 Responsibility

Our responsibility is to express an opinion on these financial statements – regulatory basis, based on our audit. 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 auditing standards prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. 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 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of 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 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Hightstown, County of Mercer, State of New Jersey as of December 31, 2023, and change in financial position or cash flows thereof for the year then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) have not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough’s financial statements. The LOSAP financial activities are included in the Borough’s Trust Fund, and represent 43.07% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2023.

Disclaimer of Opinion on Length of Service Award Program Fund (“LOSAP”)

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough’s financial statements, we do not express an opinion of the LOSAP financial statements.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of Hightstown, County of Mercer, State of New Jersey, as of December 31, 2023, and the results of its operations and change in fund balance of such funds – regulatory basis for the year then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2023 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

Other Matters

Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements of the Borough of Hightstown, County of Mercer, New Jersey. The information included in Supplementary Fund and Account Schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Hightstown, County of Mercer, New Jersey. The information included in Supplementary Fund and Account Schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the 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 – regulatory basis taken as a whole.

The information contained Supplementary and Statistical Data have not been subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion, or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025, on our consideration of the Borough of Hightstown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Hightstown's internal control over financial reporting and compliance.



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
April 29, 2025

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

The Honorable Mayor and Members
of the Borough Council
Borough of Hightstown
County of Mercer
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

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 Division"), the financial statements – regulatory basis of the Borough of Hightstown (herein referred to as "the Borough"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's financial statements – regulatory basis, and have issued our report thereon dated April 29, 2025. Our report expressed a modified opinion on the financial statements in conformity with this regulatory basis because we did not audit the Length of Service Award Program (LOSAP). Our report also expressed a modified opinion because of the departure from accounting principles generally accepted in the United States of America as disclosed in Note 1.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements – regulatory basis, we considered the Borough's internal control over financial reporting (internal control) to determine the 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.

**INDEPENDENT AUDITORS 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 (CONTINUED)**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses except for the fact that the financial statements as of December 31, 2023, were not presented on a timely basis and the General Ledger for the year 2023, as presented for audit, required several adjusting journal entries to reconcile to the detailed records. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY, LLP

Freehold, New Jersey
April 29, 2025

FINANCIAL STATEMENTS

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

	<u>Ref.</u>	<u>Balance Dec. 31, 2023</u>	<u>Balance Dec. 31, 2022</u>
ASSETS			
Cash	A-4	\$ 5,206,247.21	\$ 4,099,148.22
Change Fund		<u>205.00</u>	<u>205.00</u>
		<u>\$ 5,206,452.21</u>	<u>\$ 4,099,353.22</u>
Receivables and Other Assets with			
Full Reserves:			
Delinquent Taxes Receivable	A-6	\$ 291,875.06	\$ 224,877.75
Tax Title Liens Receivable	A-7	257,921.53	240,868.08
Prepaid County Tax	A-15	45.02	
Revenue Accounts Receivable	A-10	13,693.21	21,161.62
Prepaid Regional School District Taxes	A-14	2,899.00	2,899.00
Interfunds:			
Water-Sewer Utility Operating Fund	D	421,889.92	174,431.13
Water-Sewer Utility Capital Fund	D	153,946.87	952.97
Animal Control Fund	B		231.68
	A	<u>\$ 1,142,270.61</u>	<u>\$ 665,422.23</u>
		<u>\$ 6,348,722.82</u>	<u>\$ 4,764,775.45</u>
Grant Fund:			
Cash	A-17	9,436.47	34,971.68
Grants Receivable	A-18	154,760.00	177,368.00
Interfunds:			
Current Fund	A	117,746.77	377,771.52
Water-Sewer Utility Capital Fund	D	4,755.80	
Other Trust Fund	B	27,842.58	27,842.58
		<u>\$ 314,541.62</u>	<u>\$ 617,953.78</u>
		<u>\$ 6,663,264.44</u>	<u>\$ 5,382,729.23</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2023</u>	<u>Balance Dec. 31, 2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserve	A-3, A-11	\$ 626,951.29	\$ 955,135.82
Reserve for Encumbrances	A-3, A-11	187,953.41	324,421.25
Due to State of New Jersey P.L. 1971	A-5	682.88	500.00
Prepaid Taxes	A-12	91,515.27	123,635.29
Accounts Payable	A-8	64,708.24	223,725.48
Tax Overpayments	A-13	9,594.31	4,244.28
Due County for Added & Omitted Taxes	A-15		4,115.80
Reserve for Fire Safety & Code Enforcement	A-9	40,117.00	40,117.00
Interfunds:			
Grant Fund	A	117,746.77	377,771.52
Other Trust Fund	B	233,765.74	233,765.74
Animal Control Fund	B	659.32	
General Capital Fund	C	2,487,366.54	424,008.94
Payroll Fund	A-3, A-11	7,970.28	
Unemployment Fund	A-11	10,000.00	5,000.00
Due to State of New Jersey	A-16	2,836.00	509.00
		<u>\$ 3,881,867.05</u>	<u>\$ 2,716,950.12</u>
Reserve for Receivables and Other Assets	A	1,142,270.61	665,422.23
Fund Balance	A-1	<u>1,324,585.16</u>	<u>1,382,403.10</u>
		<u>\$ 6,348,722.82</u>	<u>\$ 4,764,775.45</u>
Grant Fund:			
Reserve for Grants, Appropriated	A-19	\$ 299,120.97	\$ 276,424.73
Reserve for Encumbrances	A-19	4,511.65	27,153.00
Reserve for Grants, Unappropriated	A-20	10,909.00	183,483.05
Interfund - Water-Sewer Utility Operating Fund	A		130,893.00
		<u>\$ 314,541.62</u>	<u>\$ 617,953.78</u>
		<u>\$ 6,663,264.44</u>	<u>\$ 5,382,729.23</u>

The accompanying notes to financial statements are an integral part of the financial statements.

BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenue and Other Income Realized	Ref.	Year 2023	Year 2022
Fund Balance Anticipated	A-2	\$ 898,000.00	\$ 820,000.00
Miscellaneous Revenue Realized	A-2	1,737,785.86	1,473,631.17
Receipts from Delinquent Taxes	A-2	228,230.69	175,455.33
Receipts from Current Taxes	A-2	18,903,259.58	18,329,888.21
Nonbudget Revenue	A-2	35,923.64	141,762.88
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	588,609.53	479,184.88
Cancellation of Prior Year Accounts Payable	A-8	132,718.53	-
Prior Year Interfund Liquidated	A	231.68	-
Total Income		<u>\$ 22,524,759.51</u>	<u>\$ 21,419,922.47</u>
Expenditures			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	3,092,141.00	\$ 2,963,374.00
Other Expenses	A-3	3,537,557.42	3,113,674.50
Capital Improvements	A-3	30,000.00	175,075.00
Municipal Debt Service	A-3	778,589.19	645,025.46
Deferred Charges and Statutory Expenditures	A-3	850,502.00	767,006.00
Total Budget		<u>\$ 8,288,789.61</u>	<u>\$ 7,664,154.96</u>
Regional School District Taxes	A-14	9,637,902.00	\$ 9,581,719.00
County Taxes	A-15	3,316,487.06	3,154,947.85
Prior Year Senior Citizen Deduction Disallowed	A-5	720.55	601.37
Prepaid Regional School District Taxes	A-14	-	2,899.00
Prepaid County Tax	A-15	45.02	
Interfunds Advanced	A-4	400,497.71	175,615.78
Refund of Revenue	A-16	475.00	283.00
Grant Fund Cancellation	A-19	1,959.83	10,382.01
Miscellaneous Expenditure	A-18	37,700.67	1,784.49
Total Expenditures	A-1	<u>\$ 21,684,577.45</u>	<u>\$ 20,592,387.46</u>
Excess of Revenue over Expenditures		\$ 840,182.06	\$ 827,535.01
Fund Balance, January 1	A	<u>1,382,403.10</u>	<u>1,374,868.09</u>
		\$ 2,222,585.16	\$ 2,202,403.10
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>898,000.00</u>	<u>820,000.00</u>
Balance, December 31	A	<u>\$ 1,324,585.16</u>	<u>\$ 1,382,403.10</u>

The accompanying notes to financial statements are an integral part of the financial statements.

BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF REVENUES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>Anticipated Budget Revenues</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 898,000.00	\$ 898,000.00	\$ -
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	A-10	\$ 7,500.00	\$ 7,500.00	\$ -
Other	A-10	12,000.00	22,899.00	10,899.00
Fees and Permits	A-10	20,600.00	20,073.11	(526.89)
Fines and Costs:				
Municipal Court	A-10	195,000.00	228,879.57	33,879.57
Interest and Costs on Taxes	A-10	44,000.00	48,232.53	4,232.53
Interest on Investments and Deposits	A-10	41,309.00	128,965.32	87,656.32
Lease of Borough Owned Property	A-10	70,000.00	77,760.82	7,760.82
		<u>390,409.00</u>	<u>534,310.35</u>	<u>143,901.35</u>
State Aid Without Offsetting Appropriations:				
Consolidated Municipal Property Tax Relief Aid	A-10	52,534.00	52,522.86	(11.14)
Energy Receipts Tax	A-10	507,031.00	507,030.72	(0.28)
		<u>559,565.00</u>	<u>559,553.58</u>	<u>(11.42)</u>
Dedicated Uniform Construction Code Fees Offset with Appropriations:				
Uniform Construction Code Fees	A-10	<u>88,000.00</u>	<u>209,601.00</u>	<u>121,601.00</u>
Special Items of General Revenue Anticipated -				
Shared Service Agreements:				
Shared Services Agreement - Roosevelt Borough				
Trash Collection	A-10	72,367.00	72,367.00	-
Shared Services Agreement - Roosevelt Borough				
Trash Collection -Tipping Fees	A-10	35,456.00	30,050.25	(5,405.75)
		<u>107,823.00</u>	<u>102,417.25</u>	<u>(5,405.75)</u>
Special Items of General Revenue -				
Public and Private Revenues:				
Recycling Tonnage Grant	A-18	7,023.44	7,023.44	-
Clean Communities Program	A-18	11,401.94	11,401.94	-
Stormwater Mapping Grant	A-18	25,000.00	25,000.00	-
ARP Firefighter Award	A-18	31,000.00	31,000.00	-
Body Armor Grant	A-18	1,252.04	1,252.04	-
Mercer County NJSCA Local Arts Program	A-18	8,000.00	8,000.00	-
		<u>\$ 83,677.42</u>	<u>\$ 83,677.42</u>	<u>\$ -</u>

BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF REVENUES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>Anticipated Budget Revenues</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Miscellaneous Revenues: (Continued)				
Special Items of General Revenue -				
Other Special Items:				
Uniform Fire Safety Act	A-10	\$ 10,000.00	\$ 10,898.58	\$ 898.58
CATV - Franchise Fee	A-10	27,383.00	27,383.16	0.16
The Peddie School - Gift	A-10	23,000.00	24,000.00	1,000.00
Verizon Franchise Fee	A-10	27,868.00	27,868.13	0.13
ARP Revenue Loss	A-10	125,000.00	125,000.00	-
Hightstown Housing Authority -				
Payment in Lieu of Taxes	A-10	30,000.00	33,076.39	3,076.39
		<u>243,251.00</u>	<u>248,226.26</u>	<u>4,975.26</u>
Total Miscellaneous Revenues	A-1	<u>\$ 1,472,725.42</u>	<u>\$ 1,737,785.86</u>	<u>\$ 265,060.44</u>
Receipts from Delinquent Taxes	A-1, A-2	<u>\$ 180,000.00</u>	<u>\$ 228,230.69</u>	<u>\$ 48,230.69</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>\$ 6,248,066.00</u>	<u>\$ 6,458,870.52</u>	<u>\$ 210,804.52</u>
Budget Totals		<u>\$ 8,798,791.42</u>	<u>\$ 9,322,887.07</u>	<u>\$ 524,095.65</u>
Nonbudget Revenues	A-1, A-2	<u>-</u>	<u>35,923.64</u>	
		<u>\$ 8,798,791.42</u>	<u>\$ 9,358,810.71</u>	
	<u>Ref.</u>	A-3		

The accompanying notes to financial statements are an integral part of the financial statements.

BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF REVENUES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

Analysis of Realized Revenues:	<u>Ref.</u>	<u>Dec. 31, 2023</u>
Allocation of Current Taxes:		
Prepaid Taxes	A-6	\$ 123,635.29
Collected Current Year	A-6	18,762,807.17
Senior Citizens' and Veterans' Deductions	A-6	<u>16,817.12</u>
	A-1	\$ 18,903,259.58
Allocated to:		
School and County Taxes	A-14, A-15	<u>12,954,389.06</u>
Balance for Support of Municipal Budget Appropriations		\$ 5,948,870.52
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>510,000.00</u>
Amount for Support of Municipal Budget	A-2	<u><u>\$ 6,458,870.52</u></u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collection	A-2, A-6	225,598.30
Tax Title Lien Collection	A-7	<u>2,632.39</u>
	A-2	<u><u>\$ 228,230.69</u></u>
Analysis of Nonbudget Revenues:	<u>Ref.</u>	<u>Dec. 31, 2023</u>
Notary		\$ 98.42
Duplicate Tax Bills		325.00
Prior Year Revenue		2,112.91
Owners List		100.00
Tax Collector Fees		80.00
Senior Citizens and Veterans Administration Fee		325.59
Police Accident Reports		1,094.00
Other Police Fees		2,675.00
Fire Code Other		8,961.00
Americana Lease		12,539.54
Construction Housing Fees Penalties		2,420.00
Miscellaneous		<u>5,192.18</u>
	A-2, A-4	<u><u>\$ 35,923.64</u></u>

The accompanying notes to financial statements are
an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>OPERATIONS - WITHIN "CAPS"</u>	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrance</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 124,750.00	\$ 124,750.00	\$ 122,381.45		\$ 2,368.55	\$ -
Other Expenses	2,075.00	2,075.00	1,622.00		453.00	-
Mayor and Council:						
Salaries and Wages	33,400.00	33,400.00	33,399.72		0.28	-
Other Expenses	3,250.00	3,250.00	2,129.25		1,120.75	-
Municipal Clerk:						
Salaries and Wages	87,707.00	87,707.00	86,318.41		1,388.59	-
Other Expenses	15,900.00	15,900.00	5,397.74	\$ 160.00	10,342.26	-
Elections:						
Other Expenses	5,500.00	5,500.00			5,500.00	-
Office Supplies and Paper Products						
Other Expenses	15,500.00	15,500.00	10,550.67	362.15	4,587.18	-
Financial Administration:						
Salaries and Wages	150,842.00	150,842.00	148,165.66		2,676.34	-
Other Expenses	15,693.79	15,693.79	10,897.18	1,600.00	3,196.61	-
Audit Services:						
Other Expenses	16,000.00	16,000.00			16,000.00	-
Grant Writing and Administration:						
Other Expenses	10,000.00	5,000.00	383.40		4,616.60	-
(Data Processing/ Info Tech):						
Salaries and Wages	5,150.00	5,150.00	5,150.00			-
Other Expenses	135,000.00	127,000.00	72,343.36		54,656.64	-
Collection of Taxes:						
Salaries and Wages	96,872.00	96,872.00	91,892.35		4,979.65	-
Other Expenses	7,800.00	7,800.00	4,773.98	225.00	2,801.02	-
Assessment of Taxes:						
Salaries and Wages	20,499.00	20,499.00	20,475.71		23.29	-
Other Expenses	7,750.00	7,750.00	6,804.10		945.90	-
Interest on Tax Appeals:						
Other Expenses	100.00	100.00			100.00	-
Legal Services and Costs:						
Other Expenses	122,000.00	122,000.00	110,053.93	4,736.98	7,209.09	-
Engineering Services and Costs:						
Other Expenses	42,600.00	56,600.00	56,600.00			-
Historical Commission:						
Other Expenses	3,800.00	3,800.00	927.50		2,872.50	-
LAND USE						
Municipal Land Use Law (N.J.S.A. 40:55D-1)						
Planning Board:						
Salaries and Wages	30,065.00	30,065.00	29,831.62		233.38	-
Other Expenses	53,775.00	53,775.00	38,385.62	240.00	15,149.38	-
INSURANCE						
Insurance Deductibles	3,000.00	3,000.00	(8,428.72)	11,428.72		-
Unemployment Compensation Insurance	5,000.00	5,000.00			5,000.00	-
General Liability	56,033.00	56,033.00	56,033.00			-
Workers Compensation Insurance	94,516.00	94,516.00	94,515.68		0.32	-
Employee Group Health Insurance	468,000.00	468,000.00	440,342.95		27,657.05	-
Health Benefit Waiver	20,000.00	20,000.00	20,000.00			-

**BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrance</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS						
Police Department:						
Salaries and Wages	\$ 1,657,004.00	\$ 1,657,004.00	\$ 1,624,676.52		\$ 32,327.48	\$ -
Other Expenses	220,434.21	220,434.21	156,623.88	\$ 37,192.00	26,618.33	-
Office of Emergency Management:						
Salaries and Wages	6,000.00	6,000.00	6,000.00			-
Other Expenses	4,000.00	2,000.00			2,000.00	-
Fire Department:						
Other Expenses	114,600.00	114,600.00	88,258.57	21,664.45	4,676.98	-
Uniform Fire Safety Act (P.L. 1983, Ch. 383):						
Salaries and Wages	14,000.00	14,000.00	10,764.51		3,235.49	-
Other Expenses	15,500.00	15,500.00	8,065.76	1,136.66	6,297.58	-
First Aid Organization:						
Other Expenses	31,300.00	31,300.00	26,143.92	4,102.02	1,054.06	-
Municipal Prosecutor:						
Other Expenses	14,400.00	14,400.00			14,400.00	-
PUBLIC WORKS FUNCTIONS						
Streets and Road Maintenance:						
Salaries and Wages	250,000.00	250,000.00	231,342.28		18,657.72	-
Other Expenses	97,300.00	88,300.00	48,964.75	16,813.31	22,521.94	-
Snow Removal:						
Salaries and Wages	4,000.00	4,000.00			4,000.00	-
Other Expenses	7,000.00	7,000.00			7,000.00	-
Sanitation/Solid Waste Collection:						
Salaries and Wages	68,000.00	68,000.00	59,745.11		8,254.89	-
Other Expenses	63,200.00	63,200.00	57,135.30	-	6,064.70	-
Public Buildings and Grounds:						
Salaries and Wages	45,300.00	45,300.00	44,119.89		1,180.11	-
Other Expenses	172,825.00	181,825.00	168,624.13	13,024.93	175.94	-
Recycling:						
Salaries and Wages	102,500.00	102,500.00	99,486.25		3,013.75	-
Other Expenses	164,358.00	164,358.00	154,479.19		9,878.81	-
Vehicle Maintenance:						
Other Expenses	37,000.00	37,000.00	14,625.36	11,562.00	10,812.64	-
Community Condominium Services Act:						
Other Expenses	44,000.00	44,000.00		28,000.00	16,000.00	-
HEALTH AND HUMAN SERVICES						
Board of Health:						
Salaries and Wages	69,969.00	69,969.00	65,430.26		4,538.74	-
Other Expenses	13,959.00	13,959.00	6,838.86	452.73	6,667.41	-
Environmental Commission (N.J.S.A. 40:56A-1):						
Other Expenses	5,770.00	5,770.00	4,585.00	400.00	785.00	-
PARK AND RECREATION						
Maintenance of Parks:						
Salaries and Wages	38,500.00	38,500.00	36,189.08		2,310.92	-
Other Expenses	5,200.00	5,200.00	3,010.54	2,100.00	89.46	-
Recreation & Open Space (Parks Commission):						
Salaries and Wages	10,000.00	10,000.00	10,000.00			-
Other Expenses	23,675.00	23,675.00	5,108.70		18,566.30	-
Cultural Arts Commission						
Other Expenses	4,000.00	4,000.00	262.57		3,737.43	-

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrance</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)						
OTHER COMMON OPERATING FUNCTIONS (UNCLASSIFIED)						
Celebration of Public Events:						
Other Expenses	\$ 7,850.00	\$ 7,850.00	\$ 731.09		\$ 7,118.91	\$ -
Accumulated Sick and Vacation:						
Other Expenses	65,000.00	65,000.00	65,000.00			-
Postage and Shipping Charges:						
Other Expenses	9,800.00	9,800.00	8,441.80		1,358.20	-
UTILITY EXPENSE AND BULK PURCHASES						
Gasoline and Diesel Fuel	84,500.00	75,500.00	60,767.26		14,732.74	
Electricity	40,000.00	40,000.00	25,467.50	\$ 1,480.22	13,052.28	
Telephone	40,400.00	43,400.00	38,694.55		4,705.45	
Natural Gas	18,000.00	18,000.00	11,199.27		6,800.73	-
Street Lighting	31,000.00	31,000.00	29,044.90		1,955.10	-
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Landfill Disposal Costs:						
Other Expenses	240,000.00	240,000.00	170,122.54	27,672.37	42,205.09	-
MUNICIPAL COURT						
Municipal Court:						
Salaries and Wages	34,451.00	34,451.00	34,411.92		39.08	-
Other Expenses	195,000.00	195,000.00	164,826.57		30,173.43	-
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code (N.J.S.A. 52:270-120D et seq.):						
Salaries and Wages	136,690.00	143,690.00	143,110.53		579.47	-
Other Expenses	8,025.00	8,025.00	2,802.00		5,223.00	-
Housing Code Enforcement:						
Salaries and Wages	60,266.00	60,266.00	60,197.88		68.12	-
Other Expenses	3,400.00	3,400.00	1,169.98		2,230.02	-
Total Operations within "CAPS"	<u>\$ 5,930,754.00</u>	<u>\$ 5,930,754.00</u>	<u>\$ 5,207,414.78</u>	<u>\$ 184,353.54</u>	<u>\$ 538,985.68</u>	<u>\$ -</u>
Total Operations Including Contingent - within "CAPS"	<u>\$ 5,930,754.00</u>	<u>\$ 5,930,754.00</u>	<u>\$ 5,207,414.78</u>	<u>\$ 184,353.54</u>	<u>\$ 538,985.68</u>	<u>\$ -</u>
Detail:						
Salaries and Wages	\$ 3,045,965.00	\$ 3,052,965.00	\$ 2,963,089.15	\$ -	\$ 89,875.85	\$ -
Other Expenses (Including Contingent)	\$ 2,884,789.00	\$ 2,877,789.00	\$ 2,244,325.63	\$ 184,353.54	\$ 449,109.83	\$ -
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"						
DEFERRED CHARGES						
Anticipated Deficit Water-Sewer Utility	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00			\$ -

**BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrance</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Deferred Charges and Statutory (Continued)						
Expenditures - Municipal Within "CAPS" (Continued)						
STATUTORY EXPENDITURES:						
Public Employees' Retirement System of N.J.	\$ 191,858.00	\$ 191,858.00	\$ 191,858.00			
Social Security System (O.A.S.I.)	140,000.00	140,000.00	123,183.25		\$ 16,816.75	
Police and Firemens' Retirement System of N.J.	423,648.00	423,648.00	423,648.00			
Defined Contribution Benefit Plan	5,000.00	5,000.00	2,970.28		2,029.72	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>\$ 810,506.00</u>	<u>\$ 810,506.00</u>	<u>\$ 791,659.53</u>	<u>\$ -</u>	<u>\$ 18,846.47</u>	<u>\$ -</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>\$ 6,741,260.00</u>	<u>\$ 6,741,260.00</u>	<u>\$ 5,999,074.31</u>	<u>\$ 184,353.54</u>	<u>\$ 557,832.15</u>	<u>\$ -</u>
OPERATIONS - EXCLUDED FROM "CAPS"						
Public Employees' Retirement System of N.J.	\$ 49,210.00	\$ 49,210.00	\$ 49,210.00		-	
Police and Firemens' Retirement System of N.J.	75,162.00	75,162.00	75,162.00		-	
Length of Service Award Program (LOSAP):						
Other Expenses	30,000.00	30,000.00	14,300.00		\$ 15,700.00	
Employee Group Health Insurance	22,000.00	22,000.00	22,000.00		-	
Workers Compensation Insurance	3,653.00	3,653.00	3,653.00		-	
Recycling Tax (P.L. 2007, C.311)	6,500.00	6,500.00	5,002.29	\$ 396.33	1,101.38	
Recycling- Other Expense	8,142.00	8,142.00	8,142.00		-	
Total Other Operations - Excluded from "CAPS"	<u>\$ 194,667.00</u>	<u>\$ 194,667.00</u>	<u>\$ 177,469.29</u>	<u>\$ 396.33</u>	<u>\$ 16,801.38</u>	<u>\$ -</u>
Shared Service Agreements						
Dispatch Services East Windsor Township						
Other Expenses	\$ 202,067.00	\$ 202,067.00	\$ 202,066.38		\$ 0.62	\$ -
Senior Citizens - Program Service Center:						
Other Expenses	43,952.00	43,952.00	6,761.90		37,190.10	-
Senior Citizens Transportation- East Windsor:						
Other Expenses	2,180.00	2,180.00			2,180.00	-
Health Services-West Windsor Township:						
Salaries and Wages	31,176.00	31,176.00	31,176.00		-	-
Other Expenses	23,959.00	23,959.00	23,959.00		-	-
Emergency Medical Services- Robbinsville:						
Other Expenses	40,000.00	40,000.00	40,000.00		-	-
Landfill Disposal Costs (Roosevelt):						
Other Expenses	35,456.00	35,456.00	28,059.22	\$ 2,043.27	5,353.51	-
Mercer County EMS Dispatch						
Other Expenses	4,810.00	4,810.00	4,810.00		-	-
Vehicle Maintenance Services:						
Other Expenses	19,000.00	19,000.00	10,246.20	1,160.27	7,593.53	-
Manalapan - Animal Control						
Other Expenses	18,000.00	18,000.00	18,000.00		-	-
Total Shared Service Agreements	<u>\$ 420,600.00</u>	<u>\$ 420,600.00</u>	<u>\$ 365,078.70</u>	<u>\$ 3,203.54</u>	<u>\$ 52,317.76</u>	<u>\$ -</u>

**BOROUGH OF HIGHTSTOWN
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budget</u>	<u>Budget After Modifications</u>	<u>Paid or Charged</u>	<u>Reserve for Encumbrance</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public and Private Programs Offset by Revenues						
Clean Communities Program	\$ 11,401.94	\$ 11,401.94	\$ 11,401.94		\$ -	\$ -
Body Armor Replacement Grant	1,252.04	1,252.04	1,252.04		-	-
Recycling Tonnage Grant	7,023.44	7,023.44	7,023.44		-	-
ARP Firefighter 2022 Award	31,000.00	31,000.00	31,000.00		-	-
Stormwater Mapping Grant	25,000.00	25,000.00	25,000.00		-	-
Mercer County NJSCA Local Arts Program	8,000.00	8,000.00	8,000.00		-	-
Total Public and Private Programs offset by Revenues	<u>\$ 83,677.42</u>	<u>\$ 83,677.42</u>	<u>\$ 83,677.42</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Operations - Excluded from "CAPS"	<u>\$ 698,944.42</u>	<u>\$ 698,944.42</u>	<u>\$ 626,225.41</u>	<u>\$ 3,599.87</u>	<u>\$ 69,119.14</u>	<u>\$ -</u>
Detail:						
Salaries and Wages	\$ 39,176.00	\$ 39,176.00	\$ 39,176.00	\$ -	\$ -	\$ -
Other Expenses	\$ 659,768.42	659,768.42	\$ 587,049.41	\$ 3,599.87	\$ 69,119.14	\$ -
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00		\$ -	\$ -
Total Capital Improvements Excluded from "CAPS"	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	\$ 480,000.00	\$ 480,000.00	\$ 480,000.00		\$ -	\$ -
Payment of Bond Anticipation Notes & Capital Notes	76,750.00	76,750.00	76,750.00		-	-
Interest on Bonds	127,200.00	127,200.00	127,200.00		-	-
Interest on Notes	84,715.00	84,715.00	84,713.72		(0.00)	1.28
Dam Restoration Loan	9,926.00	9,926.00	9,925.47		0.00	0.53
Total Municipal Debt Service Excluded from "CAPS"	<u>\$ 778,591.00</u>	<u>\$ 778,591.00</u>	<u>\$ 778,589.19</u>	<u>\$ -</u>	<u>\$ (0.00)</u>	<u>\$ 1.81</u>
Deferred Charges - Municipal - Excluded from "CAPS"						
Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)	\$ 39,996.00	\$ 39,996.00	\$ 39,996.00		\$ -	\$ -
Total General Appropriations for Municipal Purposes - Excluded from "CAPS"	<u>\$ 1,547,531.42</u>	<u>\$ 1,547,531.42</u>	<u>\$ 1,474,810.60</u>	<u>\$ 3,599.87</u>	<u>\$ 69,119.14</u>	<u>\$ 1.81</u>
Total General Appropriations - Excluded from "CAPS"	<u>\$ 1,547,531.42</u>	<u>\$ 1,547,531.42</u>	<u>\$ 1,474,810.60</u>	<u>\$ 3,599.87</u>	<u>\$ 69,119.14</u>	<u>\$ 1.81</u>
Subtotal General Appropriations	\$ 8,288,791.42	\$ 8,288,791.42	\$ 7,473,884.91	\$ 187,953.41	\$ 626,951.29	\$ 1.81
Reserve for Uncollected Taxes	510,000.00	510,000.00	510,000.00		-	-
Total General Appropriations	<u>\$ 8,798,791.42</u>	<u>\$ 8,798,791.42</u>	<u>\$ 7,983,884.91</u>	<u>\$ 187,953.41</u>	<u>\$ 626,951.29</u>	<u>\$ 1.81</u>
Cash Disbursed	Ref.	A-2		A	A	
Transferred to Grant Fund	A-4		\$ 7,387,237.21			
Transferred to Payroll Fund	A		83,677.42			
Reserve for Uncollected Taxes	A-8		2,970.28			
	A-2		510,000.00			
			<u>\$ 7,983,884.91</u>			

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2023	Balance Dec. 31, 2022
Animal Control Fund:			
Cash and Investments	B-1	\$ 1,733.88	\$ 889.03
Interfund - Current Fund	A	659.32	
		<u>\$ 2,393.20</u>	<u>\$ 889.03</u>
Other Trust Funds:			
Cash and Investments	B-1	\$ 586,137.17	\$ 548,115.00
Redevelopment Circulation Study	B	18,970.55	18,970.55
Interfunds:			
Current Fund	B-6	233,765.74	233,765.74
Payroll Fund	B-10	11,491.66	11,491.66
		<u>\$ 850,365.12</u>	<u>\$ 812,342.95</u>
Payroll Fund			
Cash and Investments	B-1	\$ 53,264.97	\$ 78,331.80
Due From NJ GIT	B-1	38,218.14	-
Interfunds - Current Fund	B-10	7,970.28	-
		<u>\$ 99,453.39</u>	<u>\$ 78,331.80</u>
Unemployment Trust Fund			
Cash and Investments	B-1	\$ 31,951.62	\$ 32,664.84
Interfunds:			
Current Fund	A	10,000.00	5,000.00
Water-Sewer Utility Operating Fund	D	4,000.00	2,000.00
Payroll Fund	B	36,042.96	28,126.51
		<u>\$ 81,994.58</u>	<u>\$ 67,791.35</u>
Escrow Trust Funds:			
Cash and Investments	B-1	\$ 78,678.94	\$ 87,705.76
Length of Service Awards Program Fund:			
(LOSAP) - Unaudited:			
Funds Held by Trustee	B-14	\$ 821,380.60	\$ 742,008.11
Due from Borough	B-14	20,250.00	-
		<u>\$ 841,630.60</u>	<u>\$ 742,008.11</u>
		<u>\$ 1,954,515.83</u>	<u>\$ 1,789,069.00</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**TRUST FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2023	Balance Dec. 31, 2022
Animal Control Fund:			
Due to N.J. State Department of Health	B-2	\$ 30.20	\$ 344.60
Interfund - Current Fund	A	-	231.68
Reserve for Expenditures	B-3	2,363.00	312.75
		<u>\$ 2,393.20</u>	<u>\$ 889.03</u>
Other Trust Funds:			
Interfunds:			
Grant Fund	B	\$ 27,842.58	\$ 27,842.58
Water-Sewer Operating Fund	D	16,307.42	16,307.42
Reserve for:			
Redemption of Tax Title Liens	B-4	28,328.38	16,560.37
Regional Contribution Agreement - Manalapan	B-5	145,585.46	141,418.36
Law Enforcement Fund	B-7	53,155.33	51,633.82
Public Defender	B-8	23,079.97	21,734.47
Miscellaneous Trust Funds	B-11	523,426.44	518,399.36
Housing Trust	B-13	32,639.54	18,446.57
		<u>\$ 850,365.12</u>	<u>\$ 812,342.95</u>
Payroll Fund			
Payroll Deductions Payable	B-10	\$ 51,918.77	\$ 38,713.63
Interfunds:			
Unemployment Trust Fund	B	36,042.96	28,126.51
Other Trust Fund	B	11,491.66	11,491.66
		<u>\$ 99,453.39</u>	<u>\$ 78,331.80</u>
Unemployment Trust Fund:			
Reserve for Unemployment	B-9	\$ 81,994.58	\$ 67,791.35
Escrow Trust Funds:			
Escrow Fees	B-12	\$ 78,678.94	\$ 87,705.76
Length of Service Award Program Fund (LOSAP) - Unaudited			
Reserve for LOSAP	B-14	\$ 841,630.60	\$ 742,008.11
		<u>\$ 1,954,515.83</u>	<u>\$ 1,789,069.00</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2023	Balance Dec. 31, 2022
Cash - Treasurer	C-2	\$ 3,606.46	\$ 14,388.44
Grants Receivable	C-6	1,995,613.82	1,756,094.24
Interfunds:			
Current Fund	C-2	2,487,366.54	424,008.94
Water-Sewer Utility Capital Fund	C-11	297,071.10	297,071.10
Deferred Charges to Future Taxation:			
Funded	C-4	3,340,216.53	3,828,808.57
Unfunded	C-5	5,581,909.97	5,063,692.09
		<u>\$ 13,705,784.42</u>	<u>\$ 11,384,063.38</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-12	\$ 3,280,000.00	\$ 3,760,000.00
Loan Payable	C-13	60,216.53	68,808.57
Bond Anticipation Notes	C-10	3,671,000.00	2,663,000.00
Reserve for Encumbrances	C-14	891,229.27	240,350.87
Interfund - Water-Sewer Utility Operating Fund	C-2	400,000.00	-
Improvement Authorizations:			
Funded	C-8	1,296,344.92	1,061,830.49
Unfunded	C-8	1,970,652.66	2,934,048.94
Capital Improvement Fund	C-9	220,922.50	214,522.50
Reserve for Grants Receivable	C-6	127,959.87	236,121.99
Various Reserves	C-7	1,777,646.99	204,425.52
Fund Balance	C-1	9,811.68	954.50
		<u>\$ 13,705,784.42</u>	<u>\$ 11,384,063.38</u>
Bonds and Notes Authorized but Not Issued		<u>\$ 1,910,909.97</u>	<u>\$ 2,400,692.09</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE
REGULATORY BASIS

	<u>Ref.</u>		
Balance, December 31, 2022	C	\$	954.50
Increased by:			
Premium on Sale of Bond Anticipation Notes			<u>8,857.20</u>
Balance, December 31, 2023	C	\$	<u>9,811.70</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS

ASSETS	Ref.	Balance Dec. 31, 2023	Balance Dec. 31, 2022
Operating Fund:			
Cash and Investments	D-5	\$ 278,304.41	\$ 453,543.28
Interfunds:			
Grant Fund	D-5	-	130,893.00
Other Trust Fund	B	16,307.42	16,307.42
Water-Sewer Utility Capital Fund	D-15	95,109.61	108,657.11
General Capital Fund	D-5	400,000.00	-
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-8	121,402.84	151,562.32
Deficit in Operations	D-1	595.27	-
Total Operating Fund		<u>\$ 911,719.55</u>	<u>\$ 860,963.13</u>
Capital Fund:			
Cash	D-10	\$ 452,206.06	\$ 444,277.89
Grant Receivable - FEMA	D-12	74,642.56	474,873.76
Fixed Capital	D-13	15,336,516.65	15,336,516.65
Fixed Capital Authorized and Uncompleted	D-14	16,952,500.00	13,070,000.00
Deferred Charge	D-20	63,601.50	-
Due From:			
NJDEP	D-23	16,235.00	-
NJI Bank	D-23	8,117.00	-
Total Capital Fund		<u>\$ 32,903,818.77</u>	<u>\$ 29,325,668.30</u>
		<u>\$ 33,815,538.32</u>	<u>\$ 30,186,631.43</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**WATER-SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
REGULATORY BASIS**

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2023	Balance Dec. 31, 2022
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4/D-7	\$ 175,842.71	\$ 81,141.04
Reserve for Encumbrances	D-4	101,133.34	193,109.96
Interfunds:			
Current Fund	D-5	421,889.92	174,431.13
Other Trust Fund - Unemployment Fund	D-7	4,000.00	2,000.00
Deposits	D-5	500.00	500.00
Consumer Overpayments	D-8	7,221.81	7,731.23
Accrued Interest on Bonds, Loans and Notes	D-9	40,270.51	25,466.03
Accounts Payable	D-7	14,437.00	14,437.00
		<u>\$ 765,295.29</u>	<u>\$ 484,379.39</u>
Reserve for Receivables		121,402.84	151,562.32
Fund Balance	D-1	25,021.42	225,021.42
Total Operating Fund		<u>\$ 911,719.55</u>	<u>\$ 860,963.13</u>
Capital Fund:			
Serial Bonds Payable	D-16	\$ 1,025,000.00	\$ 1,200,000.00
Loans Payable	D-17	3,536,895.38	3,547,335.09
Bond Anticipation Notes	D-18	1,169,000.00	1,435,000.00
Interfunds:			
Grant Fund	D-11	4,755.80	-
Water-Sewer Utility Operating Fund	D-15	95,109.61	108,657.11
General Capital Fund	C-11	297,071.10	297,071.10
Current Fund	D-5	153,946.87	952.97
Improvement Authorization - Funded	D-20	105,951.51	418,229.75
Improvement Authorization - Unfunded	D-20	6,470,041.34	2,976,292.15
Down Payments on Improvements	D	200.00	200.00
Reserve for Encumbrances	D-21	109,745.00	185,920.68
Reserve for Debt Service	D-19	4,631.21	4,631.21
Reserve for Amortization	D-22	17,967,012.05	17,504,332.34
Deferred Reserve for Amortization	D-23	1,776,845.44	1,061,077.24
Reserve for Grants	D-10	74,642.56	474,873.76
Reserve for NJI-Bank Advance	D	82,272.23	82,272.23
Capital Improvement Fund	D-24	30,692.95	28,816.95
Fund Balance	D-2	5.72	5.72
Total Capital Fund		<u>\$ 32,903,818.77</u>	<u>\$ 29,325,668.30</u>
		<u>\$ 33,815,538.32</u>	<u>\$ 30,186,631.43</u>
Bonds & Notes Authorized but Not Issued	D-25	<u>\$ 6,045,220.00</u>	<u>\$ 2,918,477.00</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN OPERATING FUND BALANCE
REGULATORY BASIS

Revenue and Other Income Realized	Ref.	Year 2023	Year 2022
Fund Balance Utilized	D-3	\$ 200,000.00	\$ 182,000.00
Water-Sewer Rents	D-3	2,843,739.19	2,710,830.62
Miscellaneous	D-3	80,954.49	131,806.67
ARP Loss of Revenue	D-3	49,269.02	130,893.00
Anticipated Deficit	D-3	50,000.00	-
Other Credits to Income - Unexpended Balance of Appropriation Reserves	D-7	<u>113,195.43</u>	<u>66,586.83</u>
Total Income		<u>\$ 3,337,158.13</u>	<u>\$ 3,222,117.12</u>
Expenditures			
Budget:			
Operating		\$ 2,559,017.00	\$ 2,299,569.00
Capital Appropriations		18,776.00	32,000.00
Debt Service		596,590.00	510,785.90
Deferred Charges and Statutory Expenditures		155,500.00	155,500.00
Refund of Prior Year Revenue		<u>7,870.40</u>	<u>-</u>
Total Expenditures	D-4	<u>\$ 3,337,753.40</u>	<u>\$ 2,997,854.90</u>
Regulatory/(Deficit) to Balance Sheet/ Excess to Fund Balance		<u>\$ (595.27)</u>	<u>\$ 224,262.22</u>
Fund Balance, January 1	D	<u>225,021.42</u>	<u>182,759.20</u>
		\$ 225,021.42	\$ 407,021.42
Less: Utilized as Anticipated Revenue - Utility	D-3	<u>200,000.00</u>	<u>182,000.00</u>
Fund Balance, December 31	D	<u>\$ 25,021.42</u>	<u>\$ 225,021.42</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
REGULATORY BASIS

	<u>Ref.</u>		
Balance, December 31, 2022	D	\$	5.72
Balance, December 31, 2023	D	\$	<u>5.72</u>

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES
REGULATORY BASIS

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	D-1	\$ 200,000.00	\$ 200,000.00	-
Water-Sewer Rents	D-1,3	2,700,000.00	2,700,000.00	-
Miscellaneous	D-1,3	25,000.00	80,954.49	\$ 55,954.49
ARP Loss of Revenue	D-1,3	49,269.02	49,269.02	-
Increased Rents	D-1,3	305,613.98	143,739.19	(161,874.79)
Anticipated Deficit	D-1,3	50,000.00	50,000.00	-
		<u>\$ 3,329,883.00</u>	<u>\$ 3,223,962.70</u>	<u>\$ (105,920.30)</u>

Analysis of Realized Revenues

	<u>Ref.</u>	
Water-Sewer Rents:		
2023 Collections	D-6	\$ 2,843,229.77
Consumer Overpayments - Applied	D-6	1,514.89
Transfer to Consumer Overpayments	D-6	(1,005.47)
		<u>\$ 2,843,739.19</u>

Analysis of Miscellaneous Revenues

Interest Earned on Water-Sewer Capital	\$ 16,851.29
Interest on Investments	20,665.56
Interest on Delinquent Charges	15,302.78
Sewer Connection Fees	55.00
Fire Service	21,585.29
Manual Meter Reading	826.67
Sale of Meters	305.00
Refund of Prior Year Expenditure	3,249.35
Miscellaneous Revenue	<u>2,113.55</u>
	<u>\$ 80,954.49</u>
	D-3

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS

	Appropriations		Expended			Unexpended Balance Canceled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 973,073.00	\$ 1,043,073.00	\$ 1,012,995.36	-	\$ 30,077.64	-
Other Expenses	1,585,944.00	1,515,944.00	1,271,045.59	\$ 101,133.34	143,765.07	-
Capital Improvements:						
Capital Improvement Fund	18,776.00	18,776.00	18,776.00	-	-	-
Debt Service:						
Payment of Bond Principal	175,000.00	175,000.00	175,000.00	-	-	-
Payment of Anticipation Notes	6,324.00	6,324.00	6,324.00	-	-	-
Interest on Bonds	36,545.00	36,545.00	36,545.00	-	-	-
Interest on Bond Anticipation Notes	56,740.00	56,740.00	56,740.00	-	-	-
Water and Waste Water Supply Loan	321,981.00	321,981.00	321,981.00	-	-	-
Statutory Expenditures:						
Public Employees' Retirement System	79,500.00	79,500.00	79,500.00	-	-	-
Social Security System (O.A.S.I.)	74,000.00	74,000.00	74,000.00	-	-	-
Unemployment Insurance	2,000.00	2,000.00	-	-	2,000.00	-
	<u>\$ 3,329,883.00</u>	<u>\$ 3,329,883.00</u>	<u>\$ 3,052,906.95</u>	<u>\$ 101,133.34</u>	<u>\$ 175,842.71</u>	<u>\$ -</u>
	<u>Ref</u>	<u>D-1</u>		<u>D</u>	<u>D</u>	<u>D-1</u>
Disbursements	D-5		\$ 2,912,116.01			
Accrued Interest on Bond, Loans and Notes	D-9		<u>140,790.94</u>			
			<u>\$ 3,052,906.95</u>			

The accompanying notes to financial statements are an integral part of the financial statements.

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL FIXED ASSETS ACCOUNT GROUP
STATUTORY BASIS
STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS

	<u>2023</u>	<u>2022</u>
General Fixed Assets:		
Land	\$ 90,835.99	\$ 90,835.99
Buildings and Improvements	1,175,452.55	1,175,452.55
Equipment	1,885,459.82	1,885,459.82
Motor Vehicles and Equipment	<u>3,997,143.51</u>	<u>3,997,143.51</u>
	<u>\$ 7,148,891.87</u>	<u>\$ 7,148,891.87</u>
Investment in General Fixed Assets	<u>\$ 7,148,891.87</u>	<u>\$ 7,148,891.87</u>

The accompanying notes to financial statements are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Hightstown is located in the eastern portion of Mercer County, New Jersey, 16 miles west of Trenton and approximately 51 miles south of New York City and 48 miles North of Philadelphia. The population, according to the 2020 census, is 5,900.

The Borough of Hightstown operates under the Borough form of government. The governing body consists of a Mayor and six Council members. All action is passed by a majority or, when required, a 2/3 vote of Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

The financial statements of the Borough of Hightstown, County of Mercer, 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 Board of Education, First Aid organization or Fire Company which are subject to a separate audit and accounting.

The Governmental Accounting Standards Board ("GASB") Statement 14 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. The Borough had no component units during 2023.

B. Descriptions of Funds

The GASB is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles. GASB Codification establishes seven major fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles ("GAAP").

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 GAAP:

Current Fund - revenues and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Animal Control Trust Fund - animal license revenues and expenditures.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Descriptions of Funds (Continued)

Other Trust 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.

Water-Sewer Utility Operating Fund - revenues and expenditures necessary to operate municipally-owned water supply and sewer collection systems 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.

Capital (General Fixed) Assets Account Group - used to account for fixed capital 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 HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
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. The status of deferred charges at December 31, 2023 is set forth in Note 4.

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 Statutes Annotated 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.

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

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Property Acquired for Taxes - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group 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.

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.

Capital (General Fixed) Assets - In accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed assets accounting and reporting system based on an inspection and historic cost analysis.

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.

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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Utility Fixed Assets - Accounting for utility fund "fixed capital" remains unchanged under the Requirements of Technical Accounting Directive No. 85-2.

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 balances 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.

Volunteer Length of Service Award Plan (LOSAP) - The Borough has established a volunteer Length of Service Award Plan ("LOSAP")("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of service award plan under section 457(e)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

D. Total Columns on Combined Balance Sheet for all Funds - Supplementary and Statistical Data - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

E. 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 an other 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.

F. 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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Standards

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement 99. Omnibus 2022.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:
 - Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.
 - Clarification of provisions in Statement No. 87, *Leases*.
 - Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
 - Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*
 - *Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for..*
 - Accounting for the distribution benefits (SNAP)
 - Disclosures related to nonmonetary transactions.
 - Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.
 - Terminology used in Statement 53 to refer to resource flows statements.

Effective Date: The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPSs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Standards (Continued)

- *GASB Statement 99. (Continued)*
 - The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023 and all reporting periods thereafter.
 - The Borough does not expect this Statement to impact its financial statements.
- *GASB Statement 100. Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62.* The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Effective Date: The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement 101. Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. Earlier application is encouraged.

The Borough does not expect this Statement to impact its financial statements.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Standards (Continued)

- *GASB Statement No. 102. Certain Risk Disclosures.* State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

- *GASB Statement No. 103. Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues – Management's Discussion and Analysis, Unusual or Infrequent Items, Presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information.

Effective Date: The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

H. Subsequent Event

Management has reviewed and evaluated all events and transactions from December 31, 2023 through April 29, 2025, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

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 \$6,935,290.35 and the book balance amount was \$6,701,772.22. Of this amount \$250,000.00 was covered by federal depository insurance and a collateral pool under New Jersey's Governmental Unit Deposit Protection Act covered the remaining \$6,685,290.35.

B. Investments

1. 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:
 - (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
 - (b) Government money market mutual funds.
 - (c) 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.
 - (d) 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.
 - (e) 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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

- (f) Municipal investment pools.
- (g) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c. 281; or
- (h) Agreements for the repurchase of fully collateralized securities, if:
 - (1) the underlying securities are permitted investments pursuant to paragraphs (a) and (c) of this section;
 - (2) the custody of collateral is transferred to a third party;
 - (3) the maturity of the agreement is not more than 30 days;
 - (4) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41);
 - (5) a master repurchase agreement providing for the custody and security of collateral is executed.
- 2. 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.
- 3. Investments are further regulated and restricted in accordance with N.J.S. 40A:5-15.1.

At year-end, the carrying value of the Borough's investments and the investment balance was \$ - 0 -.

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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 2. CASH AND CASH EQUIVALENTS (CONTINUED)

D. Credit Risk Categories

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

Category 1	Deposits covered by federal depository insurance, or by collateral held by the Borough or its agent, in the Borough's name.	6,935,290.35
Category 2	Deposits covered by collateral held by the pledging financial institution's trust department, or by its agent, in the Borough's name.	None
Category 3	Deposits covered by collateral, held by the pledging financial institution, or its trust department, or its agent but not in the Borough's name.	None

NOTE 3. 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, Regional 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.

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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 4. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023, there were deferred charges to be raised as follows:

Water-Sewer Utility Operating Fund:		
Deficit in operations - 2023	\$	595.27
Water-Sewer Utility Capital Fund:		
Overexpenditure of Improvement Authorization- Ord. #20-17	\$	63,601.50

NOTE 5. CAPITAL (GENERAL FIXED) ASSETS

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

	Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	Balance <u>Dec. 31, 2023</u>
General Fixed Assets:			
Land	\$ 90,835.99	\$ -	\$ 90,835.99
Buildings and Improvements	1,175,452.55	-	1,175,452.55
Equipment	1,885,459.82	-	1,885,459.82
Motor Vehicles and Equipment	<u>3,997,143.61</u>	<u>-</u>	<u>3,997,143.61</u>
	<u>\$ 7,148,891.97</u>	<u>\$ -</u>	<u>\$ 7,148,891.97</u>

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	\$ 91,515.27	\$ 123,635.29

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT

A. Long-Term 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.

The Borough's long-term debt is summarized as follows:

General Capital Fund

\$4,960,000 Obligation Bonds, Series 2018. Remaining annual maturities of \$400,000 to \$480,000 at interest rates ranging from 2.50% to 5.00% through April 1, 2030.

\$	3,280,000	*
\$	3,280,000	

Water-Sewer Utility Capital Fund

Water-Sewer Utility Capital Fund - Serial Bonds:

\$1,040,000 Water-Sewer System Refunding Bonds, Series 2018. Remaining annual maturities of \$95,000 to \$105,000 at an interest rate of 3.342% through April 1, 2028.

\$	500,000	**
----	---------	----

\$875,000 Water-Sewer System Bonds, Series 2018. Remaining annual maturities of \$70,000 to \$75,000 at interest rates ranging from 2.50% to 5.00% through April 1, 2030.

	525,000	*
\$	1,025,000	

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

Redemption

* The 2018 Series Bonds maturing prior to April 1, 2026 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after April 1, 2026 are redeemable at the option of the Borough, in whole or in part, on any date on or after April 1, 2025 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

** The General Obligation Refunding Bonds 2018 are not subject to early redemption.

The General Capital Fund Bonds and Loans and Water-Sewer Utility Capital Fund Bonds mature serially in installments to the year 2030. Aggregate annual bonded indebtedness debt service requirements are as follows:

BONDS:

General Capital

General Improvement Bonds			
<u>Year</u>	<u>2018</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 480,000	\$ 103,200	\$ 583,200
2025	480,000	79,200	559,200
2026	480,000	61,200	541,200
2027	480,000	48,000	528,000
2028	<u>480,000</u>	<u>33,600</u>	<u>513,600</u>
	<u>2,400,000</u>	<u>325,200</u>	<u>2,725,200</u>
2029	480,000	19,200	499,200
2030	<u>400,000</u>	<u>6,000</u>	<u>406,000</u>
	<u>880,000</u>	<u>25,200</u>	<u>905,200</u>
	<u>\$ 3,280,000</u>	<u>\$ 350,400</u>	<u>\$ 3,630,400</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

BONDS: (Continued)

Water-Sewer Utility

General Improvement Bonds						
Year	2018-R			2018		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 105,000	\$ 14,955	\$ 119,955	\$ 75,000	\$ 16,500	\$ 91,500
2025	100,000	11,530	111,530	75,000	12,750	87,750
2026	100,000	8,188	108,188	75,000	9,938	84,938
2027	100,000	4,846	104,846	75,000	7,875	82,875
2028	95,000	1,587	96,587	75,000	5,625	80,625
	<u>500,000</u>	<u>41,106</u>	<u>541,106</u>	<u>375,000</u>	<u>52,688</u>	<u>427,688</u>
2029	-	-	-	75,000	3,375	78,375
2030	-	-	-	75,000	1,125	76,125
	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>4,500</u>	<u>154,500</u>
	<u>\$ 500,000</u>	<u>\$ 41,106</u>	<u>\$ 541,106</u>	<u>\$ 525,000</u>	<u>\$ 57,188</u>	<u>\$ 582,188</u>

General Improvement Bonds			
Year	Grand Total		
	Principal	Interest	Total
2024	\$ 180,000	\$ 31,455	\$ 211,455
2025	175,000	24,280	199,280
2026	175,000	18,126	193,126
2027	175,000	12,721	187,721
2028	170,000	7,212	177,212
	<u>875,000</u>	<u>93,794</u>	<u>968,794</u>
2029	75,000	3,375	78,375
2030	75,000	1,125	76,125
	<u>150,000</u>	<u>4,500</u>	<u>154,500</u>
	<u>\$ 1,025,000</u>	<u>\$ 98,294</u>	<u>\$ 1,123,294</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

LOAN:

NJDEP Green Acres Loan

The loan from the NJ Department of Environmental Protection was for \$156,250 commencing June 10, 2011 through June 10, 2030 at interest rate of 2.0%; principal and interest payment at \$9,925.47 per year.

Peddie Lake Dam Restoration Loan

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 8,764.74	\$ 1,160.73	\$ 9,925.47
2025	8,940.92	984.56	9,925.48
2026	9,120.63	804.84	9,925.47
2027	9,303.95	621.51	9,925.46
2028	9,490.96	434.50	9,925.46
	<u>45,621.20</u>	<u>4,006.14</u>	<u>49,627.34</u>
2029	9,681.73	243.74	9,925.47
2030	4,913.60	49.14	4,962.74
	<u>14,595.33</u>	<u>292.88</u>	<u>14,888.21</u>
Total	\$ <u>60,216.53</u>	\$ <u>4,299.02</u>	\$ <u>64,515.55</u>

Summary of General Capital Debt

<u>Year</u>	<u>Bonded Indebtedness</u>	<u>NJDEP Loan</u>	<u>Total</u>
2024	\$ 583,200.00	\$ 9,925.47	\$ 593,125.47
2025	559,200.00	9,925.48	569,125.48
2026	541,200.00	9,925.47	551,125.47
2027	528,000.00	9,925.46	537,925.46
2028	513,600.00	9,925.46	523,525.46
	<u>2,725,200.00</u>	<u>49,627.34</u>	<u>2,774,827.34</u>
2029	499,200.00	9,925.47	509,125.47
2030	406,000.00	4,962.74	410,962.74
	<u>905,200.00</u>	<u>14,888.21</u>	<u>920,088.21</u>
	\$ <u>3,630,400.00</u>	\$ <u>64,515.55</u>	\$ <u>3,694,915.55</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank

In May of 2010 the Borough has a no interest federal (fund) loan in the amount of \$1,451,250 and a state (trust) loan for \$495,000 at interest rates from 3.50% to 5.00%. The Borough must repay the loan in semi-annual installments over twenty years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 77,745.52	\$ 28,000.00	\$ 7,520.00
2025	77,745.52	28,000.00	6,400.00
2026	77,745.52	33,000.00	5,280.00
2027	77,745.52	33,000.00	3,960.00
2028	77,745.52	33,000.00	2,640.00
	<u>388,727.60</u>	<u>155,000.00</u>	<u>25,800.00</u>
2029	77,745.81	33,000.00	1,320.00
	<u>77,745.81</u>	<u>33,000.00</u>	<u>1,320.00</u>
Total	<u>\$ 466,473.41</u>	<u>\$ 188,000.00</u>	<u>\$ 27,120.00</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank (Continued)

In May 2012, the Borough received loans from the State of New Jersey to fund Water Treatment Facility Improvements. The Borough has a no interest federal (fund) loan in the amount of \$685,482 and a state (trust) loan for \$238,918 at interest rates from 2.10% to 3.14%. The Borough must repay the loan in semi-annual installments over twenty years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 36,078.00	\$ 12,657.00	\$ 3,025.80
2025	36,078.00	12,924.00	2,758.72
2026	36,078.00	13,213.00	2,470.50
2027	36,078.00	13,521.00	2,162.62
2028	36,078.00	13,907.00	1,775.90
	<u>180,390.00</u>	<u>66,222.00</u>	<u>12,193.54</u>
2029	36,078.00	14,317.00	1,365.64
2030	36,078.00	14,751.00	931.82
2031	36,078.00	15,206.00	477.48
	<u>108,234.00</u>	<u>44,274.00</u>	<u>2,774.94</u>
Total	<u>\$ 288,624.00</u>	<u>\$ 110,496.00</u>	<u>\$ 14,968.48</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank (Continued)

In May 2012, the Borough received loans from the State of New Jersey to fund Advanced Waste Water Treatment Plant Improvements. The Borough has a no interest federal (fund) loan in the amount of \$813,055 and a state (trust) loan for \$283,382 at interest rates from 2.10% to 3.14%. The Borough must repay the loan in semi-annual installments over twenty years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 42,792.36	\$ 15,013.00	\$ 3,588.86
2025	42,792.36	15,330.00	3,272.08
2026	42,792.36	15,672.00	2,930.22
2027	42,792.36	16,037.00	2,565.06
2028	42,792.36	16,495.00	2,106.40
	<u>213,961.80</u>	<u>78,547.00</u>	<u>14,462.62</u>
2029	42,792.36	16,982.00	1,619.78
2030	42,792.36	17,497.00	1,105.22
2031	42,792.52	18,035.00	566.30
	<u>128,377.24</u>	<u>52,514.00</u>	<u>3,291.30</u>
Total	<u>\$ 342,339.04</u>	<u>\$ 131,061.00</u>	<u>\$ 17,753.92</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank (Continued)

In May 2017, the Borough received loans from the State of New Jersey to fund Water-Sewer Plant Improvements. The Borough has a no interest federal (fund) loan in the amount of \$259,627 with principal forgiveness of \$173,085 and a state (trust) loan for \$80,000 at interest rates from 3.125% to 5.00%. The Borough must repay the loan in semi-annual installments over sixteen years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 5,192.52	\$ 5,000.00	\$ 1,706.26
2025	5,192.52	5,000.00	1,456.26
2026	5,192.52	5,000.00	1,206.26
2027	5,192.52	5,000.00	1,056.26
2028	5,192.52	5,000.00	906.26
	<u>25,962.60</u>	<u>25,000.00</u>	<u>6,331.30</u>
2029	5,192.52	5,000.00	756.26
2030	5,192.52	5,000.00	606.26
2031	5,192.52	5,000.00	456.26
2032	5,192.52	5,000.00	306.26
2033	1,012.52	5,000.00	156.26
	<u>21,782.60</u>	<u>25,000.00</u>	<u>2,281.30</u>
Total	<u>\$ 47,745.20</u>	<u>\$ 50,000.00</u>	<u>\$ 8,612.60</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank (Continued)

In May 2018, the Borough received loans from the State of New Jersey to fund Water-Sewer Plant Improvements. The Borough has a no interest federal (fund) loan in the amount of \$963,975 and a state (trust) loan for \$330,000 at interest rates from 3.73% to 3.75%. The Borough must repay the loan in semi-annual installments over thirty years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 32,493.52	\$ 10,000.00	\$ 10,706.24
2025	32,493.52	10,000.00	10,206.24
2026	32,493.52	10,000.00	9,706.24
2027	32,493.52	10,000.00	9,206.24
2028	32,493.52	10,000.00	8,706.24
	<u>162,467.60</u>	<u>50,000.00</u>	<u>48,531.20</u>
2029	32,493.52	10,000.00	8,406.24
2030	32,493.52	10,000.00	8,106.24
2031	32,493.52	10,000.00	7,806.24
2032	32,493.52	10,000.00	7,506.24
2033	32,493.52	10,000.00	7,193.74
	<u>162,467.60</u>	<u>50,000.00</u>	<u>39,018.70</u>
2034	32,493.52	10,000.00	6,881.24
2035	32,493.52	10,000.00	6,556.24
2036	32,493.52	10,000.00	6,231.24
2037	32,493.52	15,000.00	5,893.74
2038	32,493.52	15,000.00	5,387.50
	<u>162,467.60</u>	<u>60,000.00</u>	<u>30,949.96</u>
2039	32,493.52	15,000.00	4,881.24
2040	32,493.52	15,000.00	4,375.00
2041	32,493.52	15,000.00	3,850.00
2042	32,493.52	15,000.00	3,325.00
2043	32,493.52	15,000.00	2,800.00
	<u>162,467.60</u>	<u>75,000.00</u>	<u>19,231.24</u>
2044	32,493.52	15,000.00	2,275.00
2045	32,493.52	15,000.00	1,750.00
2046	10,516.61	15,000.00	1,225.00
2047	-	20,000.00	700.00
	<u>75,503.65</u>	<u>65,000.00</u>	<u>5,950.00</u>
Total	\$ <u>725,374.05</u>	\$ <u>300,000.00</u>	\$ <u>143,681.10</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank (Continued)

In May 2022 the Borough received loans from the State of New Jersey to fund Water-Sewer Plant Improvements. The Borough has a no interest federal (fund) loan in the amount of \$324,073 and a state (trust) loan for \$315,000 at interest rates from 3.25% to 5.00%. The Borough must repay the loan in semi-annual installments over thirty years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 10,923.79	\$ 5,000.00	\$ 12,500.00
2025	10,923.79	5,000.00	12,250.00
2026	10,923.79	5,000.00	12,000.00
2027	10,923.79	5,000.00	11,750.00
2028	10,923.79	5,000.00	11,500.00
	<u>54,618.95</u>	<u>25,000.00</u>	<u>60,000.00</u>
2029	10,923.79	10,000.00	11,250.00
2030	10,923.79	10,000.00	10,750.00
2031	10,923.79	10,000.00	10,250.00
2032	10,923.79	10,000.00	9,750.00
2033	10,923.79	10,000.00	9,250.00
	<u>54,618.95</u>	<u>50,000.00</u>	<u>51,250.00</u>
2034	10,923.79	10,000.00	8,750.00
2035	10,923.79	10,000.00	8,425.00
2036	10,923.79	10,000.00	8,087.50
2037	10,923.79	10,000.00	7,750.00
2038	10,923.79	10,000.00	7,412.50
	<u>54,618.95</u>	<u>50,000.00</u>	<u>40,425.00</u>
2039	10,923.79	10,000.00	7,062.50
2040	10,923.79	10,000.00	6,712.50
2041	10,923.79	10,000.00	6,362.50
2042	10,923.79	15,000.00	6,012.50
2043	10,923.79	15,000.00	5,468.76
	<u>54,618.95</u>	<u>60,000.00</u>	<u>31,618.76</u>
2044	10,923.79	15,000.00	4,925.00
2045	10,923.79	15,000.00	4,400.00
2046	10,923.79	15,000.00	3,800.00
2047	10,923.79	15,000.00	3,200.00
2048	10,923.79	15,000.00	2,600.00
	<u>54,618.95</u>	<u>75,000.00</u>	<u>18,925.00</u>
2049	10,923.79	15,000.00	2,000.00
2050	10,923.79	15,000.00	1,400.00
2051	10,924.35	20,000.00	800.00
	<u>32,771.93</u>	<u>50,000.00</u>	<u>4,200.00</u>
Total	\$ <u>305,866.68</u>	\$ <u>310,000.00</u>	\$ <u>206,418.76</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

NJI-Bank (Continued)

In May 2023 the Borough received loans from the State of New Jersey to fund Water-Sewer Plant Improvements. The Borough has a no interest federal (fund) loan in the amount of \$145,378 and a state (trust) loan for \$125,538 at interest rates from 3.03% to 5.00%. The Borough must repay the loan in semi-annual installments over fifteen years. Below is a maturity schedule for the loans.

<u>Year</u>	<u>Federal (Fund)</u>	<u>State (Trust)</u>	
	<u>Principal</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,608.09	\$ -	\$ 4,035.77
2025	9,912.14	5,000.00	5,675.30
2026	9,912.14	5,000.00	5,425.30
2027	9,912.14	5,000.00	5,175.30
2028	9,912.14	10,000.00	4,925.30
	<u>46,256.65</u>	<u>25,000.00</u>	<u>25,236.97</u>
2029	9,912.14	10,000.00	4,425.30
2030	9,912.14	10,000.00	3,925.30
2031	9,912.14	10,000.00	3,425.30
2032	9,912.14	10,000.00	2,925.30
2033	9,912.14	10,000.00	2,425.30
	<u>49,560.70</u>	<u>50,000.00</u>	<u>17,126.50</u>
2034	9,912.14	10,000.00	1,925.30
2035	9,912.14	10,000.00	1,425.30
2036	9,912.14	10,367.00	925.30
2037	9,912.14	10,181.00	611.18
2038	9,912.09	9,990.00	302.70
	<u>49,560.65</u>	<u>50,538.00</u>	<u>5,189.78</u>
Total	<u>\$ 145,378.00</u>	<u>\$ 125,538.00</u>	<u>\$ 47,553.25</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

Summary of the total for all NJI-Bank loans is as follows:

Year	Federal (Fund)		State (Trust)		Total
	Principal		Principal	Interest	
2024	\$ 211,833.80		\$ 75,670.00	\$ 43,082.93	\$ 330,586.73
2025	215,137.85		81,254.00	42,018.60	338,410.45
2026	215,137.85		86,885.00	39,018.52	341,041.37
2027	215,137.85		87,558.00	35,875.48	338,571.33
2028	215,137.85		93,402.00	32,560.10	341,099.95
	<u>1,072,385.20</u>		<u>424,769.00</u>	<u>192,555.63</u>	<u>1,689,709.83</u>
2029	215,138.14		99,299.00	29,143.22	343,580.36
2030	137,392.33		67,248.00	25,424.84	230,065.17
2031	137,392.49		68,241.00	22,981.58	228,615.07
2032	58,521.97		35,000.00	20,487.80	114,009.77
2033	54,341.97		35,000.00	19,025.30	108,367.27
	<u>602,786.90</u>		<u>304,788.00</u>	<u>117,062.74</u>	<u>1,024,637.64</u>
2034	53,329.45		30,000.00	17,556.54	100,885.99
2035	53,329.45		30,000.00	16,406.54	99,735.99
2036	53,329.45		30,367.00	15,244.04	98,940.49
2037	53,329.45		35,181.00	14,254.92	102,765.37
2038	53,329.40		34,990.00	13,102.70	101,422.10
	<u>266,647.20</u>		<u>160,538.00</u>	<u>76,564.74</u>	<u>503,749.94</u>
2039	43,417.31		25,000.00	11,943.74	80,361.05
2040	43,417.31		25,000.00	11,087.50	79,504.81
2041	43,417.31		25,000.00	10,212.50	78,629.81
2042	43,417.31		30,000.00	9,337.50	82,754.81
2043	43,417.31		30,000.00	8,268.76	81,686.07
	<u>217,086.55</u>		<u>135,000.00</u>	<u>50,850.00</u>	<u>402,936.55</u>
2044	43,417.31		30,000.00	7,200.00	80,617.31
2045	43,417.31		30,000.00	6,150.00	79,567.31
2046	21,440.40		30,000.00	5,025.00	56,465.40
2047	10,923.79		35,000.00	3,900.00	49,823.79
2048	10,923.79		15,000.00	2,600.00	28,523.79
	<u>130,122.60</u>		<u>140,000.00</u>	<u>24,875.00</u>	<u>294,997.60</u>
2049	10,923.79		15,000.00	2,000.00	27,923.79
2050	10,923.79		15,000.00	1,400.00	27,323.79
2051	10,924.35		20,000.00	800.00	31,724.35
	<u>32,771.93</u>		<u>50,000.00</u>	<u>4,200.00</u>	<u>86,971.93</u>
Total	<u>\$ 2,321,800.38</u>		<u>\$ 1,215,095.00</u>	<u>\$ 466,108.11</u>	<u>\$ 4,003,003.49</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

A. Long-Term Debt (Continued)

Summary of Water-Sewer Utility Capital Debt is as follows:

Year	Total for		Total
	<u>Bond Indebtedness</u>	<u>NJI-Bank</u>	
2024	\$ 211,455.00	\$ 330,586.73	\$ 542,041.73
2025	199,280.00	338,410.45	537,690.45
2026	193,125.00	341,041.37	534,166.37
2027	187,721.00	338,571.33	526,292.33
2028	177,213.00	341,099.95	518,312.95
	<u>968,794.00</u>	<u>1,689,709.83</u>	<u>2,658,503.83</u>
2029	78,375.00	343,580.36	421,955.36
2030	76,125.00	230,065.17	306,190.17
2031	-	228,615.07	228,615.07
2032	-	114,009.77	114,009.77
2033	-	108,367.27	108,367.27
	<u>154,500.00</u>	<u>1,024,637.64</u>	<u>1,179,137.64</u>
2034	-	100,885.99	100,885.99
2035	-	99,735.99	99,735.99
2036	-	98,940.49	98,940.49
2037	-	102,765.37	102,765.37
2038	-	101,422.10	101,422.10
	<u>-</u>	<u>503,749.94</u>	<u>503,749.94</u>
2039	-	80,361.05	80,361.05
2040	-	79,504.81	79,504.81
2041	-	78,629.81	78,629.81
2042	-	82,754.81	82,754.81
2043	-	81,686.07	81,686.07
	<u>-</u>	<u>402,936.55</u>	<u>402,936.55</u>
2044	-	\$ 80,617.31	\$ 80,617.31
2045	-	79,567.31	79,567.31
2046	-	56,465.40	56,465.40
2047	-	49,823.79	49,823.79
2048	-	28,523.79	28,523.79
	<u>-</u>	<u>294,997.60</u>	<u>294,997.60</u>
2049	-	27,923.79	27,923.79
2050	-	27,323.79	27,323.79
2051	-	31,724.35	31,724.35
	<u>-</u>	<u>86,971.93</u>	<u>86,971.93</u>
Total	<u>\$ 1,123,294.00</u>	<u>\$ 4,003,003.49</u>	<u>\$ 5,126,297.49</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

B. Short-Term Debt

Bond Anticipation Notes

At December 31, 2023, the Borough's outstanding Bond Anticipation Notes (BAN) are as follows:

<u>Capital Fund</u>	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Payment Required</u>	
				<u>First</u>	<u>Final</u>
General	4.25 %	12/30/2020	\$ 1,084,750.00	2023	2031
General	4.25	9/29/2022	1,103,000.00	2022	2033
General	4.25	9/27/2023	<u>1,483,250.00</u>	2026	2034
			<u>\$ 3,671,000.00</u>		
Water-Sewer	4.25 %	9/30/2021	\$ 520,000.00	2023	2030
Water-Sewer	4.25	12/30/2020	323,676.00	2023	2031
Water-Sewer	4.25	9/29/2022	185,000.00	2025	2033
Water-Sewer	4.25	9/27/2023	<u>140,324.00</u>	2026	2034
			<u>\$ 1,169,000.00</u>		
			<u>\$ 4,840,000.00</u>		

Subsequent Events

General Capital BAN's:

On June 26, 2024 the Borough issued \$4,081,000 of BAN's consisting of new money of \$500,000, a rollover of \$3,581,000, which was net of a budgeted down-payment of \$90,000. The BAN matures on March 25, 2025 and is at an interest rate of 4.50%.

On March 24, 2025 the Borough issued \$5,080,000 of BAN's consisting of new money of \$1,137,000 which was net of a budgeted down payment of \$138,000. The BAN matures on March 23, 2026 and is at an interest rate of 4.00%.

Water-Sewer BAN's:

On June 26, 2024 the Borough issued \$1,278,000 of BAN's consisting of new money of \$123,000 and a rollover of \$1,155,000. The BAN matures on March 25, 2025 and is at an interest rate of 4.50%.

On March 24, 2025 the Borough issued \$1,452,600 of BAN's consisting of new money of \$146,600 which was net of a budgeted down-payment of \$22,000 which was net a budgeted paydown of \$14,000. The BAN matures on March 23, 2026 and is at an interest rate of 4.00%.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

C. Bonds and Notes Authorized but not Issued

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

General Capital Fund	\$ 1,910,909.97
Water-Sewer Utility Capital Fund	\$ 6,045,520.00

Subsequent Events:

During 2024 the Borough's Water-Sewer Utility adopted three (3) bond ordinances for system improvements. The total of \$1,573,000 is funded by Capital Improvement Funds of \$11,000 and bonds and notes authorized of \$1,562,000.

During 2024 the Borough's General Capital Fund adopted three (3) bond ordinances for various improvements. The total of \$1,655,400 was funded by capital improvement funds of \$25,900, grants of \$478,710 and bonds and notes authorized of \$1,150,790.

During 2025 the Borough adopted a bond ordinance for improvements to the Borough's water treatment plant. The total of \$1,200,000 is funded by capital improvement funds of \$60,000, and bonds and notes anticipated of \$1,140,000.

At December 31, 2024 Bonds and Notes Authorized but Not Issued (*unaudited*) were as follows:

General Capital Fund	\$ 2,608,082.09
Water-Sewer Utility Capital Fund	\$ 7,117,481.00

D. Borrowing Power

New Jersey statutes limit the debt of a municipality to 3½% of the average of the last three preceding years equalized valuations of the taxable real estate and improvements. The Borough's statutory net debt percentage at December 31, 2023 was 2.18%. The Borough's remaining borrowing power is 1.32%.

Subsequent Event

The Borough's statutory net debt percentage at December 31, 2024 was 2.168% resulting in a remaining borrowing power of 1.332%.

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

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 7. DEBT (Continued)

D. Borrowing Power (Continued)

Calculation of "Self-Liquidating Purpose", Water-Sewer Utility Per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents and Other Charges for the Year		\$ 3,173,962.70
Deductions:		
Operating and Maintenance Costs	\$ 2,714,517.00	
Debt Service	<u>596,590.00</u>	
		<u>3,311,107.00</u>
Excess/(Deficit) in Revenue		<u>\$ (137,144.30)</u>

There was a deficit in revenue of \$137,144.30 and as such, the water-sewer utility was not self-liquidating and therefore, based on the requirements \$2,742,886 (20 x \$137,144.30 (5%)) was not deductible from the gross debt and was factored into the net debt of the Borough.

Subsequent Event – In addition for the year ended December 31, 2024 the Water-Sewer Utility Fund was not self-liquidating.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 18,735,073.39
Net Debt	<u>11,665,012.50</u>
Remaining Borrowing Power	<u>\$ 7,070,060.89</u>

E. Summary of Debt Activity

During 2023 the following changes occurred in the debt of the Borough:

	Balance <u>Dec. 31, 2022</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>Dec. 31, 2023</u>
General Capital Fund:				
Serial Bonds	\$ 3,760,000.00		\$ 480,000.00	\$ 3,280,000.00
Peddie Lake Dam Restoration Loan	68,808.57		8,592.04	60,216.53
Bond Anticipation Notes	<u>2,663,000.00</u>	<u>\$ 1,084,750.00</u>	<u>76,750.00</u>	<u>3,671,000.00</u>
	<u>6,491,808.57</u>	<u>1,084,750.00</u>	<u>565,342.04</u>	<u>7,011,216.53</u>
Water-Sewer Utility Capital Fund:				
Serial Bonds	1,200,000.00		175,000.00	1,025,000.00
Bond Anticipation Notes	1,435,000.00	140,324.00	406,324.00	1,169,000.00
Loans Payable	<u>3,547,335.09</u>	<u>270,916.00</u>	<u>281,355.71</u>	<u>3,536,895.38</u>
	<u>6,182,335.09</u>	<u>411,240.00</u>	<u>862,679.71</u>	<u>5,730,895.38</u>
	<u>\$12,674,143.66</u>	<u>\$ 1,495,990.00</u>	<u>\$1,428,021.75</u>	<u>\$ 12,742,111.91</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS

Description of Systems

Substantially all of the Borough's full-time employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS).

Public Employees' Retirement System

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after twenty-five (25) years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System

The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit 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.nj.gov/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 benefit. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service 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 of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions Required to be Made

The contribution policy for PERS is set by N.J.S.A. 43:15A and for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Employee contributions for 2022 were seven and 50/100th percent (7.50%) for PERS and 10% for PFRS of the employee's base wages.

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 an option for local employers of PERS and 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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Contributions Required to be Made (Continued)

The Borough's contributions to the plan for the past three (3) years are as follows:

			PERS	
	2023		2022	2021
Covered Payroll	\$ 1,890,391	\$	1,614,795	\$ 1,666,083
Actuarial Contribution Requirements	309,042		252,891	253,869
Total Contributions Employer Share	309,042		252,891	253,869
Percent of Covered Employee - Payroll	16.35 %		15.66 %	15.24 %
Employee's Share	142,267		121,110	125,015
Percent of Covered Payroll	7.53 %		7.50 %	7.50 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Pension Deferral (PERS) – Chapter 19 P.L. 2009

In May of 2009 the Borough received approval from the State of New Jersey Local Finance Board to defer a portion of its 2009 pension liability for PERS in the amount of \$73,533. The repayment would be made over a fifteen (15) year period with interest beginning in 2013 and ending in 2027 and the amount paid in 2023 was \$11,526. The amount due on April 1, 2024 is \$11,669 and on April 1, 2025 \$11,719.

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation would be needed in the amount of \$3,437,404 since the obligation relates to the period December 31, 2023 and prior. The accrual (under GAAP) would affect the fund balance at yearend. The annual pension bill due on April 1, 2024 is \$282,132 and April 1, 2025 is \$323,310.

			PERS	
	2023		2022	2021
Covered Payroll	\$ 1,398,920	\$	1,382,078	\$ 1,320,672
Actuarial Contribution Requirements	479,314		389,061	378,359
Total Contributions Employer Share	479,314		389,061	378,359
Percent of Covered Employee - Payroll	34.26 %		28.15 %	28.65 %
Employee's Share	139,892		138,208	132,067
Percent of Covered Payroll	10.00 %		10.00 %	10.00 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Pension Deferral (PFRS) – Chapter 19 P.L. 2009

In May of 2009 the Borough received approval from the State of New Jersey Local Finance Board to defer a portion of its 2009 pension liability for PFRS in the amount of \$128,160. The repayment would be made over a fifteen (15) year period with interest beginning 2013 and ending 2027 and the amount paid in 2023 was \$19,496. The amount due on April 1, 2024 is \$19,770 and on April 1, 2025 \$19,932.

Pension (PFRS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PFRS obligation would be needed in the amount of \$3,925,648 since the obligation relates to the period December 31, 2023 and prior. The accrual (under GAAP) would affect the fund balance at yearend. The annual pension bill due on April 1, 2024 is \$512,388 and April 1, 2025 is \$531,946.

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2023 and June 30, 2022 Independent Auditor's Report dated May 24, 2024 and May 18, 2023, respectively.

The Borough's reported liability is \$4,252,749 and \$3,698,407 for its proportionate share of the net pension liability at December 31, 2023 and December 31, 2022, respectively. The net pension liability was measured as of [measurement date] June 30, 2023 and June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2022 and July 1, 2021 which were rolled forward. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, [Measurement Date]	
	2023	2022
Local Group Share	\$ 14,606,489,066	\$ 15,219,184,920
Borough Proportionate Percentage	0.0211093338 %	0.0245067590 %
Difference - Increase/(Decrease)	(0.0033974252) %	

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2023, the Borough's recognizable pension benefit of \$65,976. At December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 6,717	\$ 185,301
Net difference between expected and actual experience	29,234	12,498
Net difference between projected and actual investment earnings on pension plan investment	14,080	
Changes in proportion	372,208	604,289
Borough contributions subsequent to yearend	282,132	
Total	<u>\$ 704,371</u>	<u>\$ 802,088</u>

The \$282,132 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2023, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2024	\$ (414,962)
2025	(231,616)
2026	323,608
2027	(57,924)
2028	985
	<u>\$ (379,909)</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Public Employees Retirement System (PERS) (Continued)

Additional Information:

Collective (local employers) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$ 1,080,204,730	\$ 1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,219,184,920
Collective pension expense/(benefit)	(79,181,803)	(1,032,778,934)
Borough's proportion (of Local Group)	0.0211093380 %	0.0245067590 %

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

Mortality Rates:

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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return:

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

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

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

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate:

The following presents the collective net pension liability of the participating employers as of June 30, 2023 and June 30, 2022 (*measurement dates*), calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

December 31, 2023			
<i>[Measurement Date June 30, 2023]</i>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 3,980,286	\$ 4,252,749	\$ 2,272,189

December 31, 2022			
<i>[Measurement Date June 30, 2022]</i>			
	1% Decrease	At Current	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$ 4,751,370	\$ 3,698,407	\$ 2,802,293

Special Funding Situation – PERS:

A special funding situation exists for certain Local employers of the Public Employees' Retirement System. The State, as a nonemployer, is required to pay the additional costs incurred by local employers under Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The Chapter 366, P.L. 2001 legislation established the Prosecutors Part of the PERS which provides enhanced retirement benefits for prosecutors enrolled in the PERS. The State is liable for the increased pension costs to a county that resulted from the enrollment of prosecutors in the Prosecutors Part. The June 30, 2023 State special funding situation net pension liability amount of \$122.1 million is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2023, there is no net pension liability associated with this special funding situation there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation – PERS: (Continued)

As of June 30, 2023, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense of \$55.7 million, for the fiscal year ending June 30, 2023, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2023. The pension expense is deemed to be a State administrative expense due to the special funding situation.

The Borough has the following attributed to it related to the Special Funding Situation:

<u>December 31,</u>	<u>Borough's Proportionate Share</u>	<u>Employer's Pension Expense and Related Revenues</u>	
		<u>Ch.133 P.L. 2001 State Total</u>	<u>Borough's Share</u>
2023	0.0211894796 %	\$ 45,000,471	\$ 9,535
2022	0.0246046674	31,626,530	7,782
2021	- NOT AVAILABLE -		

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

The information for PFRS was abstracted from State of New Jersey Police and Firemen's Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2023 and June 30, 2022 Independent Auditor's Report dated May 24, 2024 and July 25, 2023, respectively.

The Borough's reported liability net is \$4,252,749 and \$4,218,511 for its proportionate share of the net pension liability at December 31, 2023 and December 31, 2022, respectively. The net pension liability was measured as of June 30, 2023 and June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of July 1, 2022 and July 1, 2021 which were rolled forward. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

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

	June 30, (Measurement Date)	
	<u>2023</u>	<u>2022</u>
Local Group Share	\$ 13,084,649,602	\$ 13,483,472,009
Borough Proportionate Percentage	0.0384906500 %	0.0368546200 %
Difference - Increase	0.0016360300 %	

For the year ended December 31, 2023, the Borough's recognizable pension benefit was \$512,388. At December 31, 2023, the Borough reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Changes of assumptions	\$ 9,179	\$ 287,162
Net difference between expected and actual experience	182,094	202,816
Net difference between projected and actual investment earnings on pension plan investment	216,584	
Changes in proportion	578,158	168,934
Borough contributions subsequent to yearend	<u>512,388</u>	
Total	<u>\$ 1,498,403</u>	<u>\$ 658,912</u>

The \$512,388 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2023, the *plan measurement date* is June 30, 2023) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2023.

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ 659,207
2024	632,626
2025	(1,017,831)
2026	87,541
2027	(31,346)
Thereafter	<u>(3,195)</u>
	<u>\$ 327,002</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

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

Additional Information:

Collective (local employers) balances at June 30, 2023 and June 30, 2022 are as follows:

	June 30, 2023	June 30, 2022
Collective deferred outflows of resources	\$ 1,753,080,638	\$ 2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective pension expense/(benefit)	844,810,693	165,943,124
Collective net pension liability		
Local Group	13,084,649,602	13,483,472,009
Less: Special Funding Situation (1)	<u>2,035,866,759</u>	<u>2,037,115,833</u>
	<u>\$ 11,048,782,843</u>	<u>\$ 11,446,356,176</u>
Borough's proportion (of Local Group)	0.0384900500 %	0.0368546200 %

(1) 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 that 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 nonemployer contributing entity. The State special funding situation net pension liability amount of \$2,035,866,759 and \$2,037,115,833 as of June 30, 2023 and June 30, 2022, respectively, are the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. 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 or deferred outflows or inflows 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 pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer 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.

However, the notes to the financial statements of the local 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.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

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

Additional Information: (Continued)

	State Proportionate Share Net Pension Liability Attributed to Borough	State Pension Expense Proportion
June 30, 2023	\$ 783,618.00	\$ 89,735.00
June 30, 2022	750,771.00	86,619.00
June 30, 2021	686,243.00	76,427.00

Actuarial Assumptions:

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions:

Inflation:	
Police	2.75%
Wages	3.25%
Salaries Increase:	
Through all Future Years	3.25 – 16.25% (based on years of services)
Investment Rate of Return	7.00 Percent

Mortality Rates:

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.

Long-Term Rate of Return:

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

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

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

Long-Term Rate of Return: (Continued)

Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate:

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

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate:

The following presents the collective net pension liability net of the Special Funding situation of the participating employers as of June 30, 2023 and June 30, 2022 (*measurement dates*), calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 8. PENSION PLANS (Continued)

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

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate: (Continued)

		December 31, 2023		
		<i>[Measurement Date June 30, 2023]</i>		
		At Current		
		1% Decrease	Discount Rate	1% Increase
		<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$	5,925,461	\$ 4,252,749	\$ 2,859,780

		December 31, 2022		
		<i>[Measurement Date June 30, 2022]</i>		
		At Current		
		1% Decrease	Discount Rate	1% Increase
		<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$	5,788,253	\$ 4,218,511	\$ 2,911,693

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System or by visiting their website at www.state.nj.us/treasury/pensions.

NOTE 9. FUND BALANCES

The fund balances at December 31, 2023 which have been appropriated and included as anticipated revenue in the year ending December 31, 2024 are as follows:

<u>Fund</u>	<u>Fund Balance</u> <u>December 31, 2023</u>	<u>Utilized in Budget of</u> <u>Succeeding Year (2024)</u>	<u>Percent of Fund</u> <u>Balance Used</u>
Current	\$ 1,324,585.00	\$ 1,030,874.60	77.83%
Water-Sewer	25,021.45	None	None

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 10. POST EMPLOYMENT RETIREMENT BENEFITS

The Borough does not provide post-retirement healthcare benefits for employees who retire.

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% 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.

The State's Total OPEB Liability for special funding situation for last three years is as follows:

June 30, 2023	\$ 3,489,093,208
June 30, 2022	3,373,809,587
June 30, 2021	3,861,357,890

The amount of the State's proportionate share of the net OPEB liability for special funding situation attributable to employees and retirees of the Borough of Hightstown for last three years is as follows:

	Number of <u>Employee</u>	State Proportionate Share of Net OPEB Liability Attributed to Borough	Employer OPEB Expense/(Benefit) & <u>Related Revenue</u>	<u>Percent</u>
June 30, 2023	26	\$ 2,607,696	\$ 835,465	0.132060 %
June 30, 2022	23	4,720,061	(774,189)	0.139903
June 30, 2021	23	5,465,636	(745,806)	0.289249

NOTE 11. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)

Description of System (Continued)

If an eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and adjusted for membership earnings or losses. It is a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

The contribution to the plan for the last three years is as follows.

	<u>Employer</u>	<u>Employee</u>
2023	\$ 7,109.42	\$ 13,034.02
2022	N/A	N/A
2021	N/A	N/A

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 12. RISK MANAGEMENT

Property and Liability Insurance

The Borough, together with other governmental units, are members of the Statewide Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ended December 31, 2023, the Fund provided coverage for Property, Boiler and Machinery, Automobile Liability, General Liability, Workmen's Compensation, Public Employee Blanket Bond and public officials surety bond coverage. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters that may have been caused or related to the Borough or its employees.

Statewide Municipal Joint Insurance Fund

At December 31, 2023 the Fund reported for all years combined, total assets of \$50,687,086, liabilities and reserves of \$38,834,575 which includes loss reserves of \$38,714,014 and an unrestricted net position balance of \$11,852,511. This represents the latest available information from their Annual Independent Audit Report dated June 28, 2024, which expressed a qualified opinion with respect to the IBNR's liability.

New Jersey Unemployment Compensation Insurance

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

Year Ended December 31,	Contributions		Interest Earned	Amount Reimbursed	Ending Balance
	Employer	Employee			
2023	\$ 7,000.00	\$ 7,816.45	\$ 918.40	\$ 1,631.62	\$ 81,994.58
2022	7,000.00	2,414.33	359.00	967.07	67,891.35
2021	None	4,803.51	383.15	None	59,085.09

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 13. CONTINGENT LIABILITIES

A. Accrued Sick and Vacation Benefits

The Borough of Hightstown has contractual agreements with two unions, which allow employees, upon retirement, to be compensated for unused sick time. Employees who retire will receive a lump sum payment for unused sick time at the latest daily rate for every full day earned and unused in an amount not to exceed \$15,000, credited on their employment records and certified by the Borough on the effective date of their retirement, at the prevailing rate of pay at the time of retirement.

Other union employees, upon retirement and depending upon their respective agreement, will be compensated at the rate of one day for every full day earned and unused, at the current rate of pay at the time of retirement, but not to exceed \$15,000. A similar policy exists for non-union employees.

All vacation time earned by employees can be carried over subject to a five (5) day limit and is to be paid to the employee, upon termination with the Borough, at the current rate of pay. The Borough's estimated total liability for unused sick and unused vacation time for the last three (3) years is as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Total Liability Unused</u> <u>Sick and Vacation</u>
2023	\$ 221,366
2022	202,848
2021	215,551

Management believes this amount approximates the calculation as required by GASB #16; however, the actual potential liability could ultimately be lower than the reported amount.

The Borough has not earmarked funds for the ultimate payout of compensated absences upon retirement; however, provisions are made annually for actual retirement.

B. 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 HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 13. CONTINGENT LIABILITIES (Continued)

C. Major Tax Assessments

Taxpayers in 2023 with assessments in excess of 1% of the total assessed valuation were as follows:

<u>Owner</u>	<u>Assessed Value</u>	<u>% of Total Assessed Value</u>
Presbyterian Homes at Meadow Lake	\$ 11,200,000.00	2.83%
Hightstown Development Assoc. LLC	9,552,000.00	2.41%
SJP/MCP/LAP - Hightstown c/o Pumerac	5,040,000.00	1.42%

D. 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 14. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current	\$ 575,836.79	\$ 2,857,508.65
Grant	150,345.15	-
Trust Other	245,257.40	44,150.00
Trust Payroll	7,970.28	47,534.62
Trust Unemployment	50,042.96	-
Animal Control Fund	659.32	-
General Capital	2,784,437.64	400,000.00
Water-Sewer Utility Operating	511,417.03	425,889.92
Water-Sewer Capital	-	550,883.38
	<u>\$ 4,325,966.57</u>	<u>\$ 4,325,966.57</u>

**BOROUGH OF HIGHTSTOWN
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023**

NOTE 15. LENGTH OF SERVICE AWARD PLAN

On December 17, 2001, the Division approved the Borough's Length of Service Award Plan, provided by Lincoln National Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln National Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for a fixed annual contribution of \$1,150 to each eligible volunteer who accumulates a minimum of 75 service points, based on criteria established by Borough Ordinance No. 99-20. The Borough's contribution for any given year is included in the next subsequent year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participant volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

<u>Applicable Year</u>	<u>Total</u>	<u>Per Member</u>
2023	\$ 20,250.00	\$ 750.00 - \$ 1,150.00
2022	18,200.00	750.00 - 1,150.00
2021	13,800.00	750.00 - 1,150.00

A separate Accountant Review Report as of December 31, 2023 revealed net position available for benefits of \$841,630.60 has prepared and submitted in conjunction with the audit.

Note 16. INTERLOCAL AGREEMENTS/SHARED SERVICES

Public Safety

The Agreement shall be for five (5) years, commencing on May 16, 2021 and ending May 15, 2026. The Agreement may be extended for two additional one-year terms with the agreement of both Parties. The Fee shall be \$196,630 for the first year of service. The Fee will be increased annually in an amount of two percent (2.0%) above the prior year's fee for years two (2) through five (5). The amount paid for 2023 was \$202,066.38. Notwithstanding the initial five (5) year term, either party may terminate this Agreement, with or without cause, upon 12 months written notice.

REQUIRED SUPPLEMENTARY SCHEDULES

BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
SCHEDULE OF BOROUGH CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS*

<u>Year</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Borough's covered- employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2023	\$ 309,042	\$ 309,042	None	\$ 1,890,391	16.35%
2022	252,891	252,891	None	1,614,795	15.66%
2021	253,869	253,869	None	1,666,083	15.24%
2020	218,424	218,424	None	1,603,412	13.62%
2019	228,646	228,646	None	1,656,554	13.80%
2018	213,657	213,657	None	1,650,745	12.94%
2017	204,612	204,612	None	1,587,077	12.89%
2016	209,457	209,457	None	1,551,245	13.50%
2015	204,791	204,791	None	1,617,734	12.66%
2014	189,679	189,679	None	1,630,202	11.64%

BOROUGH OF HIGHSTOWN
COUNTY OF MERCER
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)
LAST TEN (10) FISCAL YEARS*

<u>Year</u>	<u>Borough's proportion of the net pension liability (asset)</u>	<u>Borough's proportionate share of the net pension liability (asset)</u>	<u>Borough's covered- employee payroll</u>	<u>Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2023	0.021109333800 %	\$ 3,057,555	\$ 1,890,391	161.74%	65.23%
2022	0.024506790000	3,698,047	1,614,795	229.01%	62.91%
2021	0.021594013900	2,558,135	1,666,083	153.54%	70.34%
2020	0.023206645800	3,784,397	1,603,412	236.02%	58.32%
2019	0.022455205000	4,046,087	1,656,554	244.25%	56.27%
2018	0.022835960000	4,496,286	1,650,745	272.38%	53.60%
2017	0.023063316900	5,368,772	1,587,077	338.28%	48.69%
2016	0.023031887600	6,821,384	1,551,245	439.74%	47.92%
2015	0.024804247000	5,469,019	1,617,734	338.07%	47.92%
2014	0.024841652500	4,651,037	1,630,202	285.30%	52.08%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023.

BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
SCHEDULE OF BOROUGH CONTRIBUTIONS
POLICE AND FIREMAN RETIREMENT SYSTEM (PFRS)
LAST TEN (10) FISCAL YEARS*

<u>Year</u>	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Borough's covered- employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2023	\$ 479,314	\$ 479,314	None	\$ 1,398,920	34.26%
2022	389,061	389,061	None	1,382,672	28.14%
2021	378,359	378,359	None	1,320,672	28.65%
2020	367,527	367,527	None	1,185,284	31.01%
2019	316,401	316,401	None	1,134,792	27.88%
2018	256,456	256,456	None	1,186,162	21.62%
2017	227,335	227,335	None	1,108,037	20.52%
2016	260,330	260,330	None	939,823	27.70%
2015	228,288	228,288	None	891,986	25.59%
2014	260,330	260,330	None	944,522	27.56%

BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE AND FIREMAN RETIREMENT SYSTEM (PFRS)
LAST TEN (10) FISCAL YEARS*

<u>Year</u>	<u>Borough's proportion of the net pension liability (asset)</u>	<u>Borough's proportionate share of the net pension liability (asset)</u>	<u>Borough's covered- employee payroll</u>	<u>Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2023	0.038490650000 %	\$ 4,252,749	\$ 1,398,920	304.00%	70.16%
2022	0.036854620000	4,218,511	1,382,078	305.23%	68.33%
2021	0.033382489300	2,439,977	1,320,672	184.75%	77.26%
2020	0.033912359800	4,381,924	1,185,284	369.69%	63.52%
2019	0.036384827700	4,452,709	1,134,792	392.38%	64.99%
2018	0.032363510800	4,379,317	1,186,162	369.20%	62.48%
2017	0.028976796800	4,473,457	1,108,037	403.73%	58.61%
2016	0.027880212900	5,326,216	939,823	566.73%	47.99%
2015	0.032067860000	5,334,546	891,986	598.05%	52.01%
2014	0.031281930000	3,728,793	944,522	394.78%	58.70%

Notes to Required Supplementary Information:

Benefit Changes - There were none.

Changes of Assumptions - The discount rate remained unchanged from 7.00% as of June 30, 2022 to 7.00% as of June 30, 2023.

SUPPLEMENTARY – FUND AND ACCOUNT SCHEDULES

CURRENT FUND

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF CASH

	<u>Current Fund</u>	
Balance, December 31, 2022		\$ 4,099,148.22
Increased by Receipts:		
Taxes Receivable	\$ 18,986,705.60	
Tax Title Liens	2,632.39	
Revenue Accounts Receivable	1,654,108.44	
Nonbudget	35,923.64	
Prepaid Taxes	91,515.27	
Received from State of N.J. (Ch. 20, P.L. 1971)	16,279.45	
Tax Overpayments	7,049.90	
Interfunds:		
Animal Control Fund	891.00	
General Capital Fund	2,063,357.60	
Water-Sewer Utility Operating Fund	68,922.68	
Grant Fund		
Water-Sewer Utility Capital Fund	400,231.20	
Due to State of New Jersey	<u>10,646.00</u>	<u>23,338,263.17</u>
		\$ 27,437,411.39
Decreased by Disbursements:		
2022 Appropriation Reserves	\$ 655,690.41	
2023 Appropriations	7,387,237.21	
County Taxes	3,320,647.88	
Regional School District Tax	9,637,902.00	
Due to State of New Jersey	8,794.00	
Accounts Payable	51,558.78	
Prior Year Adjustment	3,003.38	
Interfunds:		
Grant Fund	260,024.75	
Water-Sewer Utility Operating Fund	315,380.00	
Water-Sewer Utility Capital Fund	553,225.10	
Miscellaneous Expenditure Charged to Fund Balance	<u>37,700.67</u>	<u>22,231,164.18</u>
Balance, December 31, 2023		<u><u>\$ 5,206,247.21</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY
(CH. 20, P.L. 1971)

Balance, December 31, 2022			\$ (500.00)
Increased by:			
Senior Citizens Deductions Per Tax Billings	\$ 2,000.00		
Veterans Deductions Per Tax Billings	15,000.00		
Deductions Allowed by Collector	<u>None</u>	<u>17,000.00</u>	
			\$ 16,500.00
Decreased by:			
Senior Citizens Deductions Disallowed by Collector:			
Current Year	\$ 182.88		
Prior Year	720.55		
Received from State of N.J.	<u>16,279.45</u>	<u>17,182.88</u>	
Balance, December 31, 2023			<u><u>\$ (682.88)</u></u>

Analysis of Amount for Taxes Receivable Schedule

Increased by:			
Deductions Per Tax Billings	\$ 17,000.00		
Deductions Allowed	<u>None</u>		
Decreased By:			
Disallowed	<u>182.88</u>		
Taxes Receivable			<u><u>\$ 16,817.12</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX YIELD

Year	Balance	2023	Added	Collections		Chap. 20	Transferred	Transfers	Balance
	Dec. 31, 2022	Levy	Taxes	2022	2023	P.L. 1971	From Tax	To Tax	Dec. 31, 2023
							Overpayments	Title Liens	
2022	\$ 224,877.75	-	\$ 3,403.78		\$ 223,898.43		\$ 1,699.87		\$ 2,683.23
	224,877.75	-	3,403.78	-	223,898.43	-	1,699.87	-	2,683.23
2023	-	\$ 19,209,978.05	-	\$ 123,635.29	18,762,807.17	\$ 16,817.12	-	\$ 17,526.64	289,191.83
	<u>\$ 224,877.75</u>	<u>\$ 19,209,978.05</u>	<u>\$ 3,403.78</u>	<u>\$ 123,635.29</u>	<u>\$ 18,986,705.60</u>	<u>\$ 16,817.12</u>	<u>\$ 1,699.87</u>	<u>\$ 17,526.64</u>	<u>\$ 291,875.06</u>

Analysis of 2023 Property Tax Levy:

Tax Yield:

General Property Tax	\$ 19,202,455.06	
Yield	1,512.02	
6% Penalty Added + Fees	6,010.97	
Total Tax Yield		<u>\$ 19,209,978.05</u>

Tax Levy:

Regional School District Taxes	\$ 9,637,902.00	
County Taxes:		
General County Levy	2,883,872.47	
County Library	297,709.36	
County Open Space Preservation	134,905.23	
Due County for Added and Omitted Taxes	NONE	12,954,389.06

Local Tax for Municipal Purposes
Add: Additional Taxes Levied
Local Taxes for Municipal Purposes Levied

\$ 6,248,066.00	
7,522.99	
NONE	6,255,588.99

\$ 19,209,978.05

Added 2022 Taxes	
Added tax	2,683.23
SC-Disallowed	720.55
	<u>\$ 3,403.78</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF TAX TITLE LIENS**

Balance, December 31, 2022	A		\$ 240,868.08
Increased by:			
Transfer from Taxes Receivable		\$ 17,526.64	
Other Charges		<u>2,159.20</u>	
			<u>19,685.84</u>
			260,553.92
Decreased by:			
Collections			<u>2,632.39</u>
Balance, December 31, 2023	A		<u><u>\$ 257,921.53</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

Exhibit A-8

CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2022		\$ 223,728.42
Increased by:		
Transfer from 2022 Appropriation Reserves	-	<u>25,257.13</u>
		\$ 248,985.55
Decreased by:		
Cancelled to Fund Balance	\$ 132,718.53	
Cash Disbursed	<u>51,558.78</u>	<u>184,277.31</u>
Balance, December 31, 2023		<u><u>\$ 64,708.24</u></u>

Exhibit A-9

SCHEDULE OF RESERVE FOR FIRE SAFETY AND CODE ENFORCEMENT

	<u>Balance Dec. 31, 2022</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance Dec. 31, 2023</u>
Code Enforcement - Property Maintenance Registration Fees	\$ 34,617.00	\$ -	\$ -	\$ 34,617.00
Fire Safety Fees	<u>5,500.00</u>	<u>-</u>	<u>-</u>	<u>5,500.00</u>
	<u><u>\$ 40,117.00</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40,117.00</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022	Accrued in 2023	Collected	Balance Dec. 31, 2023
Licenses:				
Alcoholic Beverages		\$ 7,500.00	\$ 7,500.00	-
Other	\$ (100.00)	22,999.00	22,899.00	-
Fees and Permits		20,073.11	20,073.11	-
Fines and Costs:				
Municipal Court	19,319.36	221,210.15	228,879.57	\$ 11,649.94
Interest and Costs on Taxes		48,232.53	48,232.53	-
Interest on Investments and Deposits		128,965.32	128,965.32	-
Lease of Borough Owned Property		77,760.82	77,760.82	-
	<u>\$ 19,219.36</u>	<u>\$ 526,740.93</u>	<u>\$ 534,310.35</u>	<u>\$ 11,649.94</u>
Consolidated Municipal Property Tax				-
Relief Aid		52,522.86	52,522.86	-
Energy Receipts Tax		507,030.72	507,030.72	-
		<u>\$ 559,553.58</u>	<u>\$ 559,553.58</u>	<u>-</u>
Uniform Construction Code Fees		<u>\$ 209,601.00</u>	<u>\$ 209,601.00</u>	<u>-</u>
Shared Services Agreement - Roosevelt Borough				-
Trash Collection		72,367.00	72,367.00	-
Shared Services Agreement - Roosevelt Borough				-
Trash Collection - Tipping Fees	1,942.26	30,151.26	30,050.25	2,043.27
	<u>\$ 1,942.26</u>	<u>\$ 102,518.26</u>	<u>\$ 102,417.25</u>	<u>\$ 2,043.27</u>
Uniform Fire Safety Act		10,898.58	10,898.58	-
CATV - Franchise Fee		27,383.16	27,383.16	-
The Peddie School - Gift		24,000.00	24,000.00	-
Verizon Franchise Fee		27,868.13	27,868.13	-
ARP Revenue Loss		125,000.00	125,000.00	-
Hightstown Housing Authority -				
Payment in Lieu of Taxes		33,076.39	33,076.39	-
		<u>\$ 248,226.26</u>	<u>\$ 248,226.26</u>	<u>-</u>
	<u>\$ 21,161.62</u>	<u>\$ 1,646,640.03</u>	<u>\$ 1,654,108.44</u>	<u>\$ 13,693.21</u>
		Cash Receipts	<u>\$ 1,654,108.44</u>	

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, 2022		Balance After	Paid or Charged		Balance
	Appropriation Reserve	Reserve for Encumbrances	Transfers and Encumbrances	Cash Disbursed	Transfer to Accounts Payable	Lapsed
General Administration						
Salaries and Wages	\$ 1,654.43		\$ 1,654.43			\$ 1,654.43
Other Expenses	1,718.50		1,718.50	\$ 225.25		1,493.25
Mayor and Council						
Salaries and Wages	0.28		0.28			0.28
Other Expenses	711.00		711.00			711.00
Municipal Clerk						
Salaries and Wages	3,981.44		3,981.44			3,981.44
Other Expenses	10,210.24	\$ 673.99	10,884.23	2,220.79		8,663.44
Elections						
Other Expenses	1,443.02		1,443.02			1,443.02
Office Supplies and Paper Products						
Other Expenses	2,475.10	4,191.57	6,666.67	4,933.48		1,733.19
Financial Administration						
Salaries and Wages	5,405.69		5,405.69			5,405.69
Other Expenses	2,932.72	100.00	3,032.72	619.99		2,412.73
Audit Services						
Other Expenses	16,000.00		16,000.00	7,218.50	\$ 8,781.50	-
Grant Writing and Administration						
Other Expenses	2,710.00		2,710.00	624.80		2,085.20
Central Computer (Data Processing Tech)						
Other Expenses	11,621.20	22,503.00	34,124.20	19,705.30	5,598.00	8,820.90
Tax Collection						
Salaries and Wages	5,037.21		5,037.21			5,037.21
Other Expenses	1,539.99	50.00	1,589.99	50.00		1,539.99
Tax Assessment						
Salaries and Wages	1,234.39		1,234.39			1,234.39
Other Expenses	177.79	214.89	392.68	214.89		177.79
Interest on Tax Appeals						
Other Expenses	100.00		100.00			100.00
Legal Services and Costs						
Other Expenses	9,072.22	1,354.25	10,426.47	10,287.06		139.41
Engineering Services						
Other Expenses	1,518.44	5,022.50	6,540.94	5,022.50		1,518.44
Historical Commission						
Other Expenses	2,081.81		2,081.81			2,081.81
Planning Board						
Salaries and Wages	1,399.18		1,399.18			1,399.18
Other Expenses	10,492.59	2,799.66	13,292.25	12,157.72		1,134.53
Insurance						
Insurance Deductibles	1,000.00	1,000.00	2,000.00	2,000.00		-
Unemployment Compensation Insurance	5,000.00		5,000.00		5,000.00	-
General Liability	27.88		27.88			27.88
Workers Compensation Insurance	0.20		0.20			0.20
Employee Group Health Insurance	63,170.15		63,170.15	446.38		62,723.77
Health Benefit Waiver	20,000.00		20,000.00			20,000.00
Police Department						
Salaries and Wages	50,875.07		50,875.07			50,875.07
Other Expenses	38,934.30	46,573.47	85,507.77	56,603.29	886.10	28,018.38
Emergency Management						
Other Expenses	2,000.00		2,000.00			2,000.00
Fire Department						
Other Expenses	4,236.63	34,664.26	38,900.89	37,132.78		1,768.11
Uniform Fire Safety						
Salaries and Wages	3,738.40		3,738.40			3,738.40
Other Expenses	3,505.54	5,140.39	8,645.93	6,372.20		2,273.73

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Balance December 31, 2022</u>		<u>Balance After</u>	<u>Paid or Charged</u>		<u>Balance Lapsed</u>
	<u>Appropriation Reserve</u>	<u>Reserve for Encumbrances</u>	<u>Transfers and Encumbrances</u>	<u>Cash Disbursed</u>	<u>Transfer to Accounts Payable</u>	
First Aid Organization:						
Other Expenses	\$ 1,397.27	\$ 14,633.85	\$ 16,031.12	\$ 14,512.98		\$ 1,518.14
Municipal Prosecutor						
Salaries and Wages	14,400.00		14,400.00			14,400.00
Streets and Roads						
Salaries and Wages	14,215.20		14,215.20			14,215.20
Other Expenses	54,250.84	14,931.22	69,182.06	14,656.29		54,525.77
Snow Removal						
Salaries and Wages	4,000.00		4,000.00			4,000.00
Other Expenses	5,000.00		5,000.00			5,000.00
Sanitation/Solid Waste Collection						
Salaries and Wages	6,118.10		6,118.10			6,118.10
Other Expenses	16,875.99	4,926.52	21,802.51	4,951.52		16,850.99
Public Buildings and Grounds						
Salaries and Wages	2,017.96		2,017.96			2,017.96
Other Expenses	1,159.35	10,915.09	12,074.44	7,583.94		4,490.50
Recycling						
Salaries and Wages	7,904.83		7,904.83			7,904.83
Other Expenses	15,649.55	3,751.24	19,400.79	4,985.74		14,415.05
Vehicle Maintenance						
Other Expenses	10,303.31	15,987.31	26,290.62	13,884.87	\$ 326.03	12,079.72
Community Services / Condominium Act						
Other Expenses	42,000.00		42,000.00			42,000.00
Board of Health						
Salaries and Wages	6,601.04		6,601.04			6,601.04
Other Expenses	8,106.91	205.80	8,312.71	850.66		7,462.05
Environmental Commission						
Other Expenses	718.75	2,000.00	2,718.75	2,000.00		718.75
Maintenance of Parks						
Salaries and Wages	2,281.62		2,281.62			2,281.62
Recreation & Open Space						
Salaries and Wages	262.50		262.50			262.50
Other Expenses	15,111.27		15,111.27			15,111.27
Cultural Arts Commission						
Other Expenses	3,774.90	0.10	3,775.00			3,775.00
Celebration of Public Events:						
Other Expenses	1,019.05		1,019.05			1,019.05
Postage and Shipping Charges						
Other Expenses	6.49	24.00	30.49	24.00		6.49
Animal Control						
Other Expenses	1,675.00	50.00	1,725.00	50.00		1,675.00
Utilities						
Gasoline and Diesel Fuel	11,998.01		11,998.01	5,546.85		6,451.16
Electricity	8,845.64	446.73	9,292.37	2,458.63		6,833.74
Telephone	3,378.00	2,431.03	5,809.03	3,007.63		2,801.40
Natural Gas and Heating Oil	1,688.51	2,326.35	4,014.86	3,047.12		967.74
Street Lighting	3,473.82		3,473.82			3,473.82
Landfill Disposal Costs						
Other Expenses	194.53	34,911.84	35,106.37	34,911.84		194.53
Municipal Court						
Salaries and Wages	37.52		37.52			37.52
Other Expenses	28,848.15	63.80	28,911.95	896.14		28,015.81
Construction Official						
Salaries and Wages	5,250.36		5,250.36			5,250.36
Other Expenses	4,199.93	539.28	4,739.21	539.28		4,199.93
Housing Code Enforcement						
Salaries and Wages	2,357.74		2,357.74			2,357.74
Other Expenses	926.60		926.60	118.99		807.61
Contribution to:						
Public Employees' Retirement System	37,744.00		37,744.00	24,443.51		13,300.49
Social Security System	4,952.47		4,952.47			4,952.47
Defined Contribution Benefit Plan	5,000.00		5,000.00		5,000.00	-

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance December 31, 2022		Balance After	Paid or Charged		Balance
	Appropriation Reserve	Reserve for Encumbrances	Transfers and Encumbrances	Cash Disbursed	Transfer to Accounts Payable	Lapsed
Length of Service Awards Program	\$ 30,000.00		\$ 30,000.00	\$ 17,700.00		\$ 12,300.00
Recycling Tax	1,226.75	\$ 910.74	2,137.49	910.74		1,226.75
Senior Citizen Program						
Other Expenses	45,411.85		45,411.85	33,809.50		11,602.35
Senior Citizen Transport - East Windsor						
Other Expenses	2,180.00		2,180.00			2,180.00
Health Services						
Other Expenses	200.00		200.00			200.00
Landfill Disposal Costs (Roosevelt)						
Other Expenses	6,370.08	1,942.26	8,312.34	1,942.26		6,370.08
Dispatch-East Windsor Township						
Other Expenses	198,596.00		198,596.00	198,596.00		-
Vehicle Maintenance Services						
Other Expenses	1,763.44	367.88	2,131.32	1,275.01		856.31
Capital Improvements						
Stockton Street Improvement - East Windsor	18,049.25	537.50	18,586.75	8,921.25	\$ 9,665.50	-
Reserve for Police SUV Vehicle	11,587.83	88,230.73	99,818.56	88,230.73		11,587.83
	<u>\$ 955,135.82</u>	<u>\$ 324,421.25</u>	<u>\$1,279,557.07</u>	<u>\$ 655,690.41</u>	<u>\$ 35,257.13</u>	<u>\$ 588,609.53</u>
Detail of Accounts Payable						
Due to Payroll fund - DCRP					\$ 5,000.00	
Due to UCC Trust					5,000.00	
Transfer to Accounts Payable:					25,257.13	
					<u>\$ 35,257.13</u>	

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF PREPAID TAXES

Balance, December 31, 2022	\$ 123,635.29
Increased by:	
Receipts	<u>91,515.27</u>
	\$ 215,150.56
Decreased by:	
Applied to 2022 Taxes Receivable	<u>123,635.29</u>
Balance, December 31, 2023	<u><u>\$ 91,515.27</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

Exhibit A-13

**CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS**

Balance, December 31, 2022	\$ 4,244.28
Increased by:	
Receipts	7,049.90
Decreased by:	
Applied to 2022 Taxes Receivable	<u>1,699.87</u>
Balance, December 31, 2023	<u>\$ 9,594.31</u>

Exhibit A-14

SCHEDULE OF REGIONAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2022 (Prepaid)	\$ (2,899.00)
Increased by:	
Levy Calendar year 2023	<u>9,637,902.00</u>
Decreased by:	
Payments	<u>9,637,902.00</u>
Balance, December 31, 2023 (Prepaid)	<u>\$ (2,899.00)</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

Balance, December 31, 2022		\$ 4,115.80
Increased by:		
General County Levy	\$ 2,883,872.47	
County Library	297,709.36	
County Open Space Preservation	134,905.23	
Due County for Added and Omitted Taxes	<u>None</u>	<u>3,316,487.06</u>
		\$ 3,320,602.86
Decreased by:		
Payments		<u>3,320,647.88</u>
Balance, December 31, 2023 (Prepaid)		<u><u>\$ (45.02)</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY

	Balance <u>Dec. 31, 2022</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2023</u>
State Training Fees		\$ 9,996.00	\$ 7,869.00	\$ 2,127.00
Marriage Licenses	\$ 400.00	1,125.00	925.00	600.00
EDRS Overpayment	<u>109.00</u>			<u>109.00</u>
	<u>\$ 509.00</u>	<u>\$ 11,121.00</u>	<u>\$ 8,794.00</u>	<u>\$ 2,836.00</u>
Charge to Fund Balance		\$ 475.00		
Receipts		<u>10,646.00</u>		
		<u>\$ 11,121.00</u>		

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**GRANT FUND
SCHEDULE OF CASH**

Balance, December 31, 2022			\$ 34,971.68
Receipts:			
Grants Receivable	\$ 41,425.38		
Reserve for Grants, Unappropriated	2,947.00		
Refunds	2,213.21		
Interest Earned	813.77	47,399.36	
			\$ 82,371.04
Disbursements:			
Reserve for Grants, Appropriated	\$ 71,910.80		
Interfund - Current Fund-	813.77		
Miscellaneous	210.00	72,934.57	
Balance, December 31, 2023			\$ 9,436.47

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance <u>Dec. 31, 2022</u>	2023 Budget Revenue <u>Realized</u>	<u>Received</u>	Transfer From Unappropriated <u>Reserve</u>	Balance <u>Dec. 31, 2023</u>
Clean Communities		\$ 11,401.94	\$ 11,401.94		-
Municipal Court Alcohol Education and Rehabilitation Fund					-
Small Cities CDBG Block Grant	\$ 105,760.00				\$ 105,760.00
Recycling Tonnage Grant		7,023.44	7,023.44		-
Body Armor Grant - State		1,252.04		\$ 1,252.04	-
Street Planting Grant	14,000.00				14,000.00
Stormwater Mapping Grant		25,000.00	15,000.00		10,000.00
ARP Firefighter Award		31,000.00	31,000.00		-
Mercer at Play	25,000.00				25,000.00
Mercer County NJSCA Local Arts Prog.		8,000.00	8,000.00		-
NJ Body Worn Camera Grant	32,608.00		32,608.00		-
	<u>\$ 177,368.00</u>	<u>\$ 83,677.42</u>	<u>\$ 105,033.38</u>	<u>\$ 1,252.04</u>	<u>\$ 154,760.00</u>

Cash Received:
By Grant Fund \$ 41,425.38
By Current Fund 63,608.00
\$ 105,033.38

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED

	Balance <u>Dec. 31, 2022</u>	Transfer from 2023 <u>Budget</u>	Prior Year <u>Encumbrances</u>	<u>Disbursed</u>	<u>Adjustment</u>	Current Year <u>Encumbrances</u>	Balance <u>Dec. 31, 2023</u>
Drunk Driving Enforcement Fund	\$ 16,774.29			\$ 19,659.65	\$ (2,885.36)		-
Clean Communities	31,422.81	\$ 11,401.94		200.00			\$ 42,624.75
Municipal Court Alcohol Education and Rehabilitation Fund	15,920.69						-
Small Cities CDBG Block Grant	113,760.00						15,920.69
Recycling Tonnage Grant	50,407.20	7,023.44	\$ 2,000.00	6,649.60		\$ 3,000.00	113,760.00
Body Armor Grant		1,252.04		1,252.04			49,781.04
Mercer County NJSCA Local Arts Prog.	4,635.03			3,905.25		200.00	-
Mercer at Play	28,469.00						529.78
Click It or Ticket				7,000.00	(7,000.00)		28,469.00
JIF Safety Grant	4,455.45						-
Statewide JIF Grant	2,645.88						4,455.45
Stormwater Mapping Grant		25,000.00					2,645.88
NJ Body Worn Camera Grant	7,455.00		25,153.00	25,153.00			25,000.00
ARP Firefighter Award		31,000.00		31,000.00			7,455.00
Statewide JIF Safety Grant	373.88						-
Sustainable NJ Capacity Building Stipend	105.50						373.88
Mercer County NJSCA Local Arts Prog.-2023		8,000.00					105.50
Drive Sober				6,720.00	(6,720.00)		8,000.00
Bulletproof				1,371.26	(2,682.91)	1,311.65	-
	<u>\$ 276,424.73</u>	<u>\$ 83,677.42</u>	<u>\$ 27,153.00</u>	<u>\$ 102,910.80</u>	<u>\$ (19,288.27)</u>	<u>\$ 4,511.65</u>	<u>\$ 299,120.97</u>

Cash Disbursed:

By Grant Fund	\$ 71,910.80
By Current Fund	31,000.00
	<u>\$ 102,910.80</u>

Adjustments:

Cash Received by CF:

Click it or Ticket	\$ 7,000.00
Sober	6,720.00
DDE	2,213.21
Bulletproof	1,395.83
Due to Current Fund	1,959.83
	<u>\$ 19,288.87</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Received</u>	<u>Transfer</u>	<u>Balance Dec. 31, 2023</u>
NJ Environmental Comm	\$ 2,000.00			\$ 2,000.00
American Rescue Plan	174,269.01		\$ 174,269.01	-
Mercer County Arts	3,000.00			3,000.00
Safety Incentive Award	250.00			250.00
Body Armor Grant	1,252.04		1,252.04	-
JIF Safety Grant	2,712.00			2,712.00
Statewide Safety Grant		\$ 2,947.00		2,947.00
	<u>\$ 183,483.05</u>	<u>\$ 2,947.00</u>	<u>\$ 175,521.05</u>	<u>\$ 10,909.00</u>

Detail of Transfer

Water-Sewer Utility Operating Fund	\$ 49,269.01
Current Fund	125,000.00
Grants Received	<u>1,252.04</u>
	<u>\$ 175,521.05</u>

TRUST FUND

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

TRUST FUND
SCHEDULE OF TRUST CASH - TREASURER

	Animal Control	Other Trust	Escrow Trust	Payroll	Unemployment Trust Fund
Balance, December 31, 2022	\$ 889.03	\$ 548,115.00	\$ 87,705.76	\$ 78,331.80	\$ 32,664.84
Increased by Receipts:					
Due to State of New Jersey	\$ 295.20				
Interest Earned				\$ 5,745.22	\$ 918.40
Reserve for Animal Control	2,462.40				
Redemption of Tax Title Liens		\$ 146,478.74			
Regional Contribution Agreement - Manalapan		4,167.10			
Law Enforcement Fund		1,521.51			
Public Defender		3,605.97			
Payroll Deposits				5,218,718.44	
Miscellaneous - Reserves		237,407.16			
Housing Trust		14,235.47			
Escrow Fees			\$ 114,707.85		
	<u>2,757.60</u>	<u>407,415.95</u>	<u>114,707.85</u>	<u>5,224,463.66</u>	<u>918.40</u>
	\$ 3,646.63	\$ 955,530.95	\$ 202,413.61	\$ 5,302,795.46	\$ 33,583.24
Decreased by Disbursements:					
N.J. State Dept. of Health	608.20				
Expenditures Per R.S. 4:19-15.11	1,276.55				
Due from NJ-GIT				38,218.14	
Redemption of Tax Title Liens		134,710.73			
Public Defender		2,260.47			
Housing Trust		42.50			
Unemployment					1,631.62
Interfund - Current Fund				5,745.22	
Payroll Deductions				5,205,567.13	
Miscellaneous Trust Funds		232,380.08			
Escrow Fees	<u>28.00</u>		<u>123,734.67</u>		
	<u>1,912.75</u>	<u>369,393.78</u>	<u>123,734.67</u>	<u>5,249,530.49</u>	<u>1,631.62</u>
Balance, December 31, 2023	<u>\$ 1,733.88</u>	<u>\$ 586,137.17</u>	<u>\$ 78,678.94</u>	<u>\$ 53,264.97</u>	<u>\$ 31,951.62</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**ANIMAL CONTROL TRUST - TRUST FUND
SCHEDULE OF DUE TO N.J. STATE DEPARTMENT OF HEALTH**

Balance, December 31, 2022	\$ 343.20
Increased by:	
State Registration Fees - 2023	<u>295.20</u>
	\$ 638.40
Decreased by:	
Disbursed to State	<u>608.20</u>
Balance, December 31, 2023	<u><u>\$ 30.20</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

ANIMAL CONTROL TRUST - TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Balance, December 31, 2022		\$ 286.15
Increased by:		
License Fees Collected - 2023 Licenses		
Collected Cash Receipts	\$ 2,462.40	
Due From - Current Fund	<u>891.00</u>	<u>3,353.40</u>
		\$ 3,639.55
Decreased by:		
Expenditures Per R.S. 4:19-15.11		<u>1,276.55</u>
Balance, December 31, 2023		<u><u>\$ 2,363.00</u></u>

Municipal Fees Collected

<u>Year</u>	<u>Amount</u>
2021	\$ 2,574.60
2022	<u>2,615.00</u>
	<u><u>\$ 5,189.60</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

Exhibit B-4

TRUST FUND
SCHEDULE OF DEPOSITS FOR REDEMPTION OF TAX SALE CERTIFICATES

Balance, December 31, 2022		\$ 16,560.37
Increased by:		
Deposits for Redemption	\$ 102,303.31	
Transfer from TTL Premium	<u>44,175.43</u>	<u>146,478.74</u>
		\$ 163,039.11
Decreased by:		
Redemption of Tax Title Liens		<u>134,710.73</u>
Balance, December 31, 2023		<u><u>\$ 28,328.38</u></u>

Exhibit B-5

SCHEDULE OF REGIONAL CONTRIBUTION AGREEMENT - MANALAPAN

Balance, December 31, 2022	\$ 141,418.36
Increased by:	
Interest Earned	<u>4,167.10</u>
Balance, December 31, 2023	<u><u>\$ 145,585.46</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

Exhibit B-6

TRUST FUND
SCHEDULE OF DUE FROM - CURRENT FUND

Balance, December 31, 2022 Due from	\$ 233,765.74
-------------------------------------	---------------

Balance, December 31, 2023 Due from	<u>\$ 233,765.74</u>
-------------------------------------	----------------------

Exhibit B-7

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT FUND

Balance, December 31, 2022	\$ 51,633.82
----------------------------	--------------

Increased by:	
Interest Earned	<u>1,521.51</u>

Balance, December 31, 2023	<u>\$ 53,155.33</u>
----------------------------	---------------------

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

Exhibit B-8

TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

Balance, December 31, 2022		\$ 21,734.47
Increased by:		
Interest Earned	\$ 675.57	
Fees	<u>2,930.40</u>	<u>3,605.97</u>
		\$ 25,340.44
Decreased by:		
Transfer to Current Fund Interest	675.47	
Cash Disbursed	<u>1,585.00</u>	<u>2,260.47</u>
Balance, December 31, 2023		<u><u>\$ 23,079.97</u></u>

Exhibit B-9

SCHEDULE OF UNEMPLOYMENT TRUST FUND

Balance, December 31, 2022		\$ 67,791.35
Increased by Receipts:		
Appropriation Reserve 2022:		
Current Fund	\$ 5,000.00	
Water-Sewer Operating	2,000.00	
Employee Payroll Deductions	7,916.45	
Interest Earned	<u>918.40</u>	<u>15,834.85</u>
		83,626.20
Decreased By:		
Cash Disbursed		<u>1,631.62</u>
Balance, December 31, 2023		<u><u>\$ 81,994.58</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

PAYROLL FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

	Balance December 31, 2022	Increased by		Decreased by	Balance December 31, 2023
		Borough's Share	Payroll Deductions	Disbursements	
Federal Withholding Tax			\$ 455,538.74	\$ 455,348.25	\$ 190.49
FICA		\$ 224,373.94	224,373.94	446,432.40	2,315.48
State of New Jersey Withholding Tax			162,636.76	162,575.52	61.24
Public Employees Retirement System	\$ 10,881.49		174,178.78	170,237.84	14,822.43
Police and Firemen's Retirement System	16,526.19		191,688.97	188,699.06	19,516.10
State Unemployment Tax (EE)	133.13		7,916.45	8,049.58	-
State Unemployment Tax (ER)		2,512.13		2,452.46	59.67
State Disability (ER)	266.27	4,468.47		4,687.01	47.73
State Disability (EE)	1,298.60			1,298.60	(0.00)
State FLI (EE)	1,298.60		2,438.67	3,158.49	578.78
DCRP		7,970.28	13,034.02	21,004.30	-
Union Dues			4,721.00	4,721.00	-
Garnishment			59,678.56	59,678.56	-
Employee Health Benefit Contribution			200,648.04	200,648.04	-
Employee Dental Contribution			13,920.24	13,920.24	-
Disability			4,714.08	4,714.08	-
Life Insurance			2,608.00	2,608.00	-
Accident Insurance			1,800.24	1,800.24	-
Critical Illness Insurance			565.20	565.20	-
AFA Cancer			200.40	200.40	-
Deferred Compensation:					-
Great West			4,950.00	4,950.00	-
Equivest			21,960.00	21,960.00	-
AFLAC			204.00	204.00	-
Miscellaneous	8,309.35		6,642.69	625.19	14,326.85
PERS Annual Bill			320,568.00	320,568.00	-
PFRS Annual Bill			490,810.00	490,810.00	-
Net Pay			2,621,567.12	2,621,567.12	-
	<u>\$ 38,713.63</u>	<u>\$ 239,324.82</u>	<u>\$ 4,987,363.90</u>	<u>\$ 5,213,483.58</u>	<u>\$ 51,918.77</u>
2023 Appropriation Reserve		\$ 2,970.28			
2022 Appropriation Reserve		5,000.00			
		\$ 7,970.28			
Cash Received		231,354.54			
		<u>\$ 239,324.82</u>			
		Allocated for:			
		Due to Trust Other Fund		\$ 7,916.45	
		Cash Disbursed		<u>5,205,567.13</u>	
				<u>\$ 5,213,483.58</u>	

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

TRUST FUND
SCHEDULE OF MISCELLANEOUS TRUST FUNDS

	Balance Dec. 31, 2022	Increased by Receipts	Decreased by Disbursements	Balance Dec. 31, 2023
Celebration of Public Events:				
Memorial Day Parade Donation	\$ 2,639.40		\$ 200.00	\$ 2,439.40
Donations:				
Animal Welfare	1,289.28			1,289.28
Historical Site	798.71			798.71
National Night Out	4,414.37	\$ 1,400.00	3,220.00	2,594.37
Peddie Dam Footbridge	1,059.48			1,059.48
Franklin St. Project Lighting	6,062.93			6,062.93
Skatepark	19,345.87			19,345.87
Cultural Arts	18,561.37	1,460.00	3,100.00	16,921.37
Environmental Trees	2,056.16			2,056.16
Environmental Donation	74.00			74.00
American Diner Escrow	788.50			788.50
Regan Redevelopment	142.00			142.00
Replace Downtown Coach Lighting	2,833.20			2,833.20
RBE Performance	2,309.05			2,309.05
Parking Offense				
Adjudication Act	1,231.00	142.00		1,373.00
Parks and Recreation Donations:				
Exercise Class	290.38			290.38
Recreation Trips	135.00			135.00
Triathlon	50,821.12	20.00	9,738.38	41,102.74
Shakespeare in the Park	3,541.67	6,124.00	6,251.09	3,414.58
Dawes	34,369.06	14,022.68	5,435.70	42,956.04
Recaptured Funds Housing Rehabilitation	1,703.00			1,703.00
Recycling	42,930.43	11,137.60	1,500.64	52,567.39
Recycling-Grass Collection Program	7,104.24			7,104.24
Storm Recovery Fund	53,047.58		4,702.25	48,345.33
Special Duty Police	44,928.09	68,090.00	53,956.00	59,062.09
Tax Sale Premium	108,392.73	135,010.88	134,426.36	108,977.25
Uniform Fire Safety Act	6,975.03			6,975.03
Reserve for Insurance Refunds	90,974.68		9,849.66	81,125.02
Workman's Compensation	9,581.03			9,581.03
	<u>\$ 518,399.36</u>	<u>\$ 237,407.16</u>	<u>\$ 232,380.08</u>	<u>\$ 523,426.44</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

TRUST FUND
SCHEDULE OF RESERVE FOR ESCROW FEES

Balance, December 31, 2022	\$ 87,705.76
Increased by:	
Receipts	<u>114,707.85</u>
	\$ 202,413.61
Decreased by:	
Disbursements	<u>123,734.67</u>
Balance, December 31, 2023	<u><u>\$ 78,678.94</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**TRUST FUND
SCHEDULE OF HOUSING TRUST**

Balance, December 31, 2022		\$ 18,446.57
Increased by:		
Payments in Lieu of Construction	\$ 13,560.00	
Interest Earned	<u>675.47</u>	<u>14,235.47</u>
		\$ 32,682.04
Decreased by:		
Cash Disbursed		<u>42.50</u>
Balance, December 31, 2023		<u><u>\$ 32,639.54</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

TRUST FUND
SCHEDULE OF LOSAP
(LENGTH OF SERVICE AWARD PROGRAM)
(UNAUDITED)

Balance, December 31, 2022		\$ 742,008.11
Increased by:		
Due From Borough - Municipal Contribution	\$ 20,250.00	
Appreciation on Fair Value of Investments	<u>120,893.85</u>	
		<u>141,143.85</u>
		\$ 883,151.96
Decreased by:		
Withdrawals	\$ 40,064.38	
Account Charge	<u>1,456.98</u>	
		<u>41,521.36</u>
Balance, December 31, 2023		<u><u>\$ 841,630.60</u></u>

GENERAL CAPITAL FUND

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL FUND CASH-TREASURER

Balance, December 31, 2022		\$ 14,388.44
Increased by Receipts:		
Current Fund Appropriation -		
Capital Improvement Fund	\$ 30,000.00	
Premium on Sale of Bond Anticipation Notes	8,857.20	
Interfund -		
Water-Sewer Utility Operating Fund	400,000.00	
Bond Anticipation Notes	1,084,750.00	
Various Reserves	1,595,000.00	
Grants Receivable	381,750.42	3,500,357.62
		\$ 3,514,746.06
Decreased by Disbursements:		
Improvement Authorizations	\$ 1,426,003.45	
Capital Improvement Fund	500.00	
Various Reserves	21,778.53	
Interfund - Current Fund	2,062,857.62	3,511,139.60
Balance, December 31, 2023		\$ 3,606.46

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**
GENERAL CAPITAL FUND
ANALYSIS OF CAPITAL FUND CASH AND INVESTMENTS

	Balance Dec. 31, 2022	Receipts		Disbursements		Transfers		Balance Dec. 31, 2023
		Bond Anticipation Notes/	Miscellaneous	Miscellaneous	Improvement Authorizations	From	To	
Fund Balance	\$ 954.30	\$ 8,857.20						\$ 9,811.50
Federal and State Receivable - Current Fund	(150,000.00)							(150,000.00)
Capital Improvement Fund	214,522.50	30,000.00	\$ 500.00			\$ 23,600.00		220,422.50
Reserve for Encumbrances	240,350.87						\$ 650,878.40	891,229.27
Interfunds:								-
Current Fund	(424,008.94)			2,062,857.62				(2,486,866.56)
Water-Sewer Utility Capital Fund	(297,071.10)							(297,071.10)
Water-Sewer Utility Operating Fund		400,000.00						400,000.00
Various Reserves	189,213.64	1,595,000.00	21,778.53					1,762,435.11
Reserve to Pay Notes Ord#18-20	15,211.88							15,211.88
<u>Ord. No.</u>		<u>Improvement Authorizations</u>						
		Purpose						
04-17	16,784.33	Acquisition of Capacity Rights - JCP&L						16,784.33
05-04	17,182.52	Mercer Street Revitalization Project						17,182.52
05-24	(231.26)	Peddle Lake Dam Improvements						(231.26)
05-34	11,936.46	Streetscape/Main Street Redevelopment Area						11,936.46
07-26	618.17	Police Department Equipment						618.17
08-01	2,062.34	Westerlea Avenue Improvements						2,062.34
09-20	1,677.82	Stockton Street Historic District Improvements						1,677.82
10-02	640.46	Reconstruction of Leshin Lane						640.46
10-16	(267.71)	Summit Street Sidewalk Improvements						(267.71)
11-05	6,886.61	Milling and Paving Various Roads						6,886.61
12-04	(625.25)	Hurricane Irene Damage Emergency						(625.25)
12-13	28,946.23	Various Capital Improvements						28,946.23
12-15	1,100.00	Communication Equipment - Fire Dept., First Aid						1,100.00
13-07,15-14, 19-04	64,377.07	Peddle Lake Dam Walking Bridge Improvements			\$ 45,500.00			18,877.07
13-22	11,048.00	Public Safety Equipment						11,048.00
13-23, 15-06	2,043.29	Road Improvements to Park Avenue, Greeley St. and Glen Brook Place						2,043.29
14-06	14,887.37	Various Capital Improvements including Document Restoration						14,887.37
14-13	3,342.67	Various Capital Improvements						3,342.67
15-07	2,670.80	Road Improvements to Park Way, Grant St. and Hutchison Street						2,670.80
15-11	953.22	Acquisition of Aerial Ladder Truck						953.22
15-15,17-15,22-24	(288,916.39)	Improvements to Stockton St. and Joseph St.	108,162.12		3,468.76			(184,223.03)
15-20	6,181.10	Acquisition of Automated Garbage Truck						6,181.10
16-08	5,624.53	Police Vehicles, Public Safety Equipment						5,624.53
16-12	(35,973.41)	Rehabilitation of East Ward Street						(35,973.41)
17-09, 21-10	(97,785.57)	Retaining Wall, First Ave Improvements	150,000.00		296,978.19		700.00	(244,063.76)
17-12	10,392.41	Police, Fire, DPW Court Equipment						10,392.41
17-17, 19-07	(26,943.84)	Improvements to Maple Avenue and Sunset Ave			800.00			(27,743.84)
18-12	26,993.50	Acquisition of Land - YMCA						26,993.50
18-18	8,422.11	Various Capital Improvements - Public Safety						8,422.11
18-20	-	Improvements to Lincoln Ave., Hagemount Ave. and Rocky Brook Court						-
19-10	95,357.91	Design Costs - Municipal Complex						95,357.91
19-20	2,934.01	Various Capital Improvements Police, Fire & DPW			19,057.12		18,657.12	2,534.01
20-05	19,980.04	Springcrest, Spruce Ct. and Glen Drive			300.00			19,680.04
20-15	(25,225.81)	Crosswalk Signal and Fire Dept Equipment	84,750.00		55,026.05			4,498.14
21-02	61,886.22	Improvements Various Roads- Hauser Ave, Bennett Pl., Railroad Ave. Dey St.			15,462.84		15,462.84	61,886.22
22-11	143,620.82	Improvement Various Roads -Orchard, Clover & S. Main	273,588.30		697,965.60	142,679.88	76,650.43	(346,785.93)
22-21	89,314.70	Public Safety Improvements Police and Fire						89,314.70
	43,320.00	Park and Recreation, and E. Ward St Bridge	600,000.00		122,898.62	448,912.07		71,509.31
23-02	-	Improvements to Maxwell Avenue	100,000.00		24,075.00	2,762.50		73,162.50
23-12	-	Various Capital Improvements	150,000.00		144,471.27	167,994.34	20,400.00	(142,065.61)
23-22	-	Improvements to the Sluice Gate					3,200.00	3,200.00
	<u>\$ 14,388.62</u>	<u>\$ 3,500,357.62</u>	<u>\$ 2,085,136.15</u>	<u>\$ 1,426,003.45</u>	<u>\$ 785,948.79</u>	<u>\$ 785,948.79</u>	<u>\$ 3,606.64</u>	

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2022			\$ 3,828,808.57
Decreased by:			
2023 Budget Appropriation to Pay Serial Bonds	\$	8,592.04	
2023 Budget Appropriation to Pay Loans		<u>480,000.00</u>	<u>488,592.04</u>
Balance, December 31, 2023			<u><u>\$ 3,340,216.53</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Analysis of Balance							Unexpended Balance of Improvement Authorizations Unfunded
		Balance Dec. 31, 2022	Authorized 2023	Grants Received	BAN Paydowns	Balance Dec. 31, 2023	Bond Anticipation Notes	Expenditures	
05-24,09-13	Peddle Lake Dam Improvements	\$ 550.00				\$ 550.00		\$ 231.26	\$ 318.74
09-20	Stockton Street Historic District Improvements	16,899.57				16,899.57			16,899.57
10-02	Reconstruction of Leshin Lane	13,000.00				13,000.00			13,000.00
10-16	Summit Street Sidewalk Improvements	526.45				526.45		267.71	258.74
11-05	Milling and Paving Various Roads	14,500.00			\$ 800.00	13,700.00	\$ 13,700.00		-
12-04	Hurricane Irene Damage Emergency	625.25				625.25		625.25	-
12-13	Various Capital Improvements	500.00				500.00			500.00
13-07,15-14,19-04	Peddle Lake Dam Walking Bridge Improvements	8,702.67				8,702.67			8,702.67
13-23,15-06	Road Improvements to Park Avenue, Greeley St. & Glen Brook Pl.	28,210.00			700.00	27,510.00	12,300.00		15,210.00
14-06	Various Capital Improvements including Document Restoration	9,334.00				9,334.00			9,334.00
15-07	Road Improvements to Park Way, Grant St. & Hutchison Street	35,500.00			600.00	34,900.00	9,900.00		25,000.00
15-11	Acquisition of Aerial Ladder Truck	300.00				300.00			300.00
15-15,17-15, 22-24	Improvements to Stockton Street and Joseph Street	534,856.15		\$ 108,162.12	6,000.00	420,694.03	234,000.00	184,223.03	2,471.00
16-12	Rehabilitation of East Ward Street	90,000.00				90,000.00		35,973.41	54,026.59
17-09, 21-10	Retaining Wall, First Ave Improvements	554,000.00			7,900.00	546,100.00	292,100.00		254,000.00
17-12	Police, Fire, DPW Court Equipment	40.00				40.00			40.00
17-17,19-07	Improvements to Maple Avenue and Sunset Avenue	330,000.00			17,400.00	312,600.00	312,600.00		-
18-18	Various Capital Improvements - Public Safety	180,500.00			8,300.00	172,200.00	172,200.00		-
18-20	Improvements to Lincoln Ave., Hagemount Ave. & Rocky Brook Ct.	100,000.00			5,300.00	94,700.00	94,700.00		-
19-10	Design Costs - Municipal Complex	476,000.00			16,500.00	459,500.00	459,500.00		-
19-20	Various Capital Improvements Police, Fire & DPW	185,500.00			13,250.00	172,250.00	172,250.00		-
20-05	Springcrest, Spruce Ct. and Glen Drive	358,000.00				358,000.00	357,750.00		250.00
20-15	Crosswalk Signal and Fire Dept Equipment	100,000.00				100,000.00	100,000.00		-
21-02	Improvements Various Roads- Hauser Ave, Bennet Pl.	-				-			-
	Railroad Ave. Dey St.	600,368.00				600,368.00	500,000.00		100,368.00
22-11	Improvements Various Roads- Orchard, Clover and S. Main	650,000.00				650,000.00	90,000.00		560,000.00
22-21	Public Safety Improvements Police and Fire, Parks and Recreation, and E. Ward St Bridge	775,780.00				-			-
23-02	Improvements to Maxwell Avenue		\$ 233,730.00			775,780.00	600,000.00		175,780.00
23-12	Various Capital Improvements		407,600.00			233,730.00	100,000.00		133,730.00
23-22	Improvement to the Sluice Gate		61,800.00			407,600.00	150,000.00	142,065.61	115,534.39
						61,800.00			61,800.00
		<u>\$ 5,063,692.09</u>	<u>\$ 703,130.00</u>	<u>\$ 108,162.12</u>	<u>\$ 76,750.00</u>	<u>\$ 5,581,909.97</u>	<u>\$ 3,671,000.00</u>	<u>\$ 363,386.27</u>	<u>\$ 1,547,523.70</u>

Improvement Authorizations - Unfunded		\$ 1,970,652.56
Less: Unexpended Proceeds of Notes		
11-05	\$ 6,886.61	
13-23,15-06	2,043.29	
15-07	2,670.80	
17-17, 19-07	8,422.11	
18-20	94,700.01	
19-10	2,934.01	
19-20	19,680.07	
20-15	61,886.22	
17-12	10,312.41	
20-05	4,498.14	
22-21	71,509.31	
23-12	73,162.50	
Adjustment	64,423.38	423,128.86
		<u>\$ 1,547,523.70</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
Receivables not Offset with Reserves:				
NJDOT:				
Rehabilitation of East Ward Street (16-12)	\$ 75,000.00			\$ 75,000.00
Retaining Wall, First Ave Improvements (17-09, 21-10)	68,795.00			68,795.00
Improvements to Maple Ave and Sunset Ave (17-17, 19-07)	50,000.00			50,000.00
Improvements to Maxwell St. (23-02)	-	\$ 621,270.00		621,270.00
Springcrest, Spruce Ct. and Glen Drive (20-05)	150,000.00			150,000.00
Improvements to Various Road:				
Hauser Avenue, Bennet Place (21-02)	500,000.00		\$ 273,588.30	226,411.70
Railroad and Dey (21-02)	176,177.25			176,177.25
Orchard, Clover & S. Main (22-11)	500,000.00			500,000.00
	<u>\$ 1,519,972.25</u>	<u>\$ 621,270.00</u>	<u>\$ 273,588.30</u>	<u>\$ 1,867,653.95</u>
Receivables Offset with Reserves:				
NJDOI:				
Peddle Lake Dam Walking Bridge				
Improvements (13-07, 15-14, 19-04)	\$ 8,702.67			\$ 8,702.67
Improvements to Stockton Street				
and Joseph Street(15-15, 17-15, 22-24)	<u>227,419.32</u>	<u>-</u>	<u>\$ 108,162.12</u>	<u>119,257.20</u>
	<u>\$ 236,121.99</u>	<u>\$ -</u>	<u>\$ 108,162.12</u>	<u>\$ 127,959.87</u>
Total	<u><u>\$ 1,756,094.24</u></u>	<u><u>\$ 621,270.00</u></u>	<u><u>\$ 381,750.42</u></u>	<u><u>\$ 1,995,613.82</u></u>
		Cash Received	<u><u>\$ 381,750.42</u></u>	

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF VARIOUS RESERVES

	Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2023</u>
Reserve for John and Mary Hight Sculpture	\$ 150.00			\$ 150.00
Reserve for Donations	50.00			50.00
Reserve for Municipal Facility	4,859.79			4,859.79
Reserve for Housing Rehabilitation	47.00			47.00
Reserve for Municipal Facility-FEMA	178,195.85		\$ 16,540.00	161,655.85
Police Vehicle Purchase	5,911.00		5,238.53	672.47
Payment of Notes #18-20	15,211.88			15,211.88
Reserve for Municipal Building Insurance	<u> </u>	<u>\$ 1,595,000.00</u>	<u> </u>	<u>1,595,000.00</u>
	<u>\$ 204,425.52</u>	<u>\$ 1,595,000.00</u>	<u>\$ 21,778.53</u>	<u>\$1,777,646.99</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance		Balance, Dec. 31, 2022		Encumbrances Dec. 31, 2022	2023 Authorizations		Paid or Charged	Encumbrances Dec. 31, 2023	Balance, Dec. 31, 2023	
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation	Refunds/ Grants and Other Contributions			Funded	Unfunded
04-17	Acquisition of Capacity Rights - JCP&L	8/02/2004	\$ 100,000.00	\$ 16,784.33							\$ 16,784.33	
05-04, 09-13	Mercer Street Revitalization Project	2/07/2005	450,000.00	17,182.52							17,182.52	
05-24	Peddle Lake Dam improvements	7/05/2005	166,250.00		\$ 318.74							\$ 318.74
05-34	Streetscape/Main St. Redevelopment Area	10/17/2005	450,000.00	11,936.46							11,936.46	
07-26	Police Department Equipment	11/19/2007	62,000.00	618.17							618.17	
08-01	Westerlea Avenue Improvements	1/22/2008	332,500.00	2,062.34							2,062.34	
09-20	Stockton St. Historic District Improvements	9/21/2009	1,840,000.00	1,677.82	16,899.57						1,677.82	16,899.57
10-02	Reconstruction of Leshin Lane	2/01/2010	568,000.00	640.46	13,000.00						640.46	13,000.00
10-16	Summit Street Sidewalk Improvements	9/20/2010	180,000.00		258.74							258.74
11-05	Milling and Paving Various Roads	6/06/2011	432,000.00		6,886.61							6,886.61
12-13	Various Capital Improvements	8/20/2012	262,000.00	28,946.23	500.00	\$ 26,382.60					28,946.23	500.00
12-15	Communication Equip. - Fire Dept., First Aid	9/18/2012	35,000.00	1,100.00					\$ 26,382.60			
13-04	Road Imprv. Grape Run and Pershing Ave	2/19/2013	485,000.00								1,100.00	
13-07, 15-14, 19-04	Peddle Lake Dam Walking Bridge Improvements	4/01/2013 8/03/2015 3/04/2019	210,000.00 331,000.00 198,791.00		73,079.74				\$ 45,500.00			27,579.74
13-22	Public Safety Equipment	9/03/2013	165,000.00	11,048.00							11,048.00	
13-23, 15-06	Road Improvements to Park Avenue, Greeley St. and Glen Brook Place	11/18/2013 4/20/2015	682,000.00 215,000.00		17,253.29							17,253.29
14-06	Various Capital Improvements including Document Restoration	3/17/2014	220,000.00	14,887.37	9,334.00						14,887.37	9,334.00
14-13	Various Capital Improvements	7/21/2014	170,000.00	3,342.67							3,342.67	
15-07	Road Improvements to Park Way, Grant St. and Hutchison Street	4/20/2015	619,000.00		27,670.80							27,670.80
15-11	Acquisition of Aerial Ladder Truck	6/01/2015	1,000,000.00	953.22	300.00						953.22	300.00
15-15, 17-15, 22-24	Improvements to Stockton St. & Joseph St.	8/21/2015 11/06/2017 12/01/2023	430,000.00 132,000.00 65,000.00		5,939.76	8,403.07			3,468.76	8,403.07		2,471.00
15-20	Acquisition of Automated Garbage Truck	9/08/2015	325,000.00	6,181.10							6,181.10	
16-08	Police Vehicles, Public Safety Equipment	3/07/2016	140,000.00	5,624.53							5,624.53	
16-12	Rehabilitation of East Ward Street	4/18/2016	550,000.00	39,026.59	90,000.00						39,026.59	90,000.00
17-09, 21-10	Retaining Wall, First Ave Improvements	8/21/2007	850,000.00		375,009.43	39,094.03			296,978.19	38,394.03		78,731.24
17-12	Police, Fire, DPW Court Equipment	9/05/2017	268,000.00	10,392.41	40.00						10,392.41	40.00
17-17, 19-07	Improvements to Maple Ave and Sunset Ave	11/20/2017 5/20/2019	540,000.00 65,000.00		23,056.18				800.00		-	22,256.18
18-12	Acquisition of Land - YMCA	6/18/2018	725,000.00	26,993.50							26,993.50	
18-18	Various Capital Impro. - Public Safety	9/17/2018	189,600.00		8,422.11							8,422.11
18-20	Improvements to Lincoln Ave., Hagemount Ave. and Rocky Brook Court	11/05/2018	900,000.00		95,357.51							95,357.51
19-10	Design Costs - Municipal Complex	6/17/2019	500,000.00		2,934.01	74,357.90			19,057.12	55,700.78		2,534.01
19-20	Various Capital Improvements Police, Fire And DPW	11/18/2019	195,000.00		19,980.04				300.00			19,680.04
20-05	Springcrest, Spruce Ct. and Glen Drive	7/20/2020	873,000.00		59,774.19				55,026.05			4,748.14
20-15	Crosswalk Signal & Fire Dept Equipment	12/08/2020	105,000.00		61,886.22	15,462.84			15,462.84			61,886.22
21-02	Improvements Var. Roads- Hauser Ave, Bennet Pl. and Railroad Ave. Dey St.	3/15/2021	1,630,000.00	319,798.07	600,368.00	76,650.43			697,965.60	142,679.88		156,171.02
22--11	Improvements Various Roads - Orchard, Clover and S. Main	2/22/2022	1,150,000.00	499,314.70	650,000.00						499,314.70	650,000.00
22-21	Public Safety Improvements Police and Fire, Parks and Recreation, and E. Ward St Bridge	12/19/2022	819,100.00	43,320.00	775,780.00				122,898.62	448,912.07		247,289.31
23-02	Improvements to Maxwell Avenue	2/21/2023	855,000.00				\$ 233,730.00	\$ 621,270.00	24,075.00	2,762.50	594,432.50	233,730.00
23-12	Various Capital Improvements	7/17/2023	428,000.00				407,600.00	20,400.00	144,471.27	167,994.34		115,534.39
23-22	Improvement to the Sluice Gate	12/15/2023	65,000.00				61,800.00	3,200.00			3,200.00	61,800.00
				\$ 1,061,830.49	\$ 2,934,048.94	\$ 240,350.87	\$ 703,130.00	\$ 644,870.00	\$ 1,426,003.45	\$ 891,229.27	\$ 1,296,344.92	\$ 1,970,652.66

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	\$ 214,522.50
Increased by:	
2022 Budget Appropriation	<u>30,000.00</u>
	\$ 244,522.50
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>23,100.00</u>
Balance, December 31, 2023	<u><u>\$ 221,422.50</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ord. No.	Description	Date of Ordinance	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increase	Decrease	Balance Dec. 31, 2023
11-05	Milling and Paving Various Roads	6/06/2011	12/30/2020	9/27/2023	6/27/2024	4.2500%	\$ 14,500.00		\$ 800.00	\$ 13,700.00
13-23/15-06	Road Improvements to Park Ave, Greeley Street and Glen Brook Place	9/03/2013	12/30/2020	9/27/2023	6/27/2024	4.2500%	13,000.00		700.00	12,300.00
15-07	Road Improvements to Park Way, Grant St. and Hutchison Street	4/20/2015	12/30/2020	9/27/2023	6/27/2024	4.2500%	10,500.00		600.00	9,900.00
15-15,17-15, 22-24	Improvements to Stockton St. and Joseph St.	8/21/2015	12/30/2020	9/27/2023	6/27/2024	4.2500%	100,000.00		6,000.00	94,000.00
15-15,17-15, 22-24	Improvements to Stockton St. and Joseph St.		9/29/2022	9/27/2023	6/27/2024	4.2500%	140,000.00			140,000.00
17-09, 21-10	Retaining Wall, First Ave Improvements	8/21/2017	12/30/2020	9/27/2023	6/27/2024	4.2500%	150,000.00		7,900.00	142,100.00
17-09	Retaining Wall, First Ave Improvements	9/27/2023	9/27/2023	9/27/2023	6/27/2024	4.2500%		\$ 150,000.00		150,000.00
17-17,19-07	Improvements to Maple Ave and Sunset Ave	11/20/2017	12/30/2020	9/27/2023	6/27/2024	4.2500%	330,000.00		17,400.00	312,600.00
18-18	Various Capital Improvements-Public Safety	9/17/2018	12/30/2020	9/27/2023	6/27/2024	4.2500%	180,500.00		8,300.00	172,200.00
18-20	Improvements to Lincoln Ave., Hagemount Ave and Rocky Brook Court	11/05/2018	12/30/2020	9/27/2023	6/27/2024	4.2500%	100,000.00		5,300.00	94,700.00
19-10	Design Costs - Municipal Complex	6/17/2019	12/30/2020	9/27/2023	6/27/2024	4.2500%	476,000.00		16,500.00	459,500.00
19-20	Various Capital Improvements Police, Fire and DPW	11/01/2019	12/30/2020	9/27/2023	6/27/2024	4.2500%	185,500.00		13,250.00	172,250.00
20-05	Springcrest, Spruce Ct. and Glen Drive	7/20/2020	9/29/2022	9/27/2023	6/27/2024	4.2500%	273,000.00			273,000.00
20-05/22-23	Various Road Improvements	9/27/2023	9/27/2023	9/27/2023	6/27/2024	4.2500%		84,750.00		84,750.00
20-15	Crosswalk Signal and Fire Dept Equipment	12/08/2020	9/29/2022	9/27/2023	6/27/2024	4.2500%	100,000.00			100,000.00
21-02	Improvements Various Roads- Hauser Ave, Bennet Pl. Railroad Ave. Dey St	3/15/2021	9/29/2022	9/27/2023	6/27/2024	4.2500%	500,000.00			500,000.00
22-11	Improvements Various Roads- Orchard, Clover and S Main Public Safety Improvements Police and Fire, Parks and Recreation, and E. Ward St Bridge	2/22/2022	9/29/2022	9/27/2023	6/27/2024	4.2500%	90,000.00			90,000.00
22-21	Various Capital Improvements	9/27/2023	9/27/2023	9/27/2023	6/27/2024	4.2500%		600,000.00		600,000.00
23-02	Improvements to Maxwell Avenue	9/27/2023	9/27/2023	9/27/2023	6/27/2024	4.2500%		100,000.00		100,000.00
23-12	Various Capital Improvements	9/27/2023	9/27/2023	9/27/2023	6/27/2024	4.2500%		150,000.00		150,000.00
							<u>\$ 2,663,000.00</u>	<u>\$ 1,084,750.00</u>	<u>\$ 76,750.00</u>	<u>\$ 3,671,000.00</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM - WATER-SEWER CAPITAL FUND

Balance, December 31, 2022 Due from	\$ 297,071.10
-------------------------------------	---------------

And

Balance, December 31, 2023 Due from	<u>\$ 297,071.10</u>
-------------------------------------	----------------------

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds of 2018	9/27/2018	\$ 4,960,000	4/01/2024	\$ 480,000.00	5.00%	\$ 3,760,000.00	\$ 480,000.00	\$ 3,280,000.00
			4/01/2025	480,000.00	5.00%			
			4/01/2026	480,000.00	2.50%			
			4/01/2027	480,000.00	3.00%			
			4/01/2028	480,000.00	3.00%			
			4/01/2029	480,000.00	3.00%			
			4/01/2030	400,000.00	3.00%			
						<u>\$ 3,760,000.00</u>	<u>\$ 480,000.00</u>	<u>\$ 3,280,000.00</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT LOANS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decreased</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2022</u>		<u>Dec. 31, 2023</u>
Peddie Lake Dam Restoration Loan	2011	\$ 156,250	6/9/2024	\$ 4,360.57	2.00%	\$ 68,808.57	\$ 8,592.04	\$ 60,216.53
			12/9/2024	4,404.17				
			6/10/2025	4,448.22				
			12/10/2025	4,492.70				
			6/10/2026	4,537.63				
			12/10/2026	4,583.00				
			6/10/2027	4,628.83				
			12/10/2027	4,675.12				
			6/9/2028	4,721.87				
			12/9/2028	4,769.09				
			6/10/2029	4,816.78				
			12/10/2029	4,864.95				
			6/10/2030	4,913.60				
						<u>\$ 68,808.57</u>	<u>\$ 8,592.04</u>	<u>\$ 60,216.53</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

Balance, December 31, 2022	\$ 240,350.87
Increased by:	
Charged to Improvement Authorizations	<u>762,348.79</u>
	\$ 1,002,699.66
Decreased by:	
Cash Disbursed	<u>111,470.39</u>
Balance, December 31, 2023	<u><u>\$ 891,229.27</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>Authorized 2023</u>	<u>Grants Received</u>	<u>BAN's Issued</u>	<u>Balance Dec. 31, 2023</u>
05-24,09-13	Peddle Lake Dam improvements	\$ 550.00				\$ 550.00
09-20	Stockton Street Improvements	16,899.57				16,899.57
10-02	Reconstruction of Leshin Lane	13,000.00				13,000.00
10-16	Summit Street Sidewalk Improvements	526.45				526.45
12-04	Hurricane Irene Damage Emergency	625.25				625.25
12-13	Various Capital Improvements	500.00				500.00
13-07,15-14,19-04	Imp. To Peddle Lake Dam Walking Bridge	8,702.67				8,702.67
13-23, 15-06	Road Improvements to Park Avenue, Greeley St. and Glen Brook Place	15,210.00				15,210.00
14-06	Various Capital Improvements including Document Restoration	9,334.00				9,334.00
15-07	Road Improvements to Park Way, Grant St. and Hutchison Street	25,000.00				25,000.00
15-11	Acquisition of Aerial Ladder Truck	300.00				300.00
15-15, 17-15, 22-24	Improvements to Stockton Street and Joseph St.	294,856.15		\$ 108,162.12		186,694.03
16-12	Rehabilitation of East Ward Street	90,000.00				90,000.00
17-09, 21-10	Retaining Wall, First Ave Improvements	404,000.00			\$ 150,000.00	254,000.00
17-12	Police, Fire, DPW Court Equipment	40.00				40.00
20-05	Springcrest, Spruce Ct. and Glen Drive	85,000.00			84,750.00	250.00
21-02	Improvements Various Roads- Hauser Ave, Bennet Pl. Railroad Ave. Dey St.	100,368.00				100,368.00
22-11	Improvements Various Roads- Orchard, Clover and S Main	560,000.00				560,000.00
22-21	Public Safety Improvements Police and Fire, Parks and Recreation, and E. Ward St Bridge	775,780.00			600,000.00	175,780.00
23-02	Improvements to Maxwell Avenue		\$ 233,730.00		100,000.00	133,730.00
23-12	Various Capital Improvements		407,600.00		150,000.00	257,600.00
23-22	Improvement to the Sluice Gate		61,800.00			61,800.00
		<u>\$ 2,400,692.09</u>	<u>\$ 703,130.00</u>	<u>\$ 108,162.12</u>	<u>\$ 1,084,750.00</u>	<u>\$ 1,910,909.97</u>

WATER-SEWER UTILITY OPERATING FUND

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF UTILITY CASH - COLLECTOR/TREASURER

Balance, December 31, 2022		\$ 453,543.28
Increased by Receipts:		
Consumer Accounts Receivable	\$ 2,774,313.09	
Miscellaneous Revenue	80,954.49	
Interfunds:		
Current Fund	315,380.00	
Grant Fund	130,893.00	
Water Sewer Utility Capital Fund	13,547.50	
ARP	49,259.02	
Anticipated Deficit	50,000.00	
Water-Sewer Rent Overpayment	<u>1,005.47</u>	<u>3,415,352.57</u>
		\$ 3,868,895.85
Decreased by Disbursements:		
2023 Appropriations	\$ 2,912,116.01	
2022 Appropriation Reserves	144,618.57	
Interfund - General Capital Fund	400,000.00	
Refund of Prior Year Revenue	7,870.40	
Accrued Interest on Bonds, Loans and Notes	<u>125,986.46</u>	<u>3,590,591.44</u>
Balance, December 31, 2023		<u>\$ 278,304.41</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

Balance, December 31, 2022		\$ 151,562.32
Increased by:		
Water-Sewer Rents Levied	\$ 2,829,279.14	
Transfer to Consumer Overpayments	<u>1,005.47</u>	<u>2,830,284.61</u>
		\$ 2,981,846.93
Decreased by:		
Receipts:		
Write off of Prior Year		
Gray Water Charge	\$ 15,699.43	
Water-Sewer Rents		
Cash Received	2,774,313.09	
Due From Current Fund - Peddie School	59,170.45	
Due from Current Fund Other Rents	9,746.23	
Water-Sewer Rents - Overpayments Applied	<u>1,514.89</u>	<u>2,860,444.09</u>
Balance, December 31, 2023		<u>\$ 121,402.84</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES

	Balance December 31, 2022		Balance After Transfers and	Paid or	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Encumbrances</u>	<u>Charged</u>	<u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 51,927.78		\$ 51,927.78		\$ 51,927.78
Other Expenses	24,173.45	\$ 193,109.96	217,283.41	\$ 159,055.57	58,227.84
Statutory Expenditures:					
Unemployment Insurance	2,000.00		2,000.00	2,000.00	-
Social Security System	<u>3,039.81</u>		<u>3,039.81</u>		<u>3,039.81</u>
	<u>\$ 81,141.04</u>	<u>\$ 193,109.96</u>	<u>\$ 274,251.00</u>	<u>\$ 161,055.57</u>	<u>\$ 113,195.43</u>

Cash Disbursed	\$ 144,618.57
Due To Trust Other Unemployment	2,000.00
Accounts Payable - 2021 Audit Fee	<u>14,437.00</u>
	<u>\$ 161,055.57</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER OVERPAYMENTS**

Balance, December 31, 2022	\$ 7,731.23
Increased by:	
Receipts	<u>1,005.47</u>
	\$ 8,736.70
Decreased by:	
Overpayments Applied - Water-Sewer Rents	<u>1,514.89</u>
Balance, December 31, 2023	<u><u>\$ 7,221.81</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS, LOANS AND NOTES

Detail:

BAN's	\$ 862.96
Bonds	12,208.45
Loans	<u>12,394.62</u>

Balance, December 31, 2022 \$ 25,466.03

Increased by:

Charged to 2023 Budget:

BAN's	\$ 56,740.00	
Bonds	36,545.00	
Loans	<u>47,505.94</u>	<u>140,790.94</u>
		\$ 166,256.97

Decreased by:

Cash Disbursed:

BAN's	\$ 45,649.35	
Bonds	38,589.55	
Loans	<u>41,747.56</u>	<u>125,986.46</u>

Balance, December 31, 2023 \$ 40,270.51

Detail:

BAN's	\$ 11,953.61
Bonds	10,163.90
Loans	<u>18,153.00</u>
	<u>\$ 40,270.51</u>

WATER-SEWER UTILITY CAPITAL FUND

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF UTILITY CAPITAL CASH

Balance, December 31, 2022			\$ 444,277.89
Increased by Receipts:			
Capital Improvement Fund	\$ 18,776.00		
Bond Anticipation Notes	140,324.00		
Interfund:			
Water-Sewer Utility Operating Fund Interest Earned	16,851.29		
Current Fund:			
FEMA Grant Received - Transferred	400,231.20		
Cash Received	152,993.90		
Grant Fund	4,755.80		
NJl Bank - Proceeds	545,201.00	1,279,133.19	
			\$ 1,723,411.08
Decreased by Disbursements:			
Bond Anticipation Notes	\$ 400,000.00		
Improvement Authorizations	840,806.23		
Water-Sewer Utility Operating Fund:			
Interest Earned Transferred	16,851.29		
Cash Transfer	13,547.50	1,271,205.02	
Balance, December 31, 2023			<u>\$ 452,206.06</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**
WATER-SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance Dec. 31, 2022	Receipts	Disbursements	Bond Anticipation Notes Paid	Transfers		Balance Dec. 31, 2023
					From	To	
Capital Improvement Fund	\$ 28,816.95	\$ 18,776.00			\$ 16,900.00		\$ 30,692.95
Interfunds:							
Current Fund	952.97	553,225.10			400,231.20		153,946.87
Grant Fund		4,755.80					4,755.80
General Capital Fund	297,071.10						297,071.10
Reserve for Encumbrances	185,920.68				178,530.68	\$ 102,355.00	109,745.00
Due To Water-Sewer Operating	108,657.11	16,851.29	\$ 30,398.79				95,109.61
Reserve for Debt Service	4,631.21						4,631.21
NJIBank BAN							-
Reserve for NJIBank	82,272.23						82,272.23
Grant Receivable - FEMA	(474,873.76)					400,231.20	(74,642.56)
Due from NJDEP					16,235.00		(16,235.00)
Due from NJIBank					8,117.00		(8,117.00)
Fund Balance	5.72						5.72
Down Payment on Improvements	200.00						200.00
<u>Ord. No.</u>							
08-10,08-19 Water-Sewer Improvements	6,140.70		6,140.70				-
09-02 Water-Sewer Imp. Morrison Avenue	(600.00)						(600.00)
09-15 Water Main Extension	5,190.12						5,190.12
11-03 Water-Sewer Improvements	12,551.48		9,878.00				2,673.48
11-04 Refurbishment of Water Tanks	15,000.00						15,000.00
12-14 Mitigation Water Plant/Roof Replacement	41,532.53						41,532.53
13-19 Water-Sewer Improvements - Grape Run Rd and Pershing Avenue	6,801.19						-
14-12 Improvements to Water-Sewer Plants	43,594.16		18,855.30				6,801.19
16-14 Water-Sewer Improvements	(200,213.19)						24,738.86
17-10/19-09 Water Mains, Sewer Imp Stockton & Forman	20,375.69						(200,213.19)
17-11 Secondary Clarifier	(15,050.82)	20,824.00					20,375.69
17-16 Water-Sewer Imp. Maple Ave Sunset Dr	(7,849.00)		20,300.00			20,300.00	5,773.18
18-21 Water-Sewer Imp. Lincoln, Hagemount and Rocky Brook Court	55,169.05		400.00				(7,849.00)
19-19 Water-Sewer Improvements	4,558.28		200.00				-
20-06/21-08 Drainage Improvements	410,078.55		772.08	\$ (400,000.00)			54,769.05
20-16 Water-Sewer Improvements	49,476.81		16,929.13			7,050.38	4,358.28
20-17 Water-Sewer Flood Mitigation, Generator	281,330.76		354,464.76			9,532.50	9,306.47
21-03 Water-Sewer Improvements-Hauser, Bennet, Prospect, Railroad and Dey	(600.00)		143,144.88				39,598.06
22-07 Water Tank Painting and Repairs	(467,900.00)	545,201.00	175,702.15			163,247.30	(63,601.50)
22-12 Various Water-Sewer Improvements	(52,462.63)	50,000.00	20,316.25		1,910.00	2,752.50	(143,744.88)
22-22 Water Meters Replacement and Upgrades to Water-Sewer Utility	3,500.00	69,500.00	12,305.00				64,846.15
23-03 Water-Sewer Improvements to Maxwell Avenue			600.00		58,045.00		(21,936.38)
23-05 Improvements to Sludge Tank and Drywell			31,590.00				2,650.00
23-06 Replacement of Water-Sewer Lines			600.00			5,000.00	(600.00)
23-07 Engineer Costs for the Lead Line Water Service Replacement			5,017.98				(31,590.00)
23-09 Improvements to the Anaerobic Digester			4,290.00				4,400.00
23-13 Various Water-Sewer Utility Improvements			19,300.00		42,400.00	6,200.00	(5,017.98)
23-23 Rebuilding of the Rotopress						5,700.00	(4,290.00)
							(55,500.00)
							5,700.00
	<u>\$ 444,277.89</u>	<u>\$ 1,279,133.19</u>	<u>\$ 840,806.23</u>	<u>\$ (400,000.00)</u>	<u>\$ 722,368.88</u>	<u>\$ 722,368.88</u>	<u>\$ 452,206.06</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF GRANT RECEIVABLE - FEMA

Balance, December 31, 2022	\$ 474,873.76
Decreased by:	
Cash Received	<u>400,231.20</u>
Balance, December 31, 2023	<u><u>\$ 74,642.56</u></u>

Ordinance #20-17 \$505,500.00

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Balance, December 31, 2022	<u>\$ 15,336,516.65</u>
Balance, December 31, 2023	<u>\$ 15,336,516.65</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2022	Fixed Capital Authorizations	Balance Dec. 31, 2023
		Date	Amount			
08-10, 08-19	Water-Sewer Improvements	10/20/2008	\$ 155,400.00	\$ 155,400.00		\$ 155,400.00
09-02	Water-Sewer Imp. Morrison Avenue	2/02/2009	215,000.00	215,000.00		215,000.00
09-15	Water Main Extension	9/08/2009	2,200,000.00	2,200,000.00		2,200,000.00
10-01	Water-Sewer Improvements - Leshin Lane	2/01/2010	52,000.00	-		-
11-03	Water-Sewer Improvements	6/06/2011	2,083,000.00	2,188,000.00		2,188,000.00
11-04	Refurbishment of Water Tanks	6/06/2011	100,000.00	100,000.00		100,000.00
12-14	Mitigation Water Plant/Roof Replacement	8/20/2012	132,000.00	132,000.00		132,000.00
13-19	Water-Sewer Improvements - Grape Run Rd and Pershing Avenue	8/19/2013	86,000.00	86,000.00		86,000.00
14-12	Improvements to Water-Sewer Plants	7/21/2014	100,000.00	100,000.00		100,000.00
16-14	Improvements to Water-Sewer Plants	6/06/2016	1,860,000.00	1,860,000.00		1,860,000.00
17-10/19-09	Water Mains, Sewer Imp Stockton & Forman	8/21/2017	1,270,000.00	1,435,000.00		1,435,000.00
17-11	Secondary Clarifier	8/21/2017	245,000.00	245,000.00		245,000.00
17-16	Water-Sewer Imp. Maple Ave Sunset Dr	11/20/2017	110,000.00	110,000.00		110,000.00
18-19	Refunding Bonds	10/15/2018	1,040,000.00	-		-
18-21	Water-Sewer Imp. Lincoln, Hagemount and Rocky Brook Court	11/05/2018	175,000.00	175,000.00		175,000.00
19-18	Various Water-Sewer Improvements	11/18/2019	100,000.00	100,000.00		100,000.00
19-19	Various Water-Sewer Improvements	11/18/2019	110,000.00	110,000.00		110,000.00
20-06/21-08	Drainage Improvements	7/20/2020	310,000.00	975,000.00		975,000.00
20-16	Various Water-Sewer Improvements	12/07/2020	115,100.00	115,100.00		115,100.00
20-17	Water-Sewer Flood Mitigation, Generator	12/07/2020	505,500.00	505,500.00		505,500.00
21-03	Water-Sewer Improvements-Hauser, Bennet, Prospect, Railroad and Dey	3/15/2022	710,000.00	710,000.00		710,000.00
22-07	Water Tank Painting and Repairs	4/18/222	1,100,000.00	1,100,000.00		1,100,000.00
22-12	Various Water-Sewer Improvements	6/06/2022	380,000.00	380,000.00		380,000.00
22-22	Water Meters Replacements and upgrades To Water-Sewer Utility	12/19/2022	73,000.00	73,000.00		73,000.00
23-03	Water-Sewer Improvements to Maxwell Avenue	2/21/2023	1,290,000.00		\$ 1,290,000.00	1,290,000.00
23-05	Improvements to Sludge Tank and Drywell	4/3/2023	1,640,000.00		1,640,000.00	1,640,000.00
23-06	Replacement of Water-Sewer Lines	4/3/2023	105,000.00		105,000.00	105,000.00
23-07	Engineer Costs for the Lead Line Water Service Replacement	4/3/2023	100,000.00		100,000.00	100,000.00
23-09	Improvements to the Anaerobic Digester	6/5/2023	499,500.00		499,500.00	499,500.00
23-13	Various Water-Sewer Utility Improvements	7/17/2023	130,000.00		130,000.00	130,000.00
23-23	Rebuilding of the Rotopress	12/18/2023	118,000.00		118,000.00	118,000.00
				<u>\$ 13,070,000.00</u>	<u>\$ 3,882,500.00</u>	<u>\$ 16,952,500.00</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE TO WATER-SEWER UTILITY OPERATING FUND

Balance, December 31, 2022 (Due To)		\$ 108,657.11
Increased by:		
Interest Earned		<u>16,851.29</u>
		\$ 125,508.40
Decreased by:		
Interest Transferred to Water-Sewer Utility Operating Fund	\$ 16,851.29	
Cash Disbursed	<u>13,547.50</u>	<u>30,398.79</u>
Balance, December 31, 2023 (Due To)		<u><u>\$ 95,109.61</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF SEWER SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2022	Decreased by Budget Appropriation	Balance Dec. 31, 2023
			December 31, 2023					
			Date	Amount				
Water-Sewer Utility Bonds	9/27/2018	\$ 875,000.00	4/01/2024	\$ 75,000.00	5.000%	\$ 595,000.00	\$ 70,000.00	\$ 525,000.00
			4/01/2025	75,000.00	5.000%			
			4/01/2026	75,000.00	2.500%			
			4/01/2027	75,000.00	3.000%			
			4/01/2028	75,000.00	3.000%			
			4/01/2029	75,000.00	3.000%			
			4/01/2030	75,000.00	3.000%			
Water-Sewer Utility Refunding Bonds	11/27/2018	1,040,000.00	3/01/2024	105,000.00	3.342%	605,000.00	105,000.00	500,000.00
			3/1/25-27	100,000.00	3.342%			
			3/01/2028	95,000.00	3.342%			
						\$ 1,200,000.00	\$ 175,000.00	\$ 1,025,000.00

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding December 31, 2023		Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
NJ Environmental Infrastructure Trust (State) Loan	3/10/2010	\$ 495,000.00	8/01/2024-25 8/01/2026-29	\$ 28,000.00 33,000.00	3.50%-4.00%	\$ 217,000.00		\$ 29,000.00	\$ 188,000.00
NJ Environmental Infrastructure Fund (Federal) Loan	3/10/2010	1,451,250.00	8/01/2024-28 2/01/2024-29 8/01/2029	51,830.35 25,915.17 51,830.64	0.00% 0.00% 0.00%	544,218.93		77,745.52	466,473.41
NJ Environmental Infrastructure Trust (State) Loan	5/16/2012	283,382.00	8/01/2024 8/01/2025 8/01/2026 8/01/2027 8/01/2028 8/01/2029 8/01/2030 8/01/2031	15,013.00 15,330.00 15,672.00 16,037.00 16,495.00 16,982.00 17,497.00 18,035.00	2.110% 2.230% 2.330% 2.860% 2.950% 3.030% 3.080% 3.140%	145,781.00		14,720.00	131,061.00
NJ Environmental Infrastructure Fund (Federal) Loan	5/16/2012	813,055.00	2/01/2024-31 8/01/2024-30 8/01/2031	14,264.12 28,528.24 28,528.40	0.00% 0.00% 0.00%	385,131.40		42,792.36	342,339.04
NJ Environmental Infrastructure Fund (State) Loan	5/16/2012	238,918.00	8/01/2024 8/01/2025 8/01/2026 8/01/2027 8/01/2028 8/01/2029 8/01/2030 8/01/2031	12,657.00 12,924.00 13,213.00 13,521.00 13,907.00 14,317.00 14,751.00 15,206.00	2.110% 2.230% 2.330% 2.860% 2.950% 3.030% 3.080% 3.140%	122,906.00		12,410.00	110,496.00
NJ Environmental Infrastructure Fund Loan	5/16/2012	\$ 685,482.00	2/01/2024-31 8/01/2024-31	\$ 12,026.00 24,052.00	0.00% 0.00%	324,702.00		36,078.00	288,624.00
NJ Environmental Infrastructure Fund (State) Loan (2017A-1)	5/25/2017	80,000.00	8/01/2024-25 8/01/2026-32 8/01/2033	5,000.00 5,000.00 5,000.00	5.000% 3.000% 3.125%	55,000.00		5,000.00	50,000.00
NJ Environmental Infrastructure Fund (Federal) Loan	5/25/2017	86,542.00	2/01/2024-32 2/01/2033 8/01/2024-32	1,730.84 1,012.52 3,461.68	0.00% 0.00%	52,937.72		5,192.52	47,745.20

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF LOANS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding December 31, 2023		Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
			Date	Amount					
NJ Environmental Infrastructure Trust Loan 2018 (State) Loan	5/22/2018	\$ 330,000.00	8/01/2024 - 36	\$ 10,000.00	3.730%	\$ 310,000.00		\$ 10,000.00	\$ 300,000.00
			8/01/2037 - 41	15,000.00	3.730%				
			8/01/2042 - 46	15,000.00	3.750%				
			8/01/2047	20,000.00	3.750%				
NJ Environmental Infrastructure Loan Fund (Federal) Loan	5/22/2018	963,975.00	2/01/2024-45	10,831.17	0.00%	757,867.57		32,493.52	725,374.05
			8/01/2024-45	21,662.35	0.00%				
			8/01/2046	10,516.61	0.00%				
NJ Environmental Infrastructure Trust Loan 2022 (State) Loan	6/23/2022	315,000.00	8/01/2024 -28	5,000.00	5.000%	315,000.00		5,000.00	310,000.00
			8/01/2029-33	10,000.00	5.000%				
			8/01/2034	10,000.00	3.250%				
			8/01/2035-37	10,000.00	3.375%				
			8/01/2038-41	10,000.00	3.500%				
			8/01/2042-43	15,000.00	3.625%				
			8/01/2044	15,000.00	3.500%				
			8/01/2045-50	15,000.00	4.000%				
			8/01/2051	20,000.00	4.000%				
NJ Environmental Infrastructure Loan Fund (Federal) Loan	6/23/2022	324,073.00	2/01/2024-51	3,641.26	0.00%	\$ 316,790.47		10,923.79	305,866.68
			8/01/2024-50	7,282.53	0.00%				
			8/01/2051	7,282.09					
NJ Environmental Infrastructure Trust Loan 2022 (State) Loan	6/23/2023	125,538.00	8/01/2025-27	5,000.00	5.000%		\$ 125,538.00		125,538.00
			8/01/2028-35	10,000.00	5.000%				
			8/01/2036	10,367.00	3.030%				
			8/01/2037	10,181.00	3.030%				
			8/01/2038	9,990.00	3.030%				
NJ Environmental Infrastructure Loan Fund (Federal) Loan	6/23/2023	145,378.00	8/01/2024-37	6,608.09	0.00%		145,378.00		145,378.00
			8/01/2038	6,608.04	0.00%				
			2/01/2025-38	3,304.05	0.00%				
						\$ 3,547,335.09	\$ 270,916.00	\$ 281,355.71	\$ 3,536,895.38

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

<u>No.</u>	<u>Description</u>	<u>Date of Ordinance</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2022</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2023</u>
17-11	Secondary Clarifier	8/21/2017	12/30/2020	9/27/2023	6/27/2024	4.25%	\$ 210,000.00		\$ 2,659.00	\$ 207,341.00
17-11	Secondary Clarifier	8/21/2017	9/27/2023	9/27/2023	6/27/2024	4.25%		\$ 20,824.00		20,824.00
18-21	Water-Sewer Imp. Lincoln, Hagemount and Rocky Brook Court	11/05/2018	12/30/2020	9/27/2023	6/27/2024	4.25%	70,000.00		887.00	69,113.00
18-21	Water-Sewer Imp. Lincoln, Hagemount and Rocky Brook Court	11/05/2018	9/29/2022	9/27/2023	6/27/2024	4.25%	100,000.00			100,000.00
19-19	Water-Sewer Improvements	11/18/2019	12/30/2020	9/27/2023	6/27/2024	4.25%	50,000.00		2,778.00	47,222.00
19-19	Water-Sewer Improvements	11/18/2019	9/29/2022	9/27/2023	6/27/2024	4.25%	35,000.00			35,000.00
20-06	Drainage Improvements	7/20/2020	9/30/2021	9/27/2023	6/27/2024	4.25%	920,000.00		400,000.00	520,000.00
22-12	Water-Sewer Improvements	6/06/2022	9/29/2022	9/27/2023	6/27/2024	4.25%	50,000.00			50,000.00
22-12	Water-Sewer Improvements	6/06/2022	9/27/2023	9/27/2023	6/27/2024	4.25%		50,000.00		50,000.00
22-22	Water-Sewer Improvements	12/19/2022	9/27/2023	9/27/2023	6/27/2024	4.25%		69,500.00		69,500.00
							<u>\$ 1,435,000.00</u>	<u>\$ 140,324.00</u>	<u>\$ 406,324.00</u>	<u>\$ 1,169,000.00</u>
New Money								<u>\$ 140,324.00</u>		
Budget									\$ 6,324.00	
Excess Cash									<u>400,000.00</u>	
									<u>\$ 406,324.00</u>	

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2022	\$	4,631.21
----------------------------	----	----------

AND

Balance, December 31, 2023	<u>\$</u>	<u>4,631.21</u>
----------------------------	-----------	-----------------

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance, Dec. 31, 2022		Encumbrances Dec. 31, 2022	2023 Authorizations Deferred Charge to Future Revenue	Capital Improvement Fund	Paid or Charged	Encumbrances Dec. 31, 2023	Balance, Dec. 31, 2023		
		Date	Amount	Funded	Unfunded						Funded	Unfunded	Deferred
08-10, 08-19	Water-Sewer Improvements	10/20/2008	\$ 155,400.00	\$ 6,140.70					\$ 6,140.70				
09-15	Water Main Extension	9/08/2009	2,200,000.00	5,190.12	\$ 3,750.00						\$ 5,190.12	\$ 3,750.00	
10-01	Water-Sewer Improvements - Leshin Lane	2/01/2010	52,000.00										
11-03	Water-Sewer Improvements	6/06/2011	2,083,000.00	12,551.48	563.00	\$ 4,365.00			9,878.00	\$ 4,365.00		3,236.48	
11-04	Refurbishment of Water Tanks	6/06/2011	100,000.00	15,000.00							15,000.00		
12-14	Mitigation Water Plant/Roof Replacement	8/20/2012	132,000.00	41,532.53							41,532.53		
13-19	Water-Sewer Improvements - Grape Run Rd and Pershing Avenue	8/19/2013	86,000.00	6,801.19	6,000.00								
14-12	Improvements to Water-Sewer Plants	7/21/2014	100,000.00	18,855.30					18,855.30		6,801.19	6,000.00	
16-14	Water-Sewer Improvements	6/06/2016	1,860,000.00	27,327.67	226,398.00	3,025.00				3,025.00	27,327.67	226,398.00	
17-10,	Water Mains, Sewer Imp Stockton & Forman and First Ave.	8/21/2017	1,270,000.00		277,161.69							277,161.69	
17-11	Secondary Clarifier	8/21/2017	165,000.00		19,949.18							19,949.18	
17-16	Water-Sewer Imp. Maple Ave Sunset Dr	11/20/2017	245,000.00		102,151.00	20,300.00						102,151.00	
18-19	Refunding Bonds	10/15/2018	1,080,000.00						20,300.00				
18-21	Water-Sewer Imp. Lincoln, Hagemount and Rocky Brook Court	11/05/2018	175,000.00		60,169.05				400.00			59,769.05	
19-18	Various Water-Sewer Improvements	11/18/2019	100,000.00										
19-19	Various Water-Sewer Improvements	11/18/2019	110,000.00		24,258.28				200.00			24,058.28	
20-06/	Springcrest, Spruce & Glen Dr. Improvements	7/20/2020	310,000.00										
21-08		7/19/2022	665,000.00		459,877.77								
20-16	Water-Sewer Improvements	12/07/2020	115,100.00		57,476.81	7,050.38			772.08			459,105.69	
20-17	Water-Sewer Flood Mitigation, Generator	12/07/2020		281,330.76		9,532.50			16,929.13			47,598.06	
21-03	Water-Sewer Improvements-Hauser, Bennet, Prospect, Railroad and Dey	3/15/2022	710,000.00		709,400.00				354,464.76				\$ (63,601.50)
22-07	Water Tank Painting and Repairs *	4/18/2022	1,100,000.00		632,100.00	138,895.30			143,144.88			566,255.12	
22-12	Various Water-Sewer Improvements *	6/06/2022	380,000.00		327,537.37	2,752.50			175,702.15			595,293.15	
22-22	Water Meters Replacements and Upgrades								20,316.25	1,910.00		308,063.62	
	To Water-Sewer Utility	12/19/2022	73,000.00	3,500.00	69,500.00							2,650.00	
23-03	Water-Sewer Improvements to Maxwell Avenue *	2/21/2023	1,290,000.00				\$ 1,290,000.00		12,305.00	58,045.00		1,289,400.00	
23-05	Improvements to Sludge Tank and Drywell *	4/03/2023	1,640,000.00				1,640,000.00		600.00				
23-06	Replacement of Water-Sewer Lines	4/03/2023	105,000.00				100,000.00	\$ 5,000.00	31,590.00			1,608,410.00	
23-07	Engineer Costs for the Lead Line Water Service Replacement *	4/03/2023	100,000.00						600.00		4,400.00	100,000.00	
23-09	Improvements to the Anaerobic Digester	6/05/2023	499,500.00				100,000.00		5,017.98			94,982.02	
23-13	Various Water-Sewer Utility Improvements	7/17/2023	130,000.00				499,500.00		4,290.00			495,210.00	
23-23	Rebuilding of the Rotopress	12/18/2023	118,000.00				123,800.00	6,200.00	19,300.00	42,400.00		68,300.00	
							112,300.00	5,700.00			5,700.00	112,300.00	
				<u>\$ 418,229.75</u>	<u>\$ 2,976,292.15</u>	<u>\$ 185,920.68</u>	<u>\$ 3,865,600.00</u>	<u>\$ 16,900.00</u>	<u>\$ 840,806.23</u>	<u>\$ 109,745.00</u>	<u>\$ 105,951.51</u>	<u>\$ 6,470,041.34</u>	<u>\$ (63,601.50)</u>

* NJI-Bank

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES**

Balance, December 31, 2022	\$ 185,920.68
Increased by:	
Charged to Improvement Authorizations	<u>109,745.00</u>
	\$ 295,665.68
Decreased by:	
Transferred to Improvements Authorizator	<u>185,920.68</u>
Balance, December 31, 2023	<u><u>\$ 109,745.00</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

Exhibit D-22

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2022		\$ 17,504,332.34
Increased by:		
Paydowns:		
Serial Bonds	\$ 175,000.00	
Loans	281,355.71	
BANS	6,324.00	462,679.71
Balance, December 31, 2023		<u>\$ 17,967,012.05</u>

Exhibit D-23

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Balance, December 31, 2022		\$ 1,061,077.24
Increased by:		
Fixed Capital Authorized	\$ 16,900.00	
NJIBank Loan - Forgiveness	284,777.00	
FEMA Generator Grant	401,231.20	
NJIBank Additions	24,362.00	727,270.20
		1,788,347.44
Decreased by:		
Prior Year Adjustments		11,502.00
Balance, December 31, 2023		<u>\$ 1,776,845.44</u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

**WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2022	\$ 28,816.95
Increased by:	
2023 Budget Appropriation	<u>18,776.00</u>
	\$ 47,592.95
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>16,900.00</u>
Balance, December 31, 2023	<u><u>\$ 30,692.95</u></u>

**BOROUGH OF HIGHTSTOWN
COUNTY OF MERCER
STATE OF NEW JERSEY**

WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2022</u>	<u>2023 Authorizations</u>	<u>Bond Anticipation Notes/Loans Issued</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2023</u>
09-02	Morrison Avenue Improvements	\$ 600.00				\$ 600.00
09-15	Water Main Extension	3,750.00				3,750.00
11-03	Water-Sewer Improvements	563.00				563.00
13-19	Water-Sewer Improvements - Grape Run Rd. and Pershing Avenue	6,000.00				6,000.00
16-14	Water-Sewer Improvements	226,398.00				226,398.00
17-10/19-09	Water Mains/Sewer Imp Forman and First Ave.	256,786.00				256,786.00
17-11	Secondary Clarifier	35,000.00		\$ 20,824.00		14,176.00
17-16	Maple Ave and Sunset Dr. Improvements	110,000.00				110,000.00
18-21	Improvements to Lincoln Ave., Hagemount Ave. and Rocky Brook Court	5,000.00				-
19-19	Various Water-Sewer Improvements	19,700.00				19,700.00
20-06/21-08	Springcrest, Spruce and Glen Drive Improvements	8,500.00				8,500.00
20-16	Water-Sewer Improvements	37,180.00			\$ 29,180.00	8,000.00
21-03	Water-Sewer Improvements-Hauser, Bennet, Prospect, Railroad and Dey	710,000.00				-
22-07	Water Tank Painting and Repairs	1,100,000.00		545,201.00	24,352.00	710,000.00
22-12	Various Water-Sewer Improvements	330,000.00		50,000.00		530,447.00
22-22	Water Meters Replacements and upgrades To Water-Sewer Utility	69,500.00		69,500.00		280,000.00
23-03	Water-Sewer Improvements to Maxwell Avenue		\$ 1,290,000.00			-
23-05	Improvements to Sludge Tank and Drywell		1,640,000.00			1,290,000.00
23-06	Replacement of Water-Sewer Lines		100,000.00			1,640,000.00
23-07	Engineer Costs for the Lead Line Water Service Replacement		100,000.00			100,000.00
23-09	Improvements to the Anaerobic Digester		499,500.00			499,500.00
23-13	Various Water-Sewer Utility Improvements		123,800.00			123,800.00
23-23	Rebuilding of the Rotopress		112,300.00			112,300.00
		<u>\$ 2,918,977.00</u>	<u>\$ 3,865,600.00</u>	<u>\$ 685,525.00</u>	<u>\$ 53,532.00</u>	<u>\$ 6,045,520.00</u>

SUPPLEMENTARY AND STATISTICAL DATA

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Current Fund	Trust Fund	General Capital Fund	Water-Sewer Utility Fund	Governmental Capital Assets Account	Totals (Memorandum Only)	
						<u>2023</u>	<u>2022</u>
<u>ASSETS</u>							
Cash	\$ 5,215,888.68	751,766.58	\$ 3,606.46	\$ 730,510.47		\$ 6,701,772.19	\$ 5,794,240.94
Cash Held by Plan Administrator (LOSAP)		841,630.60				841,630.60	742,008.11
Accounts Receivable:							
Grants	154,760.00					154,760.00	177,368.00
Due from State of New Jersey			1,995,613.82	24,352.00		2,019,965.82	1,756,094.24
Grant Receivable - FEMA				74,642.56		74,642.56	474,873.76
Taxes, Liens and Utility Charges	549,796.59	38,218.14		121,402.84		709,417.57	617,308.15
Interfund Loans	726,181.94	303,929.96	2,784,437.64	511,417.03		4,325,966.57	1,838,551.36
Other Accounts Receivable	16,637.23	18,970.55				35,607.78	43,031.17
Charges to Future Taxation/Revenue			8,922,126.50	64,196.77		8,986,323.27	8,892,500.66
Fixed Capital				32,289,016.65		32,289,016.65	28,406,516.65
Capital Assets					\$ 7,148,891.87	7,148,891.87	7,148,891.87
	<u>\$ 6,663,264.44</u>	<u>\$ 1,954,515.83</u>	<u>\$ 13,705,784.42</u>	<u>\$ 33,815,538.32</u>	<u>\$ 7,148,891.87</u>	<u>\$ 63,287,994.88</u>	<u>\$ 55,891,384.91</u>

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY
COMBINED BALANCE SHEET ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Current Fund	Trust Fund	General Capital Fund	Water-Sewer Utility Fund	Governmental Capital Assets Account	Totals (Memorandum Only)	
						2023	2022
<u>LIABILITIES, RESERVES</u>							
<u>AND FUND BALANCE</u>							
Bonds, Notes and Loans Payable			\$ 7,011,216.53	\$ 5,730,895.38		\$ 12,742,111.91	\$ 12,674,143.66
Prepaid Taxes	\$ 91,515.27					91,515.27	123,635.29
Tax, Utility Charges and Other Overpayments	13,113.19			7,221.81		20,335.00	12,984.51
Accounts Payable	64,708.24			14,437.00		79,145.24	223,725.48
Appropriation Reserves	626,951.29			175,842.71		802,794.00	1,036,276.86
Reserve for Encumbrances	192,465.06		891,229.27	210,878.34		1,294,572.67	971,455.76
Amounts Pledged to Specific Purposes (LOSAP)		\$ 841,630.60				841,630.60	742,008.11
Developers Deposits and Escrow Funds		78,678.94				78,678.94	87,705.76
Improvement Authorizations			3,266,997.58	6,575,992.85		9,842,990.43	7,390,401.33
Interfund Loans	2,857,508.65	91,684.62	400,000.00	976,773.30		4,325,966.57	1,838,551.36
Accrued Interest on Bonds, Loans and Notes				40,270.51		40,270.51	25,466.03
Other Liabilities	40,117.00	84,387.78	220,922.50	36,024.16		381,451.44	685,950.79
Reserve for Certain Assets Receivable	1,142,270.61		127,959.87	196,045.40		1,466,275.88	1,527,980.30
Reserve for Amortization of Costs of							
Fixed Capital - Acquired or Authorized				17,967,012.05		17,967,012.05	17,504,332.34
Deferred Reserve for Amortization				1,776,845.44		1,776,845.44	1,061,077.24
Reserve for Grants	310,029.97					310,029.97	459,907.78
Various Reserves		858,133.89	1,777,646.99	82,272.23		2,718,053.11	768,505.70
Investment in Governmental Capital Assets					\$ 7,148,891.87	7,148,891.87	7,148,891.87
Fund Balance	1,324,585.16		9,811.68	25,027.14		1,359,423.98	1,608,384.74
Total Liabilities, Reserves and Fund Balance	\$ 6,663,264.44	\$ 1,954,515.83	\$ 13,705,784.42	\$ 33,815,538.32	\$ 7,148,891.87	\$ 63,287,994.88	\$ 55,891,384.91

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
CURRENT FUND

	Balance December 31, <u>2023</u>	<u>Percent</u>	Balance December 31, <u>2022</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 898,000.00	3.99%	\$ 820,000.00	3.83%
Miscellaneous - from other than Local				
Property Tax Levies	1,737,785.86	7.72%	1,473,631.17	6.88%
Other Credits to Income	588,609.53	2.61%	479,184.88	2.24%
Nonbudget Revenue	35,923.64	0.16%	141,762.88	0.66%
Collection of Delinquent Taxes and Tax Title Liens	228,230.69	1.01%	175,455.33	0.82%
Collection of Current Tax Levy	18,903,259.58	83.92%	18,329,888.21	85.57%
Cancellation of Prior Year Accounts Payable	132,718.53	0.59%		
Prior Year Interfund Liquidated	231.68	0.00%		
Total Income	<u>\$ 22,524,759.51</u>	<u>100.00%</u>	<u>\$ 21,419,922.47</u>	<u>100.00%</u>
<u>Expenditures</u>				
Budget Expenditures - Municipal Purposes	\$ 8,288,789.61	38.21%	\$ 7,664,154.96	37.22%
County Taxes	3,316,487.06	15.29%	3,154,947.85	15.32%
Local School Taxes	9,637,902.00	44.45%	9,581,719.00	46.53%
Other Expenditures	<u>441,398.18</u>	<u>2.04%</u>	<u>191,565.65</u>	<u>0.93%</u>
Total Expenditures	<u>\$ 21,684,576.85</u>	<u>100.00%</u>	<u>\$ 20,592,387.46</u>	<u>100.00%</u>
Excess of Revenue over Expenditures	\$ 840,182.06		\$ 827,535.01	
Excess to Fund Balance	840,182.06		827,535.01	
Fund Balance, January 1	<u>\$ 1,382,403.10</u>		<u>\$ 1,374,868.09</u>	
	2,222,585.16		2,202,403.10	
Less: Utilized as Anticipated Revenue	<u>898,000.00</u>		<u>820,000.00</u>	
Fund Balance, December 31	<u>\$ 1,324,585.16</u>		<u>\$ 1,382,403.10</u>	

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE
WATER AND SEWER UTILITY OPERATING FUND

	Balance December 31, <u>2023</u>	<u>Percent</u>	Balance December 31, <u>2022</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 200,000.00	5.99%	\$ 182,000.00	5.45%
Collection of Water and Sewer Rents	2,843,739.19	85.21%	2,710,830.62	81.23%
Other Credits to Income	113,195.43	3.39%	66,586.83	2.00%
Miscellaneous - from other than Water & Sewer Rents	130,223.51	3.89%	262,699.67	7.86%
Anticipated Deficit	<u>50,000.00</u>	<u>1.50%</u>		
Total Income	<u>\$ 3,337,158.13</u>	<u>100.00%</u>	<u>\$ 3,222,117.12</u>	<u>96.55%</u>
<u>Expenditures</u>				
Budget Expenditures:				
Operating	\$ 2,559,017.00	76.67%	\$ 2,299,569.00	68.90%
Capital Appropriations	18,776.00	0.56%	32,000.00	0.96%
Debt Service	596,590.00	17.87%	510,785.90	15.30%
Deferred Charges and Statutory Expenditures	155,500.00	4.66%	155,500.00	4.66%
Prior Year Refund	<u>7,870.40</u>	<u>0.24%</u>		
Total Expenditures	<u>\$ 3,337,753.40</u>	<u>100.00%</u>	<u>\$ 2,997,854.90</u>	<u>89.82%</u>
Excess of Revenue over Expenditures	\$ (595.27)		\$ 224,262.22	
Regulatory/(Deficit) to Balance Sheet/ Excess to Fund Balance	<u>\$ (595.27)</u>		\$ 224,262.22	
Fund Balance, January 1	<u>225,021.42</u>		<u>182,759.20</u>	
	225,021.42		407,021.42	
Less:				
Utilized as Anticipated Revenue	<u>200,000.00</u>		<u>182,000.00</u>	
Fund Balance, December 31	<u>\$ 25,021.42</u>		<u>\$ 225,021.42</u>	

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>4.853</u>	<u>4.685</u>	<u>4.516</u>	<u>4.413</u>	<u>4.290</u>
<u>Appointment of Tax Rate:</u>					
County Regular	0.729	0.693	0.667	0.678	0.659
County Library	0.075	0.071	0.068	0.069	0.066
County Open Space	0.034	0.032	0.029	0.030	0.028
Local School	2.436	2.419	2.342	2.284	2.209
Municipal	1.579	1.470	1.410	1.352	1.328

ASSESSED VALUATIONS

2023	\$ 395,713,300.00
2022	396,101,192.00
2021	396,172,393.00
2020	394,686,499.00
2019	393,687,820.00

COMPARISON OF TAX LEVIES AND CURRENT COLLECTION

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$ 19,209,978.05	\$ 18,903,259.58	98.40%
2022	18,576,032.10	18,329,888.21	98.67%
2021	17,915,565.49	17,724,330.08	98.93%
2020	17,451,083.95	17,231,965.87	98.74%
2019	16,390,722.31	16,122,100.50	98.36%

DELINQUENT TAXES AND TAX TITLE LIENS

The 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 five (5) years.

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 257,921.53	\$ 291,875.06	\$ 549,796.59	2.86%
2022	240,868.08	224,877.75	465,745.83	2.51%
2021	212,328.23	178,357.41	390,685.64	2.18%
2020	198,631.76	199,804.52	398,436.28	2.28%
2019	186,456.28	204,414.99	390,871.27	2.38%

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY

VALUATION OF PROPERTY

		Aggregate Assessed Valuation of Real Property	Aggregate True Value of Real Property	Ratio of Assessed to True Value	Assessed Value of Personal Property	Equalized Valuation
2023	\$	392,463,700	\$ 576,643,697	68.06%	\$ 3,249,600	\$ 579,893,297
2022		392,879,100	534,602,123	73.49%	3,222,092	537,824,215
2021		392,578,000	494,617,614	79.37%	3,594,393	498,212,011
2020		391,402,400	452,802,406	86.44%	3,284,099	456,086,505
2019		390,306,400	456,819,288	85.44%	3,381,420	460,200,708

REAL PROPERTY CLASSIFICATION

		<u>Vacant Land</u>		<u>Residential</u>		<u>Commercial</u>		<u>Industrial</u>		<u>Apartments</u>		<u>Total</u>
2023	\$	2,706,000	\$	318,253,900	\$	54,577,700	\$	3,552,900	\$	13,373,200	\$	392,463,700
2022		2,778,300		317,106,600		56,068,100		3,552,900		13,373,200		392,879,100
2021		2,318,700		316,258,000		56,615,600		4,012,500		13,373,200		392,578,000
2020		2,365,800		314,503,000		56,967,000		4,193,400		13,373,200		391,402,400
2019		2,436,800		314,070,100		57,258,400		3,167,900		13,373,200		390,306,400

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No properties have been acquired in 2023 by foreclosure or deed as a result of liquidation of tax title liens.

There was no property acquired by liquidation of tax title liens on December 31, for the last five (5) years.

COMPARISON OF WATER AND SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections *</u>
2023	\$ 2,829,279.14	\$ 2,843,739.19
2022	2,740,869.97	2,710,830.62
2021	2,729,037.01	2,712,410.65
2020	2,754,719.30	2,736,944.27
2019	2,716,219.27	2,768,273.56

* Cash collections include amounts which were levied in prior years.

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Fund</u>	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
Current	2023	\$ 1,399,585.16	\$ 1,030,874.00
	2022	1,382,403.10	898,000.00
	2021	1,374,868.69	820,000.00
	2020	1,418,712.88	975,000.00
	2019	745,724.44	275,000.00
Water-Sewer	2023	\$ 25,021.42	\$ 48,000.00
	2022	225,021.42	200,000.00
	2021	182,795.20	182,000.00
	2020	251,805.50	250,000.00
	2019	190,465.19	189,000.00

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Issued</u>			
General:			
Bonds, Notes and Loans	\$ 7,011,216.53	\$ 6,491,808.57	\$ 5,877,231.31
Water-Sewer Utility:			
Bonds, Notes and Loans	<u>5,730,895.38</u>	<u>6,182,335.09</u>	<u>5,900,486.54</u>
	<u>\$ 12,742,111.91</u>	<u>\$ 12,674,143.66</u>	<u>\$ 11,777,717.85</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	\$ 1,910,909.97	\$ 2,400,692.09	\$ 2,103,312.07
Water-Sewer Utility:			
Bonds and Notes	<u>6,045,220.00</u>	<u>2,918,477.00</u>	<u>1,663,511.00</u>
	<u>\$ 7,956,129.97</u>	<u>\$ 5,319,169.09</u>	<u>\$ 3,766,823.07</u>
 Net Bonds and Notes Issued and Authorized but Not Issued	 <u>\$ 20,698,241.88</u>	 <u>\$ 17,993,312.75</u>	 <u>\$ 15,544,540.92</u>

BOROUGH OF HIGHTSTOWN
MERCER COUNTY, NEW JERSEY

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 2.18%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 1,643,029.46	\$ 1,643,029.46	None
Water-Sewer Utility Debt	11,776,615.38	9,033,729.38	\$ 2,742,886.00
General Debt	<u>8,922,126.50</u>	<u>None</u>	<u>8,922,126.50</u>
	<u>\$ 22,341,771.34</u>	<u>\$ 10,676,758.84</u>	<u>\$ 11,665,012.50</u>

There was a deficit in revenue of \$137,144.30 and as such, the water-sewer utility was not self-liquidating and therefore, based on the requirements \$2,742,886 (20x\$137,144.30 (5%)) was not deductible from the gross debt and was factored into the net debt of the Borough.

BORROWING POWER UNDER NJSA 40A:2-6

3½% of Equalized Valuation Basis (Municipal)	\$ 18,735,073.39
Net Debt	<u>11,665,012.50</u>
Remaining Borrowing Power	<u>\$ 7,070,060.89</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE" WATER-SEWER UTILITY PER NJSA 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 3,173,962.70
Deductions:	
Operating and Maintenance Cost	\$ 2,714,517.00
Debt Service	<u>596,590.00</u>
	<u>3,311,107.00</u>
Excess/(Deficit) in Revenue	<u>\$ (137,144.30)</u>

The foregoing debt information is in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

There being a deficit in revenue, the fund was not totally self liquidating and the related debt as of December 31, 2024 is only partially deductible for the purposes of the annual debt statement and resultant net debt calculation. (Unaudited)

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

DECEMBER 31, 2023

The Honorable Mayor and Members
of the Borough Council
Borough of Hightstown
County of Mercer
State of New Jersey

Ladies and Gentlemen:

We have audited the financial statements – regulatory basis and supplemental schedules and data of the Borough of Hightstown, County of Mercer, New Jersey for the year ended December 31, 2023, and have issued our report thereon. As part of our audit, we reviewed and tested the Borough's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey and by the *Government Auditing Standards* issued by the U.S. General Accounting Office.

Our comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

Internal Control Matters

The deficiencies in internal control, as reported below, are not considered to be significant deficiencies nor material weaknesses. In addition, these deficiencies are not required to be reported in writing, however, these deficiencies are presented to management and those charged with governance in this report as a means to present those matters identified in review of the Borough's internal controls and as a means to inform management and those charged with governance as to the auditing standards requirements with respect to internal controls.

In addition, during our audit we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated April 29, 2025, on the financial statements of the Borough of Hightstown. Our comments and recommendations, which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

An audit of the financial accounts and transactions of the Borough of Hightstown, County of Mercer, New Jersey for the year ended December 31, 2023, has been completed. The General Comments are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Finance Department and the other various offices and departments collecting fees within the Borough of Hightstown, County of Mercer, New Jersey.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the Governing Body.

Contracts And Agreements Required To Be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only 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 of \$44,000.00 due to the presence of a Qualified Purchasing Agent ("QPA").

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

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

Stockton Street Sidewalks

Sludge Removal

Trailer Jetter

Improvements to Hansen, Bennett &
Prospect

In addition, purchased under State contract or cooperative purchasing agreements for the following items:

Acquisition of a New Garbage Truck

Anti-Speeding Equipment

Firefighting Equipment

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Contracts and Agreements Required to be Advertised Per N.J.S. 40A:11-4 (Continued)

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

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

Our examination of expenditures did not reveal any individual payments contracts or agreements in excess of \$44,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

The Borough has several interlocal service agreements for various municipal services which are beneficial to the taxpayers of the Borough of Hightstown.

Collection of Interest on Delinquent Taxes, Utility Charges and Assessments

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

The governing body, on January 3, 2023, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

RESOLVED, that in accordance with N.J.S. 54:4-67, as amended in 1970, it is hereby authorized that the rate of interest for delinquent taxes and assessments be fixed at eight percent (8%) per annum up to \$1,500.00 and eighteen percent (18%) per annum over \$1,500.00 on all delinquent taxes and water-sewer assessments from the date same were due and payable, and on all delinquencies in excess of \$10,000.00, a penalty pursuant to the provisions of P.L. 1991, Chapter 75, is hereby fixed in the amount of six percent (6%) of such delinquency.

The Borough ordinance establishing the rules and regulations on the water-sewer utility provides, in part, that charges not paid on the due dates shall be subjected to a rate of interest of eight percent (8%) per annum, up to \$1,500.00 and eighteen percent (18%) per annum interest over \$1,500.00.

It appears, from an examination of the Collector's records, that interest on delinquent taxes and utility charges was collected in accordance with the foregoing resolution and ordinance.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2023, prior years and tax title liens as reflected on the Schedule of Taxes Receivable and Analysis of Property Tax Yield (Exhibit A-7) and Schedule of Tax Title Liens (Exhibit A-8) is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2023, covering all unpaid charges on that date, was verified with the accounting control figures shown in this report.

There was a tax sale held on September 12, 2023 and the sale was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit. The following comparison is made of the number of tax title liens receivable on December 31st of the last three (3) years.

<u>Year</u>	<u>Number of Liens</u>
2023	18
2022	17
2021	17

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

Water & Sewer Utility Operating Fund

The Water & Sewer Utility Operating Fund Schedule of Consumer Accounts Receivable (Exhibit D-8) as reflected in this audit report maintained by the Water-Sewer Collector was proven to the detail records.

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2023.

Cash counts were made at various dates in all departments of the Borough and bank balances were independently reconciled to the books and records provided for audit.

We have been advised that bank reconciliations for 2023 were not up to date until sometime in 2025, which is consistent with the delinquency of presentation of the records for audit. The new CFO effective October 1, 2024 has made progress in bringing the records more current.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary.

Expenditures

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed for the most part, compliance with procedures and requirements has been adhered to.

There was a change to Fund Balance and cash disbursement for \$37,700.76 in order to bring the records into agreement. Due to the significant number of adjustments that were necessary and the lateness of the audit, it is impossible without performing a "100%" audit, to determine the correct change.

Payroll

An examination was made of the employees' compensation records for the year 2023 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance or agreements.

Our examination of payroll did not cover verification of the validity and reasonableness of the allocation of salaries for individuals whose job encompasses activities that relate to more than one of the Borough's operating funds or Departments. The allocation of salaries for individuals whose duties encompass more than one fund or appropriation is done at the sole discretion of the management of the Borough. It is proper and legal to allocate salaries amongst funds as long as the duties of the individuals relate to the costs charged to the fund or appropriation.

Our audit revealed minor instances of untimely pension enrollments of new employees, certain pensionable wages not reported, health benefit contribution not properly withheld, and in one case, authorized salary increases not enacted. The amounts involved were not significant.

Miscellaneous Comments

The confirmation sent to the Local Board of Education verified that school taxes were paid during December 31, 2023.

The surety bonds covering the Chief Financial Officer, Tax Collector and the Municipal Court employees were tested for adequacy of coverage and were determined to be sufficient.

Interfunds

The Balance Sheets of various funds reflect Interfund Receivable/Payable as of December 31, 2023. The interfunds will be liquidated subsequent to yearend.

There are interfunds that are over one year old which must be addressed for liquidation. The new Chief Financial Officer (effective October 1, 2024) is in the process of reviewing these for liquidation.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Miscellaneous Comments (Continued)

Construction Code Official

Our examination of the Uniform Construction Code Annual Report revealed the revenues for 2023 in accordance with the report were \$159,589 and expenditures were \$264,775. The excess of expenditures over revenue should be reviewed for corrective action. The statutes require (allow) that the revenue of the department be sufficient to support the expenditures. The Report filed also revealed that the overhead allocation was in excess of the 12% limit. These matters should be monitored for future compliance.

The separate report as required by the Local Finance Board Notice #17-15 for Uniform Construction Code Fee was filed in conjunction with the issuance of this audit.

Aged or Inactive Accounts

Finding 2022/23-1

Reserves, receivables, unexpended appropriations, improvements authorizations, payables and reconciling items on bank reconciliations in all funds which are aged or inactive should be reviewed on an ongoing basis for utilization, refund to the funding source or cancellation to the appropriate fund balance. This matter has been suggested in all prior audits and no action has been taken. The CFO of record was part-time and has since retired, which is probably the reason for lack of action on this matter. The new CFO effective October 1, 2024, has undertaken a review.

Technical Directives – State of New Jersey

N.J.A.C. 5:30-5.7 – General Ledger Accounting System

The general ledger for 2023 was maintained in accordance with acceptable accounting control standards. However, it was presented late and needed several adjustments to present accurate balances.

N.J.A.C. 5:30-5.6 – Accounting for Governmental Fixed Assets

A complete inventory has not been updated and as a result not presented for audit disclosure purposes. This matter needs to be reviewed by the Administration for updating.

N.J.A.C. 5:30-5.2 – Encumbrance Accounting

A complete encumbrance accounting purposes was maintained for 2023.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Miscellaneous Comments (Continued)

Length of Service Awards Program

The Borough adopted a Length of Service Awards Program (LOSAP). The participants in the program direct the investments within their individual accounts. A separate Accountants Review Report was prepared on the program for the year ended December 31, 2023.

Internal Control Documentation

Statement on Auditing Standards 115 sets forth requirements upon the auditee that includes the documentation of its internal controls. Internal Controls should be in conjunction with a financial procedure reviewed on an ongoing basis. We suggest the documentation should also include the internal controls that exist over grant compliance along with providing for this documentation in conjunction with information relating to job descriptions and procedures manual.

Administration and Accounting of State & Federal Grants

The acceptance of grant funds also places additional requirements upon the Borough with respect to the Borough's system of internal control. Based upon the matrix of requirements applicable to the specific grant, the Borough's internal controls are required to include systems and policies and procedures designed to ensure with the compliance requirements. In addition, we suggest the Borough review all of the applicable grant agreements and the Borough's system of internal controls in order to ensure the Borough's internal controls are functioning at the requisite levels to meet the various accounting and compliance requirements.

Cybersecurity

With the ever-increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with the utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

Other Officials Collecting Fees

Our reviews of the records maintained for other officials collecting fees, which were designed to determine that minimum levels of internal control and accountability were met, and that cash receipts were deposited or turned over to the Borough's Treasurer's accounts within a 48-hour period as required by N.J.S.A. 40A:5-15. There were no exceptions to report.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Miscellaneous Comments (Continued)

Capital Funds

General Capital Fund – Analysis of Cash (Exhibit C-3) reflects overdrafts in nine (9) Improvement Authorizations, three (3) of which are minor in amount. The overdrafts will be resolved when the Borough conducts its annual bond anticipation note (BAN) sale, receives NJDOT reimbursement, other grant reimbursement or the Borough provides funds in its annual budget.

Water-Sewer Utility Capital Fund – Analysis of Cash (Exhibit D-1) reflects overdrafts of five (5) Improvement Authorizations, two (2) of which are minor in amount. The overdrafts should be resolved when the NJI-Bank loan closes, the annual BAN sale related to this occurs or the Borough provides funds in its annual budget.

It should be noted that the new CFO effective October 1, 2024 has undertaken a review of the improvement authorizations for corrective action.

Deferred Charges

The Water-Sewer Utility Capital Fund Improvement Authorization #20-17 Water-Sewer Flood Mitigation Generator reflected an overexpenditure of \$63,601.50. This is reflected on the balance sheet as a “Deferred Charges” and must be raised in subsequent year’s budgets. Expenditures should be limited to funds available.

The Water-Sewer Utility Operating Fund reflected an “Deficit in Operations” of \$595.27. This is a result of an excess of expenditures over revenue, which must be raised in the next subsequent year’s budget. A lower level of anticipated revenue is the primary cause.

Presentation of Financial Statements

Finding 2022/23-2

For the past several years the records presented for audit by the former CFO (retired September 30, 2024) have been significantly delinquent. This condition is problematic since it affects several matters related to the finances of the Borough. The CFO of record, retired September 30, 2024, and his records upon retirement were still delinquent.

The Governing Body and the NJ DCA is aware of this condition in spite of assurances by the former CFO related to becoming more current.

The financial statements and underlying accounting records prepared by the Chief Financial Officer (“CFO”) need to be presented for audit in a more-timely manner.

The new CFO effective October 1, 2024, has been diligently attempting to bring the records more current.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2023

Miscellaneous Comments (Continued)

With respect to Findings 2022/23-1 and 2022/23-2, there were recommendations in the December 31, 2022, audit, however, due to the late filing of the 2022 audit, it was impractical to implement and therefore these recommendations are unwarranted at this time.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough Officials and Employees and the courtesies extended to us during the course of the audit.

A formal exit conference, in accordance with audit requirements generally accepted in the United States of America, has been held on the contents of this audit with the appropriate Borough Officials.

RECOMMENDATIONS
DECEMBER 31, 2023

None

The foregoing comments and recommendations noted in our review were not of such a magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

A Corrective Action Plan for the 2022 audit (prior year) recommendations was adopted on March 17, 2025.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'G Stankiewicz', with a stylized, cursive script.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For the Firm
SAMUEL KLEIN AND COMPANY, LLP