

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR ENDED
DECEMBER 31, 2022**

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH**

PART I

**INDEPENDENT AUDITOR'S REPORTS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Fair Haven
Fair Haven, New Jersey

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Prior Period Financial Statements

The financial statements as of December 31, 2021, were audited by other auditors whose report dated August 24, 2022, expressed an adverse opinion on U.S. Generally Accepted Accounting Principles and an unmodified opinion on the regulatory basis of accounting.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2023, on our consideration of the Borough of Fair Haven's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Fair Haven's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Fair Haven's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
August 8, 2023

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

Honorable Mayor and Members
of the Borough Council
Borough of Fair Haven
Fair Haven, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the Borough of Fair Haven, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated August 8, 2023. Our report indicated that the Borough's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Certified Public Accountant
Register Municipal Accountant
RMA No. 483

Lakewood, New Jersey
August 8, 2023

FINANCIAL STATEMENTS

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CURRENT FUND

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BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Current Fund:			
Cash	A-4	\$ 9,640,243.49	\$ 8,307,819.04
Change Fund	A-5	400.00	400.00
Due from State of New Jersey - Senior & Vets	A-6	2,228.63	1,879.65
		<u>9,642,872.12</u>	<u>8,310,098.69</u>
Receivables With Full Reserves:			
Taxes Receivable	A-7	289,253.60	146,771.46
Revenue Accounts Receivable	A-8	1,804.59	4,347.68
		<u>291,058.19</u>	<u>151,119.14</u>
Total Current Fund		<u>9,933,930.31</u>	<u>8,461,217.83</u>
State Grant Fund:			
Cash	A-4	398,678.83	298,489.41
Due From Current Fund	A-10	85,184.86	52,988.00
State Grants Receivable	A-11	40,319.00	85,118.18
Total State Grant Fund		<u>524,182.69</u>	<u>436,595.59</u>
Total Assets		<u>\$ 10,458,113.00</u>	<u>\$ 8,897,813.42</u>

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

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021

<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Current Fund:			
Appropriation Reserves	A-3	\$ 673,673.39	\$ 827,236.64
Encumbrances Payable	A-16	316,554.64	277,577.67
Accounts Payable	A-15	2,134.00	-
Due To:			
State Grant Fund	A-10	85,184.86	85,118.18
State of New Jersey - Marriage Licenses	A-17	-	150.00
Prepaid Taxes	A-18	125,673.18	194,051.85
Tax Overpayments	A-19	3,969.27	7,873.05
Local District School Tax Payable	A-20	5,019,710.97	4,085,702.97
Regional High School Tax Payable	A-21	61,355.49	54,305.49
County Taxes Payable	A-22	24,333.64	38,333.88
Reserve for:			
Tax Title Liens Premiums	A-14	53,900.00	125,800.00
Tax Appeals Pending	A-23	122,083.95	111,758.81
Insurance Reimbursements	A-9	44,370.96	34,931.04
Outside Liens	A-24	-	630.00
LOSAP Payable	A-25	54,094.46	105,602.91
Municipal Relief Fund Aid	A-26	23,712.66	-
		<u>6,610,751.47</u>	<u>5,949,072.49</u>
Reserve for Receivables and Other Assets	A	291,058.19	151,119.14
Fund Balance	A-1	<u>3,032,120.65</u>	<u>2,361,026.20</u>
Total Current Fund		<u>9,933,930.31</u>	<u>8,461,217.83</u>
State Grant Fund:			
Reserve for Grants:			
Encumbrances Payable	A-12	19,040.93	23,433.00
Appropriated	A-12	106,564.61	115,973.18
Unappropriated	A-13	398,577.15	297,189.41
Total State Grant Fund		<u>524,182.69</u>	<u>436,595.59</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 10,458,113.00</u>	<u>\$ 8,897,813.42</u>

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

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,250,000.00	\$ 1,250,000.00
Miscellaneous Revenue Anticipated	1,389,545.19	1,275,941.31
Receipts From Delinquent Taxes	147,271.46	125,191.76
Non-Budget Revenues	126,369.14	222,547.13
Receipts From Current Taxes	35,811,959.47	35,036,570.80
Appropriation Reserves Lapsed	839,193.09	463,168.17
Statutory Excess - Animal Control Fund	-	20,798.11
	<hr/>	<hr/>
Total Revenues	39,564,338.35	38,394,217.28
	<hr/>	<hr/>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	3,426,800.00	3,150,000.96
Other Expenses	4,289,709.11	4,359,273.52
Deferred Charges and Statutory Expenditures	895,000.00	813,123.00
Capital Improvements	450,000.00	250,000.00
Municipal Debt Service	467,907.00	472,307.00
Deferred Charges	-	550,000.60
Local District School Tax	16,419,707.00	16,107,978.00
Regional High School Tax	6,189,168.00	6,019,154.00
County Taxes	5,475,411.05	5,167,934.54
County Share of Added Taxes	24,333.60	38,333.88
Prior Year Senior and Vets Disallowed	500.00	-
Fraudulent Transactions (Direct Deposit-Payroll)	4,691.12	3,954.78
Tax Collector Escrow Adjustment	17.02	-
	<hr/>	<hr/>
Total Expenditures	37,643,243.90	36,932,060.28
	<hr/>	<hr/>
Excess in Revenue	1,921,094.45	1,462,157.00
	<hr/>	<hr/>
Fund Balance, January 1	2,361,026.20	2,148,869.20
	<hr/>	<hr/>
	4,282,120.65	3,611,026.20
Decreased By:		
Utilization as Anticipated Revenue	1,250,000.00	1,250,000.00
	<hr/>	<hr/>
Fund Balance, December 31	\$ 3,032,120.65	\$ 2,361,026.20
	<hr/>	<hr/>

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Anticipated</u>	<u>Anticipated 40A:4-87</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 1,250,000.00	\$ -	\$ 1,250,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	7,500.00	-	7,876.00	376.00
Other	3,000.00	-	2,563.00	(437.00)
Fees and Permits	45,000.00	-	45,501.00	501.00
Fines and Costs:				
Municipal Court	35,000.00	-	34,526.77	(473.23)
Interest and Costs on Taxes	45,000.00	-	57,379.53	12,379.53
Interest on Investments and Deposits	75,000.00	-	105,618.29	30,618.29
Cable Franchise Fees	89,000.00	-	89,677.52	677.52
Cell Tower Lease	97,000.00	-	113,358.39	16,358.39
Energy Receipts Tax	454,580.00	-	454,580.00	-
Uniform Construction Code Fees	250,000.00	-	246,294.05	(3,705.95)
Reserve to Pay Bonds & Notes	2,500.00	-	2,500.00	-
American Rescue Plan Funds	200,000.00	-	200,000.00	-
Uniform Fire Safety Act	3,500.00	-	3,246.10	(253.90)
Drunk Driving Enforcement Fund	-	631.73	631.73	-
Recycling Tonnage Grant	10,296.23	-	10,296.23	-
Bullet Proof Vest Partnership	-	2,640.00	2,640.00	-
Clean Communities Program	-	11,884.51	11,884.51	-
NJ Body Armor Grant	972.07	-	972.07	-
Total Miscellaneous Revenues	1,318,348.30	15,156.24	1,389,545.19	56,040.65
Receipts From Delinquent Taxes	100,000.00	-	147,271.46	47,271.46
Amount To Be Raised By Taxes for Support of Municipal Budget	7,850,982.00	-	8,278,339.82	427,357.82
Budget Revenues	10,519,330.30	15,156.24	11,065,156.47	530,669.93
Non-Budget Revenues	-	-	126,369.14	126,369.14
	<u>\$ 10,519,330.30</u>	<u>\$ 15,156.24</u>	<u>\$ 11,191,525.61</u>	<u>\$ 657,039.07</u>
<u>Allocation of Current Tax Revenues</u>				
Allocation of Current Tax Collections:				
Revenue From Collections			\$ 35,811,959.47	
Allocation To School, Open Space and County Taxes			28,108,619.65	
Balance for Support of Municipal Budget Appropriations			7,703,339.82	
Add: Appropriation "Reserve for Uncollected Taxes"			575,000.00	
Amount for Support of Municipal Budget Appropriations			<u>\$ 8,278,339.82</u>	
<u>Receipts From Delinquent Taxes</u>				
Delinquent Tax Collections			\$ 147,271.46	
Tax Title Lien Collections			-	
			<u>\$ 147,271.46</u>	

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Analysis of Non-Budget Revenues

Police Reports	\$ 173.00
Certified Copies	1,320.00
Certified Property List	270.00
Reimbursements	1,618.20
Motor Vehicle Inspection Fines	1,150.00
Towing Operator	450.00
Recycling/Trash Cans	690.00
Engineering Fees	5,643.00
Miscellaneous Tax Collector Revenue	75.01
Field/Youth Center Usage	27,927.20
NSF Check Fee	20.00
Admin Fee SC/Vet	436.76
Miscellaneous	4,470.97
Pod Structure	500.00
Tax Map Revisions	300.00
Police Outside Work	81,325.00
	<hr/>
	<u>\$ 126,369.14</u>

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Appropriation By 40A:4-87</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
GENERAL GOVERNMENT							
General Administration:							
Salaries and Wages	\$ 214,500.00	\$ -	\$ 218,000.00	\$ 217,872.06	\$ -	\$ 127.94	\$ -
Other Expenses	109,902.00	-	109,902.00	64,583.44	5,918.34	39,400.22	-
Municipal Clerk:							
Salaries and Wages	105,000.00	-	105,350.00	105,214.73	-	135.27	-
Other Expenses	19,150.00	-	11,050.00	7,609.53	317.09	3,123.38	-
Mayor and Council:							
Other Expenses	2,750.00	-	2,750.00	2,068.31	-	681.69	-
Financial Administration (Treasury):							
Salaries and Wages	73,000.00	-	74,200.00	74,063.01	-	136.99	-
Other Expenses	28,100.00	-	20,400.00	13,493.39	4,140.90	2,765.71	-
Audit Services	35,000.00	-	35,000.00	33,250.00	1,500.00	250.00	-
Revenue Administration (Tax Collection):							
Salaries and Wages	45,000.00	-	35,450.00	28,658.97	-	6,791.03	-
Other Expenses	4,100.00	-	4,100.00	2,178.79	-	1,921.21	-
Tax Assessment Administration:							
Salaries and Wages	29,500.00	-	30,250.00	30,238.08	-	11.92	-
Other Expenses	19,300.00	-	15,100.00	13,519.47	-	1,580.53	-
Legal Services (Legal Department):							
Other Expenses	132,500.00	-	132,150.00	64,580.66	10,180.34	57,389.00	-
Engineering Services:							
Salaries and Wages	218,000.00	-	218,000.00	216,449.26	-	1,550.74	-
Other Expenses	21,000.00	-	21,000.00	1,905.50	2,803.59	16,290.91	-
Insurance:							
General Liability	200,000.00	-	200,000.00	144,907.00	-	55,093.00	-
Workers Compensation	100,000.00	-	100,000.00	97,064.00	-	2,936.00	-
Employee Group Health	910,000.00	-	910,000.00	850,089.52	1,855.20	58,055.28	-
Health Waivers	22,000.00	-	22,000.00	21,851.68	-	148.32	-
LAND USE ADMINISTRATION							
Planning Board:							
Salaries and Wages	17,500.00	-	17,500.00	17,081.29	-	418.71	-
Other Expenses	79,000.00	-	69,000.00	30,214.85	2,529.53	36,255.62	-

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Appropriation By 40A:4-87</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
Zoning Board of Adjustment:							
Salaries and Wages	17,500.00	-	17,500.00	17,081.21	-	418.79	-
Other Expenses	17,950.00	-	17,950.00	7,519.01	916.61	9,514.38	-
Zoning Officer:							
Salaries and Wages	35,000.00	-	35,300.00	35,220.72	-	79.28	-
Other Expenses	1,750.00	-	1,750.00	525.52	90.00	1,134.48	-
PUBLIC SAFETY							
Police Department:							
Salaries and Wages	1,729,500.00	-	1,759,000.00	1,744,431.94	-	14,568.06	-
Other Expenses	110,600.00	-	130,600.00	58,907.14	70,747.96	944.90	-
Historic Preservation Committee:							
Other Expenses	200.00	-	200.00	-	-	200.00	-
Office of Emergency Management:							
Other Expenses	3,100.00	-	3,100.00	1,542.00	1,007.50	550.50	-
Aid To Volunteer Fire Companies:							
Other Expenses	67,250.00	-	77,250.00	28,571.90	43,038.39	5,639.71	-
Aid To Volunteer Fire Companies - Police:							
Other Expenses	2,900.00	-	2,900.00	-	1,299.85	1,600.15	-
First Aid Organization:							
Other Expenses	21,150.00	-	21,150.00	15,404.10	5,630.74	115.16	-
Municipal Prosecutor's Office:							
Other Expenses	13,235.00	-	13,235.00	9,926.25	3,308.75	-	-
Water Rescue:							
Other Expenses	6,830.00	-	6,830.00	4,429.56	1,112.00	1,288.44	-
PUBLIC WORKS							
Streets and Road Maintenance:							
Salaries and Wages	508,500.00	-	511,500.00	500,040.79	-	11,459.21	-
Other Expenses	44,950.00	-	44,950.00	18,684.61	9,508.15	16,757.24	-
Shade Tree Commission:							
Other Expenses	14,660.00	-	14,660.00	4,920.00	1,170.00	8,570.00	-
Solid Waste Collection							
Other Expenses	357,400.00	-	357,400.00	309,863.26	29,706.66	17,830.08	-

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Appropriation By 40A:4-87</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
Recycling Program:							
Salaries and Wages	30,000.00	-	30,500.00	30,483.00	-	17.00	-
Other Expenses	63,500.00	-	63,500.00	38,373.00	5,610.00	19,517.00	-
Buildings and Grounds:							
Other Expenses	188,750.00	-	188,750.00	133,449.97	29,568.12	25,731.91	-
Vehicle Maintenance:							
Salaries and Wages	64,000.00	-	68,000.00	66,637.56	-	1,362.44	-
Other Expenses	82,000.00	-	82,000.00	69,012.79	9,314.57	3,672.64	-
HEALTH AND WELFARE							
Board of Health:							
Other Expenses	54,400.00	-	54,400.00	52,144.40	129.00	2,126.60	-
Environmental Health Services:							
Other Expenses	2,975.00	-	2,975.00	1,408.17	-	1,566.83	-
RECREATION AND EDUCATION							
Board of Recreation Commissioners:							
Salaries and Wages	75,500.00	-	77,000.00	76,901.02	-	98.98	-
Other Expenses	11,900.00	-	11,900.00	8,863.28	1,229.14	1,807.58	-
Maintenance of Parks and Playgrounds:							
Other Expenses	28,500.00	-	28,500.00	14,790.90	13,393.96	315.14	-
Celebration of Public Events:							
Other Expenses	15,000.00	-	15,000.00	13,937.07	-	1,062.93	-
CODE ENFORCEMENT AND ADMINISTRATION							
Code Enforcement:							
Salaries and Wages	29,300.00	-	29,300.00	14,313.25	-	14,986.75	-
Other Expenses	1,200.00	-	1,200.00	556.75	284.40	358.85	-
Municipal Court:							
Salaries and Wages	15,000.00	-	15,350.00	15,316.09	-	33.91	-
Other Expenses	410.00	-	410.00	160.00	-	250.00	-
Public Defender:							
Other Expenses	1,000.00	-	1,350.00	1,050.00	300.00	-	-

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Original Budget</u>	<u>Appropriation By 40A:4-87</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	<u>Cancelled</u>
UNCLASSIFIED							
Utilities:							
Fire Hydrant Service	84,000.00	-	84,000.00	75,951.57	7,598.10	450.33	-
Electricity	45,000.00	-	45,000.00	39,368.88	5,285.31	345.81	-
Street Lighting	45,000.00	-	45,000.00	30,473.45	1,197.08	13,329.47	-
Telephone	48,600.00	-	48,600.00	43,554.44	2,058.80	2,986.76	-
Water	17,000.00	-	17,000.00	14,512.61	860.62	1,626.77	-
Gas (natural or propane)	35,000.00	-	35,000.00	24,516.95	3,318.33	7,164.72	-
Fuel Oil	35,000.00	-	35,000.00	18,528.26	3,628.05	12,843.69	-
Gasoline	70,000.00	-	70,000.00	62,968.37	2,615.85	4,415.78	-
Landfill/Solid Waste Disposal Costs	405,000.00	-	403,500.00	322,031.27	28,353.72	53,115.01	-
Accumulated Sick and Vacation	5,000.00	-	5,000.00	5,000.00	-	-	-
Snow Removal	35,000.00	-	35,000.00	35,000.00	-	-	-
Salary and Wage Adjustment	110,000.00	-	72,400.00	46,764.40	-	25,635.60	-
Total Operations - Within "CAPS"	6,935,812.00	-	6,932,112.00	6,050,029.00	311,526.65	570,556.35	-
Contingent	3,000.00	-	3,000.00	-	-	3,000.00	-
Total Operations Including Contingent - Within "CAPS"	6,938,812.00	-	6,935,112.00	6,050,029.00	311,526.65	573,556.35	-
Detail:							
Salaries and Wages	3,321,800.00	-	3,319,600.00	3,241,767.38	-	77,832.62	-
Other Expenses (Including Contingent)	3,617,012.00	-	3,615,512.00	2,808,261.62	278,211.24	495,723.73	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES							
STATUTORY EXPENDITURES							
Contribution To:							
Public Employees' Retirement System	208,000.00	-	208,000.00	207,321.00	-	679.00	-
Social Security System (O.A.S.I.)	200,000.00	-	200,000.00	170,381.83	-	29,618.17	-
Police & Firemen's Retire System of NJ	475,000.00	-	475,000.00	473,381.00	-	1,619.00	-
Defined Benefit Contribution Plan	12,000.00	-	12,000.00	7,214.18	-	4,785.82	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	895,000.00	-	895,000.00	858,298.01	-	36,701.99	-
Total General Appropriations for Municipal Purposes - Within "CAPS"	7,833,812.00	-	7,830,112.00	6,908,327.01	311,526.65	610,258.34	-

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Appropriation By 40A:4-87	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled
Aid To Library:							
Salaries and Wages	105,000.00	-	107,200.00	106,706.11	-	493.89	-
LOSAP	85,000.00	-	85,000.00	70,150.00	-	14,850.00	-
Recycling Tax	12,500.00	-	14,000.00	12,365.95	1,034.69	599.36	-
Settlements	33,000.00	-	33,000.00	32,172.57	-	-	827.43
Reserve for Tax Appeals	25,000.00	-	25,000.00	25,000.00	-	-	-
Total Other Operations - Excluded from "CAPS"	260,500.00	-	264,200.00	246,394.63	1,034.69	15,943.25	827.43
Interlocal Municipal Service Agreements:							
County of Monmouth - 911 Dispatch	65,000.00	-	65,000.00	64,393.00	-	607.00	-
Monmouth County Records Management	3,500.00	-	3,500.00	3,500.00	-	-	-
Rumson Court Shared Services	75,500.00	-	75,500.00	67,686.42	-	7,813.58	-
Construction	216,000.00	-	216,000.00	207,656.56	-	8,343.44	-
Animal Control	12,000.00	-	12,000.00	5,606.70	993.30	5,400.00	-
RFH Tech ILSA	25,000.00	-	25,000.00	6,862.50	3,000.00	15,137.50	-
Finance ILSA	75,000.00	-	75,000.00	64,945.92	-	10,054.08	-
Tax Collector ILSA	19,600.00	-	19,600.00	19,483.80	-	116.20	-
Total Interlocal Municipal Service Agreements	491,600.00	-	491,600.00	440,134.90	3,993.30	47,471.80	-
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES							
BPV Grant	-	2,640.00	2,640.00	2,640.00	-	-	-
Alcohol Education Rehabilitation Enforcement Program	-	631.73	631.73	631.73	-	-	-
Clean Communities Program	-	11,884.51	11,884.51	11,884.51	-	-	-
NJ Body Armor Grant	972.07	-	972.07	972.07	-	-	-
Recycling Tonnage Grant	10,296.23	-	10,296.23	10,296.23	-	-	-
Total Public and Private Programs Offset By Revenues	11,268.30	15,156.24	26,424.54	26,424.54	-	-	-
Total Operations - Excluded From "CAPS"	763,368.30	15,156.24	782,224.54	712,954.07	5,027.99	63,415.05	827.43
Detail:							
Salaries and Wages	105,000.00	-	107,200.00	106,706.11	-	493.89	-
Other Expenses	658,368.30	15,156.24	675,024.54	606,247.96	5,027.99	62,921.16	827.43

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

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
STATEMENT OF 2022 EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Appropriation By 40A:4-87	Budget After Modification	Paid or Charged	Encumbrances	Reserved	Cancelled
Capital Improvements - Excluded From "CAPS"							
Capital Improvement Fund	450,000.00	-	450,000.00	450,000.00	-	-	-
Total Capital Improvements - Excluded From "CAPS"	450,000.00	-	450,000.00	450,000.00	-	-	-
Municipal Debt Service - Excluded From "CAPS"							
Payment of Bond Principal	240,000.00	-	240,000.00	240,000.00	-	-	-
Interest on Bonds	220,000.00	-	220,000.00	215,781.28	-	-	4,218.72
Interest on Notes	25,000.00	-	25,000.00	-	-	-	25,000.00
Green Acres Loan	12,150.00	-	12,150.00	12,125.72	-	-	24.28
Total Municipal Debt Service - Excluded From "CAPS"	497,150.00	-	497,150.00	467,907.00	-	-	29,243.00
Deferred Charges - Municipal - Excluded From "CAPS"	400,000.00	-	400,000.00	-	-	-	400,000.00
Unfunded - Ordinance #2018-21/#2018-23/#2019-2							
Total Deferred Charges - Municipal - Excluded From "CAPS"	400,000.00	-	400,000.00	-	-	-	400,000.00
Total General Appropriations for Municipal Purposes - Excluded From "CAPS"	2,110,518.30	15,156.24	2,129,374.54	1,630,861.07	5,027.99	63,415.05	430,070.43
Subtotal General Appropriations	9,944,330.30	15,156.24	9,959,486.54	8,539,188.08	316,554.64	673,673.39	430,070.43
Reserve for Uncollected Taxes	575,000.00	-	575,000.00	575,000.00	-	-	-
Total General Appropriations	\$ 10,519,330.30	\$ 15,156.24	\$ 10,534,486.54	\$ 9,114,188.08	\$ 316,554.64	\$ 673,673.39	\$ 430,070.43

General Appropriations
Chapter 159

Analysis of Paid or Charged:

Reserve for Uncollected Taxes	\$ 575,000.00
Cash Disbursed	8,487,763.54
Reserve for Tax Appeals	25,000.00
Reserve for State Grants - Appropriated	26,424.54
	<u>\$ 9,114,188.08</u>

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

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TRUST FUND

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND**

**STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-1	<u>\$ 2,554.76</u>	<u>\$ 96.11</u>
Other Trust Funds:			
Cash - Treasurer	B-1	<u>1,446,546.84</u>	<u>1,017,101.09</u>
Payroll Agency Trust Fund:			
Cash - Treasurer	B-1	<u>38,484.43</u>	<u>10,294.64</u>
Length of Service Award Program: Fund ("LOSAP"):			
Investments	B-6	<u>1,001,990.85</u>	<u>1,093,705.97</u>
Total Assets		<u><u>\$ 2,489,576.88</u></u>	<u><u>\$ 2,121,197.81</u></u>
<u>Liabilities and Reserves</u>			
Animal Control Trust Fund:			
Reserve for Animal Control Fund Expenditures	B-2	<u>\$ 2,554.76</u>	<u>\$ 96.11</u>
Animal Control Trust Fund		<u>2,554.76</u>	<u>96.11</u>
Other Trust Funds:			
Encumbrances Payable	B-4	<u>23,547.75</u>	<u>34,153.33</u>
Various Reserves	B-4	<u>1,422,999.09</u>	<u>982,947.76</u>
Other Trust Funds:		<u>1,446,546.84</u>	<u>1,017,101.09</u>
Payroll Agency Trust Fund:			
Payroll Deductions Payable	B-5	<u>38,484.43</u>	<u>10,294.64</u>
Length of Service Award Program: Fund ("LOSAP"):			
Miscellaneous Reserves	B-7	<u>1,001,990.85</u>	<u>1,093,705.97</u>
Total Liabilities and Reserves		<u><u>\$ 2,489,576.88</u></u>	<u><u>\$ 2,121,197.81</u></u>

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

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GENERAL CAPITAL FUND

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Cash	C-2	\$ 6,185,226.16	\$ 7,898,683.59
Deferred Charges To Future Taxation:			
Funded	C-4	7,992,838.63	8,241,970.38
Unfunded	C-5	12,641,962.00	14,212,646.00
Due From:			
Monmouth County	C-6	500,000.00	250,000.00
State of New Jersey	C-7	1,523,537.50	1,023,537.50
Total Assets		<u>\$ 28,843,564.29</u>	<u>\$ 31,626,837.47</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 7,850,000.00	\$ 8,090,000.00
Green Acres Loan	C-9	142,838.63	151,970.38
Improvement Authorizations:			
Funded	C-10	8,181,170.08	6,810,899.97
Unfunded	C-10	10,921,311.19	12,634,879.74
Capital Improvement Fund	C-11	441,940.00	509,470.00
Encumbrances Payable	C-12	893,457.86	2,522,370.85
Reserve for DOT Grants Receivable	C	350,000.00	841,900.00
Reserve for Payment of Bonds	C-13	56,689.54	59,189.54
Fund Balance	C-1	6,156.99	6,156.99
Total Liabilities, Reserves and Fund Balance		<u>\$ 28,843,564.29</u>	<u>\$ 31,626,837.47</u>

There were bonds and notes authorized but not issued on December 31, 2022 of \$12,641,962.00 and on December 31, 2021 of \$14,212,646.00

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Balance, December 31, 2022 and 2021

\$ 6,156.99

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

GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2022 AND 2021**

<u>Assets</u>	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Land	D-1	\$ 9,728,600.00	\$ 9,728,600.00
Buildings	D-1	2,900,601.00	2,900,601.00
Equipment	D-1	9,424,477.22	8,762,242.41
Improvements	D-1	301,522.91	301,522.91
Total Assets		<u>\$ 22,355,201.13</u>	<u>\$ 21,692,966.32</u>
<u>Liabilities</u>			
Investments in Fixed Assets	D-1	<u>\$ 22,355,201.13</u>	<u>\$ 21,692,966.32</u>
Total Liabilities		<u>\$ 22,355,201.13</u>	<u>\$ 21,692,966.32</u>

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

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Fair Haven, County of Monmouth, New Jersey (hereafter referred to as the "Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. Administrative responsibilities are assigned to the Borough Administrator. Policy is determined by Council and the Administrator is responsible for carrying out such policy.

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

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

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

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

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

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

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

BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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

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

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

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

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

Inventories and Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

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

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

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

Recent Accounting Pronouncements – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB adopts accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP). The municipalities in the State of New Jersey do not prepare their financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The following GASB pronouncement effective for the current year did have a significant impact on the Borough’s financial statements.

Accounting Pronouncements Adopted in Current Year

The following GASB Statements became effective for the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*.
- Statement No. 93, *Replacement of Interbank Offered Rates*.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*. Requirements of this pronouncement related to paragraphs 4 and 5 were implemented in the prior year.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

Accounting Pronouncements Effective in Future Reporting Periods

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

- Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.
- Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

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

Note 2. Deposits and Investments

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

Deposits

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits may not be returned. Although the Borough does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2022, the Borough's bank balance of \$17,858,709.15 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 16,314,253.43
Uninsured and Uncollateralized	<u>1,544,455.72</u>
	<u><u>\$ 17,858,709.15</u></u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2. Deposits and Investments (continued):

Investments

Under the regulatory basis of accounting, investments are measured at cost in the Borough's financial statements. However, had the financial statements been prepared in accordance with generally accepted accounting principles (GAAP), investments would be reported at fair value (except for fully benefit-responsive investment contracts, which would be reported at contract value). Contract value is the relevant measure for the portion of the Length of Service Awards Program (LOSAP) Plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants normally would receive if they were to initiate permitted transactions under the terms of the LOSAP Plan.

Investments at Fair Value – The fair value measurements of investments are required to be reported based on the hierarchy established by GAAP. Under GAAP, investments are required to be categorized based on the fair value of inputs of Levels 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available. As of December 31, 2022, the Borough had no investments held at Level 2 or 3.

Following is a description of the valuation methodologies used for investments measured at fair value.

Mutual Funds: Valued at quoted market prices which represent the net asset value ("NAV") shares held by the Borough at year-end.

The Borough's fair value, hierarchy level and maturities of its investments at December 31, 2022 was as followed:

	Carrying Value	Fair Value as of December 31, 2022 Level 1	Investment Maturities (in Years) Less Than 1 Year
<u>Investment Type</u>			
Mutual Funds	\$ 589,725.35	\$ 589,725.35	\$ 589,725.35
	<u>\$ 589,725.35</u>	<u>\$ 589,725.35</u>	<u>\$ 589,725.35</u>
<u>Fund</u>			
Trust Fund - LOSAP (Fair Value)	589,725.35	589,725.35	589,725.35
	<u>\$ 589,725.35</u>	<u>\$ 589,725.35</u>	<u>\$ 589,725.35</u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2. Deposits and Investments (continued):

Investments at Contract Value - The Borough held a fully benefit-responsive investment contract with the Lincoln Financial Group (Lincoln) totaling \$412,265.50 as of December 31, 2022. Lincoln maintains the contributions in the group fixed annuity contract (fixed account). The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The traditional investment contract held by the Borough is a guaranteed investment contract. The contract issuer is contractually obligated to repay the principal and interest at a specified interest rate that is guaranteed to the LOSAP Plan. The Borough's ability to receive amounts due in accordance with the fully benefit-responsive investment contract is dependent on the contract issuer's ability to meet its financial obligations. The fixed account continues in-force until they are terminated by Lincoln or the LOSAP Plan and do not define a maturity date.

No events are probable of occurring that might limit the ability of the LOSAP Plan to transact at contract value with the contract issuer and also limit the ability of the LOSAP Plan to transact at contract value with participants. This contract meets the fully benefit-responsive investment contract criteria and therefore is reported at contract value. The total Trust Fund LOSAP value held by the Borough at December 31, 2022 was as follows:

Trust Fund - LOSAP (Fair Value)	\$ 589,725.35
Trust Fund - LOSAP (Contract Value)	412,265.50
Total Trust Fund - LOSAP	<u>\$ 1,001,990.85</u>

Custodial credit risk related to Investments - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough has no investment policy to limit exposure to custodial credit risk.

Interest rate risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Other than the rules and regulations promulgated by N.J.S.A. 40A:5-15.1, the Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - Credit risk is the risk that an issuer to an investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Other than the rules and regulations promulgated by N.J.S.A. 40A: 5-15.1, the Borough's investment policies place no limit in the amount the Borough may invest in any one issuer. More than 5% of the Borough's investments are in LOSAP. These investments represent 100% of the Borough's total investments.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 3. Property Taxes

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

Comparison Schedule of Tax Rates

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$ 1.708</u>	<u>\$ 1.855</u>	<u>\$ 1.843</u>
Apportionment of Tax Rate:			
Municipal	0.373	0.405	0.395
County General	0.261	0.275	0.277
Local School	0.780	0.855	0.841
Regional School	0.294	0.320	0.330

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 2,104,659,552.00
2021	1,883,417,523.00
2020	1,834,586,915.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2022	\$ 36,126,072.70	\$ 35,811,959.47	99.13%
2021	35,196,511.05	35,036,570.80	99.54%
2020	33,987,139.03	33,845,690.10	99.58%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2022	\$ -	\$ 289,253.60	\$ 289,253.60	0.80%
2021	-	146,771.46	146,771.46	0.42%
2020	-	125,191.76	125,191.76	0.37%

The last tax sale was held on December 3, 2022.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 4. Property Acquired By Tax Title Lien Liquidation

The Borough had no properties acquired by liquidation of tax title liens as of December 31, 2022, 2021 or 2020.

Note 5. Fund Balances Appropriated

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

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
Current Fund:			
2022	\$ 3,032,120.65	\$ 1,500,000.00	49.47%
2021	2,361,026.20	1,250,000.00	52.94%
2020	2,148,869.20	1,250,000.00	58.17%

Note 6. Disaggregated Receivable and Payable Balances

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

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2022:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ -	\$ 85,184.86
State and Federal Grant Fund	<u>85,184.86</u>	<u>-</u>
	<u>\$ 85,184.86</u>	<u>\$ 85,184.86</u>

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2022.

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land	\$ 9,728,600.00	\$ -	\$ -	\$ 9,728,600.00
Buildings	2,900,601.00	-	-	2,900,601.00
Improvements	301,522.91	-	-	301,522.91
Machinery & Equipment	8,762,242.41	662,234.81	-	9,424,477.22
	<u>\$ 21,692,966.32</u>	<u>\$ 662,234.81</u>	<u>\$ -</u>	<u>\$ 22,355,201.13</u>

Note 9. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2021, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Borough's contractually required contribution to PERS plan was \$223,892.00.

Components of Net Pension Liability - At December 31, 2022, the Borough's proportionate share of the PERS net pension liability was \$2,679,389.00. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Borough's proportion measured as of June 30, 2021, was 0.0177544389% which was an increase of 0.0000515845% from its proportion measured as of June 30, 2021.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

Balances at December 31, 2022 and December 31, 2021

	<u>12/31/2022</u>	<u>12/30/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 331,697	\$ 341,972
Deferred Inflows of Resources	418,265	-
Net Pension Liability	2,679,389	2,097,188
Borough's portion of the Plan's total Net Pension Liability	0.01775%	0.01770%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2022, the Borough's proportionate share of the PERS benefit, calculated by the plan as of the June 30, 2022 measurement date is \$(91,514). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$223,892 to the plan in 2022.

At December 31, 2022, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 19,339	\$ 17,054
Changes of Assumptions	8,302	401,211
Net Difference between Projected and Actual Earnings on Pension Plan Investments	110,897	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	193,159	-
	<u>\$ 331,697</u>	<u>\$ 418,265</u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
June 30, 2022	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<u>Year Ending December 31,</u>	<u>Amount</u>
2023	\$ (191,203)
2024	(78,461)
2025	(18,472)
2026	163,212
2027	<u>38,356</u>
	<u>\$ (86,568)</u>

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

The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation. At December 31, 2022, the State's proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$5,638.

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

Inflation:

Price	2.75%
Wage	3.25%

Salary Increases:

2.75 - 6.55%
Based on Years of Service

Investment Rate of Return 7.00%

Mortality Rate Table

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

Period of Actuarial Experience

Study upon which Actuarial

Assumptions were Based July 1, 2018 - June 30, 2021

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

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 3,471,382</u>	<u>\$ 2,679,389</u>	<u>\$ 2,047,374</u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for the PFRS pension obligations for the year ended June 30, 2022. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2021.

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

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

The following represents the membership tiers for PFRS:

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

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2021, the Borough's contractually required contributions to PFRS plan was \$473,381.00.

Net Pension Liability and Pension Expense - At December 31, 2021 the Borough's proportionate share of the PFRS net pension liability was \$2,968,786. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The Borough's proportion measured as of June 30, 2021, was 0.0406173741%, which was an increase of 0.0016344380% from its proportion measured as of June 30, 2020.

Balances at December 31, 2021 and December 31, 2020

	<u>12/31/2021</u>	<u>12/31/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2021	June 30, 2020
Deferred Outflows of Resources	\$ 285,507	\$ 408,124
Deferred Inflows of Resources	2,774,563	1,741,664
Net Pension Liability	2,968,786	5,037,109
 Borough's portion of the Plan's total net pension Liability	 0.04062%	 0.03898%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2021, the Borough's proportionate share of the PFRS benefit, calculated by the plan as of the June 30, 2021 measurement date was \$(439,309). This expense/(credit) is not recognized by the Borough because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Borough contributed \$473,381 to the plan in 2021.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

At December 31, 2021, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 33,870	\$ 355,630
Changes of Assumptions	15,797	889,731
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,265,096
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	<u>235,840</u>	<u>264,106</u>
	<u>\$ 285,507</u>	<u>\$ 2,774,563</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	-	5.58
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.58	-
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	-	5.00
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2016	5.58	5.58
June 30, 2017	5.59	5.59
June 30, 2018	5.73	5.73
June 30, 2019	5.92	5.92
June 30, 2020	5.90	5.90
June 30, 2021	6.17	6.17

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

Year Ending	
<u>June 30,</u>	<u>Amount</u>
2023	\$ (1,526,192)
2024	(447,165)
2025	(432,333)
2026	(212,433)
2027	129,069
	<hr/>
	<u>\$ (2,489,054)</u>

Special Funding Situation – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001.

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

Additionally, the State's proportionate share of the PFRS net pension liability attributable to the Borough is \$834,970.00 as of December 31, 2021. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2020, to the measurement date of June 30, 2021. The State's proportion of the net pension liability associated with the Borough was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State's proportion measured as of June 30, 2021 was 0.0406173741%, which was a increase of 0.0016344380% from its proportion measured as of June 30, 2020, which is the same proportion as the Borough's. At December 31, 2021, the Borough's and the State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

Borough's Proportionate Share of Net Pension Liability	\$ 2,968,786
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	<u>834,970</u>
	<u><u>\$ 3,803,756</u></u>

At December 31, 2021, the State's proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2021 measurement date was \$92,991.00.

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

Inflation

Price	2.75%
Wage	3.25%

Salary Increases:

Through all future years	3.25 - 15.25%
	Based on Years of Service

Investment Rate of Return	7.00%
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Mortality Rate Table

PFRS	Pub-2010 Safety Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
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Period of Actuarial Experience

Study upon which Actuarial Assumptions were Based	July 1, 2013 - June 30, 2018
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**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 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	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9. Pension Obligations (continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 4,508,009	\$ 2,968,786	\$ 1,687,549
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>1,267,876</u>	<u>834,970</u>	<u>474,623</u>
	<u>\$ 5,775,885</u>	<u>\$ 3,803,756</u>	<u>\$ 2,162,172</u>

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

Note 10. Postemployment Benefits Other Than Pensions

As of the date of this report, the New Jersey Division of Pension and Benefits has not provided updated actuarial valuations for other postemployment benefit obligations for the year ended June 30, 2022. The New Jersey Division of Pension and Benefits will post these reports on their website as they are made available. The footnote below includes the most current information made publicly available, which had a reporting date of June 30, 2021.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Postemployment Benefits Other Than Pensions (continued):

General Information about the OPEB Plan

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

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

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

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

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2021 were \$3,872,142,278 and \$14,177,910,609, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

Net OPEB Liability

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
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Salary Increases*:

Public Employees' Retirement System (PERS)

Initial Fiscal Year Applied

Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%

Police and Firemen's Retirement System (PFRS)

Rate for all future years	3.25% to 15.25%
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**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PERS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

* - Salary Increases are based on the defined benefit plan that the member is enrolled in and his or her age.

OPEB Obligation and OPEB (benefit) Expense - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Borough's as of June 30, 2021 was \$10,232,156.00. The Borough's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2021, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. The State's proportionate share of the OPEB Obligation associated with the Borough was based on projection of the State's long-term contributions to the OPEB plan associated with the Borough relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2021, the State proportionate share of the OPEB Obligation attributable to the Borough was 0.0568460020%, which was a decrease of 0.0045749972% from its proportion measured as of June 30, 2020.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB (benefit) expense in the amount of \$(89,078.00) for the State's proportionate share of the OPEB (benefit) expense attributable to the Borough. This OPEB (benefit) expense was based on the OPEB plans June 30, 2021 measurement date.

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage

trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Note 10. Postemployment Benefits Other Than Pensions (continued):

Discount Rate

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (1.16%)	At Discount Rate (2.16%)	At 1% Increase (3.16%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with The Borough	\$ 12,041,284.93	\$ 10,232,156.00	\$ 8,798,382.42
State of New Jersey's Total Nonemployer OPEB Liability	21,182,289,882.00	17,999,781,235.00	15,477,574,697.00

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

The following presents the net OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with The Borough	\$ 8,537,064.19	\$ 10,232,156.00	\$ 12,444,040.93
State of New Jersey's Total Nonemployer OPEB Liability	15,017,879,689.00	17,999,781,235.00	21,890,793,528.00

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2021:

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Collective Balances at December 31, 2021 and December 31, 2020

	<u>12/31/2021</u>	<u>12/31/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 8,536,291,345.00	\$ 7,524,438,130.00
Collective Deferred Inflows of Resources	12,481,961,743.00	11,689,136,161.00
Collective Net OPEB Liability	17,999,781,235.00	17,946,612,946.00
 Borough's Portion	 0.056846%	 0.061421%

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

Year Ending June 30:	
2022	\$ (1,074,753,405.00)
2023	(1,076,167,210.00)
2024	(1,077,459,075.00)
2025	(769,416,743.00)
2026	(129,344,414.00)
Thereafter	<u>181,470,449.00</u>
	<u><u>\$ (3,945,670,398.00)</u></u>

Changes in Proportion

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

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

	<u>June 30, 2021</u>
Active Plan Members	82,448
Retirees Currently Receiving Benefits	<u>16,707</u>
Total Plan Members	<u><u>99,155</u></u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 10. Postemployment Benefits Other Than Pensions (continued):

Changes in the Total OPEB Liability

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

Service Cost	\$ 846,075,674.00
Interest on the Total OPEB Liability	413,837,061.00
Change of Benefit Terms	2,029,119.00
Differences Between Expected and Actual Experience	(1,196,197,410.00)
Changes of Assumptions	339,165,715.00
Contributions From the Employer	(325,097,477.00)
Contributions From Non-Employer Contributing Entity	(37,777,433.00)
Net Investment Income	(201,343.00)
Administrative Expense	<u>11,334,383.00</u>
Net Change in Total OPEB Liability	53,168,289.00
Total OPEB Liability (Beginning)	<u>17,946,612,946.00</u>
Total OPEB Liability (Ending)	<u><u>\$ 17,999,781,235.00</u></u>

Note 11. Municipal Debt

The following schedule represents the Borough's summary of debt, as filed in the Borough's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 7,992,838.63	\$ 8,241,970.38	\$ 8,485,922.20
Total Debt Issued	<u>7,992,838.63</u>	<u>8,241,970.38</u>	<u>8,485,922.20</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	<u>12,641,962.00</u>	<u>14,212,646.00</u>	<u>14,622,646.60</u>
Total Authorized But Not Issued	<u>12,641,962.00</u>	<u>14,212,646.00</u>	<u>14,622,646.60</u>
Total Gross Debt	<u><u>\$ 20,634,800.63</u></u>	<u><u>\$ 22,454,616.38</u></u>	<u><u>\$ 23,108,568.80</u></u>
Deductions:			
General:			
Funds on Hand For Payment of Bonds and Notes:			
Reserve for Debt Service	<u>56,689.54</u>	<u>59,189.54</u>	<u>61,689.54</u>
Total Deductions	<u>56,689.54</u>	<u>59,189.54</u>	<u>61,689.54</u>
Total Net Debt	<u><u>\$ 20,578,111.09</u></u>	<u><u>\$ 22,395,426.84</u></u>	<u><u>\$ 23,046,879.26</u></u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Municipal Debt (continued):

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 17,890,000.00	\$ 17,890,000.00	\$ -
Regional School Debt	3,699,138.68	3,699,138.68	-
General Debt	20,634,800.63	56,689.54	20,578,111.09
	<u>\$ 42,223,939.31</u>	<u>\$ 21,645,828.22</u>	<u>\$ 20,578,111.09</u>

Net Debt \$20,578,111.09 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$2,123,767,981, equals 0.969%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2022 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 74,331,879.34
Net Debt	<u>20,578,111.09</u>
Remaining Borrowing Power	<u>\$ 53,753,768.25</u>

General Debt

A. Serial Bonds Payable

In 2019, the Borough issued \$8,558,000.00 of General Obligation Bonds. The General Obligation Bonds were issued at interest rates varying from 2% to 4% and mature on 10/01/44.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Municipal Debt (continued):

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 250,000.00	\$ 206,181.26	\$ 456,181.26
2024	260,000.00	196,181.26	456,181.26
2025	270,000.00	185,781.26	455,781.26
2026	280,000.00	174,981.26	454,981.26
2027	295,000.00	163,781.26	458,781.26
2028-2032	1,605,000.00	685,306.30	2,290,306.30
2033-2037	1,860,000.00	506,143.80	2,366,143.80
2038-2042	2,115,000.00	279,550.04	2,394,550.04
2043-2046	915,000.00	36,093.76	951,093.76
	<u>\$ 7,850,000.00</u>	<u>\$ 2,434,000.20</u>	<u>\$ 10,284,000.20</u>

B. Bond Anticipation Notes Payable – Short Term Debt

As of December 31, 2022, the Borough did not have any Bond Anticipation Notes outstanding.

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2022, the Borough had \$12,641,962 in various General Capital bonds and notes authorized but not issued.

D. Loans Payable

Green Acres Loan

In 2016 the Borough finalized one loan agreement with the State of New Jersey Department of Environmental Protection.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 11. Municipal Debt (continued):

The loan consists of one agreement, a Trust Loan Agreement of \$195,000.00 to be repaid over a 20 year period at an interest rate of 2.00%. The proceeds of the loans are to provide for the Fair Haven Fields Improvements Project.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,315.29	\$ 2,810.43	\$ 12,125.72
2024	9,502.53	2,623.19	12,125.72
2025	9,693.53	2,432.19	12,125.72
2026	9,888.37	2,237.35	12,125.72
2027	10,087.13	2,038.59	12,125.72
2028-2032	53,559.66	7,068.95	60,628.61
2033-2037	40,792.12	1,647.92	42,440.04
	<u>\$ 142,838.63</u>	<u>\$ 20,858.62</u>	<u>\$ 163,697.25</u>

Summary of Principal Debt

A summary of the changes in long-term and short-term debt of the Borough is as follows:

	Balance December 31, <u>2021</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2022</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 8,090,000.00	\$ -	\$ 240,000.00	\$ 7,850,000.00	\$ 250,000.00
Green Acres Loan	151,970.38	-	9,131.75	142,838.63	9,315.29
Authorized but Not Issued	14,212,646.00	1,948,070.00	3,518,754.00	12,641,962.00	-
	<u>\$ 22,454,616.38</u>	<u>\$ 1,948,070.00</u>	<u>\$ 3,767,885.75</u>	<u>\$ 20,634,800.63</u>	<u>\$ 259,315.29</u>

Note 12. Deferred School Taxes

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	<u>Balance, December 31,</u>	
	<u>2022</u>	<u>2021</u>
Total Balance of Local Tax	\$ 8,219,710.97	\$ 7,285,702.97
Deferred Taxes	<u>3,200,000.00</u>	<u>3,200,000.00</u>
Local Tax Payable	<u>\$ 5,019,710.97</u>	<u>\$ 4,085,702.97</u>

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 12. Deferred School Taxes (continued)

<u>Regional Tax</u>	<u>Balance, December 31,</u>	
	<u>2022</u>	<u>2021</u>
Total Balance of Regional Tax	\$ 61,355.49	\$ 54,305.49
Deferred Taxes	-	-
Regional Tax Payable	<u>\$ 61,355.49</u>	<u>\$ 54,305.49</u>

Note 13. Deferred Compensation Salary Account

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

Note 14. Accrued Sick, Vacation and Compensation Time

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Borough's liability related to unused vacation, sick pay and compensation time. The Borough permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$690,266.07 at December 31, 2022.

The Borough has established a Trust Fund in accordance with NJSA 40A:4-39 to set aside funds for future payments of compensated absences. As of December 31, 2022, the Borough has reserved in the Other Trust Fund \$63,875.70 to fund compensated absences in accordance with NJSA 40A:4-39.

Note 15. Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 15. Risk Management (continued)

Joint Insurance Pool

The Borough is a member of the Mid-Jersey Municipal Joint Insurance Fund. The Fund provides the Borough with the following coverage:

Worker's Compensation
General Liability
Employer's Liability
Auto Liability
Property Damage
Property/Boiler and Machinery
Auto Physical Damage
Employee Dishonesty Liability
Environmental Impairment Liability

Contributions to the Funds are payable in two installments and are based on actuarial assumptions determined by the Funds' actuaries. The Fund publishes its own financial report for the year ended December 31, 2022 which can be obtained on the Fund's website.

New Jersey Unemployment Compensation Insurance

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

<u>Year</u>	<u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 8,387.50	\$ 414.59	\$ 54,127.87
2021	232.29	874.38	46,154.96
2020	16,757.70	1,870.04	46,797.05

Note 16. Contingencies

Grantor Agencies

The Borough receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2022, the Borough estimates that no material liabilities will result from such audits.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 16. Contingencies (continued)

Litigation

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

Tax Appeals

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

As of December 31, 2022, there were certain tax appeals on file against the Borough. The Borough has estimated the potential exposure to the Borough from such appeals is approximately \$122,083.95.

Note 17. Length of Service Awards Program

The Borough's length of service awards program ("LOSAP") is reported in the Borough's trust fund Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The tax deferred income benefits for the active volunteer firefighters and emergency medical personnel serving the residents of the Borough come from contributions made solely by the governing body of the Borough, on behalf of those volunteers who meet the criteria of a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of

Local Government Services of the State of New Jersey will issue the permitted maximum annually. The Borough elected to contribute \$1,150.00 for the year ended December 31, 2022 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. During the year ended December 31, 2022, the Borough contributed a total of \$99,952.61 to the plan. Participants direct the investment of the contributions into various investment options offered by the Plan. The Borough has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the plan administrator.

**BOROUGH OF FAIR HAVEN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 17. Length of Service Awards Program (continued)

Participant Accounts - Each participant's account is credited with the Borough's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Borough has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the plan participants and their beneficiaries. Such funds, although subject to the claims of the Borough's creditors until distributed as benefit payments, are not available for funding the operations of the Borough. The funds may also be used to pay the administrative fees charged by the Plan Administrator. Volunteer Firemen's Insurance Services, Inc. ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. The Borough's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate. In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals. During the year ended December 31, 2022 payouts of \$54,100.13 were made to vested participants.

Forfeited Accounts - During the year ended December 31, 2022, no accounts were forfeited.

Plan Information - Additional information about the Borough's length of service awards program can be obtained by contacting the Plan Administrator.

Note 18. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2022 and August 8, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

SUPPLEMENTARY SCHEDULES

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CURRENT FUND

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Current Fund	Federal & State Grant Fund
	\$	\$
Balance, December 31, 2021	8,307,819.04	298,489.41
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 126,369.14	\$ -
Taxes Receivable	35,734,626.48	-
Revenue Accounts Receivable	1,363,120.65	-
Due From:		
State of New Jersey - Senior Citizens' and Veterans' Deductions	21,401.02	-
Due To State of New Jersey - Marriage Licenses	150.00	-
Tax Overpayments	55,669.67	-
Prepaid Taxes	120,438.66	-
Outside Liens	105,709.74	-
Reserve for Tax Liens Premiums	900.00	-
Insurance Premiums	18,618.49	-
Grants Receivable	39,093.54	-
Reserve for:		
Municipal Relief Fund	23,712.66	-
Grants - Unappropriated	1,198.32	300,189.42
	<u>37,611,008.37</u>	<u>300,189.42</u>
	45,918,827.41	598,678.83
Decreased By Disbursements:		
2022 Appropriations	8,487,763.54	-
2021 Appropriation Reserves	263,487.22	-
Due To State of New Jersey - Marriage Licenses	300.00	-
Local District School Taxes	15,485,699.00	-
Regional High School Taxes	6,182,118.00	-
County Taxes	5,513,744.89	-
Outside Liens	106,339.74	-
Reserve for Tax Liens Premiums	72,800.00	-
Tax Overpayments	46,036.33	-
Insurance Reimbursement	9,178.57	-
Fraudulent Transactions (Direct Deposit-Payroll)	4,691.12	-
Tax Collector Escrow Adjustment	17.02	-
Anticipated as Revenue in Current Fund	-	200,000.00
Reserve for:		
LOSAP Payable	51,508.45	-
Tax Appeals Pending	14,674.86	-
Grants - Appropriated	40,225.18	-
	<u>36,278,583.92</u>	<u>200,000.00</u>
Balance, December 31, 2022	<u>\$ 9,640,243.49</u>	<u>\$ 398,678.83</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF CHANGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2022 & 2021

\$ 400.00

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021		\$	1,879.65
Increased By:			
Senior Citizens' Billings			
Per Duplicate	\$	750.00	
Veterans' Billings Per Duplicate		21,000.00	
Senior Citizen Deductions Allowed			
by Tax Collector		500.00	
			<u>22,250.00</u>
			24,129.65
Decreased By:			
Cash Received From State of New Jersey		21,401.02	
Senior Citizens Deductions Disallowed			
by Tax Collector		500.00	
			<u>21,901.02</u>
Balance, December 31, 2022		\$	<u><u>2,228.63</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2022**

Year	Balance December 31, 2021	2022 Levy	Added	Collections		Due From State of New Jersey	Remitted Abated Cancelled	Balance December 31, 2022
				2021	2022			
2021	\$ 146,771.46	\$ -	\$ -	\$ -	\$ 147,271.46	\$ (500.00)	\$ -	\$ -
2022	-	35,966,691.05	159,381.65	188,817.33	35,600,892.14	22,250.00	24,859.63	289,253.60
	\$ 146,771.46	\$ 35,966,691.05	\$ 159,381.65	\$ 188,817.33	\$ 35,748,163.60	\$ 21,750.00	\$ 24,859.63	\$ 289,253.60

Analysis of 2022 Tax Levy

Tax Yield:

General Purpose Tax
Added Taxes (54:4-63 et seq.)

\$ 35,966,691.05
159,381.65

Tax Levy:

Local District School Tax (Abstract)
Regional High School Tax (Abstract)
County Taxes:

16,419,707.00
6,189,168.00

County Tax (Abstract)
County Library Tax (Abstract)
County Open Space Fund
Due To County - Added and Omitted

\$ 4,544,926.78
341,581.89
588,902.38
24,333.60

5,499,744.65

28,108,619.65

Local Tax for Municipal Purposes
Add: Additional Tax Levied

7,850,982.00
166,471.05

8,017,453.05

\$ 36,126,072.70

Analysis of Current Revenue From Taxes

Senior Citizens' and Veterans'
Deductions Allowed (Net)
Taxes Collected in 2022
Prepaid Taxes Applied

\$ 22,250.00
35,600,892.14
188,817.33

\$ (500.00)
147,271.46
-

Net Revenue

\$ 35,811,959.47

\$ 146,771.46

Delinquent
Taxes

2022
Property Taxes

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	Accrued in <u>2022</u>	<u>Collections</u>	Balance December 31, <u>2022</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	\$ -	\$ 7,876.00	\$ 7,876.00	\$ -
Other	-	2,563.00	2,563.00	-
Fees and Permits	-	45,501.00	45,501.00	-
Fines and Costs:				
Municipal Court	4,347.68	31,983.68	34,526.77	1,804.59
Interest and Costs on Taxes	-	57,379.53	57,379.53	-
Interest on Investments and Deposits	-	105,618.29	105,618.29	-
Cable Franchise Fees	-	89,677.52	89,677.52	-
Cell Tower Lease	-	113,358.39	113,358.39	-
Energy Receipts Tax	-	454,580.00	454,580.00	-
Uniform Construction Code Fees	-	246,294.05	246,294.05	-
Reserve to Pay Bonds & Notes	-	2,500.00	2,500.00	-
American Rescue Plan Funds	-	200,000.00	200,000.00	-
Uniform Fire Safety Act	-	3,246.10	3,246.10	-
Drunk Driving Enforcement Fund	-	631.73	631.73	-
Recycling Tonnage Grant	-	10,296.23	10,296.23	-
Bullet Proof Vest Partnership	-	2,640.00	2,640.00	-
Clean Communities Program	-	11,884.51	11,884.51	-
NJ Body Armor Grant	-	972.07	972.07	-
	<u>\$ 4,347.68</u>	<u>\$ 1,387,002.10</u>	<u>\$ 1,389,545.19</u>	<u>\$ 1,804.59</u>
Cash Receipts			\$ 1,363,120.65	
Grants Receivable			<u>26,424.54</u>	
			<u>\$ 1,389,545.19</u>	

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR INSURANCE REIMBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 34,931.04
Increased By:	
Cash Receipts	<u>18,618.49</u>
	53,549.53
Decreased By:	
Cash Disbursements	<u>9,178.57</u>
Balance, December 31, 2022	<u><u>\$ 44,370.96</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GRANT FUND
SCHEDULE OF DUE FROM CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 85,118.18
Increased By:		
Grants Receivable	\$ 39,093.54	
Reserve for Grants - Unappropriated	<u>1,198.32</u>	
		<u>40,291.86</u>
		125,410.04
Decreased By:		
Expenditures		<u>40,225.18</u>
Balance, December 31, 2022		<u><u>\$ 85,184.86</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Description</u>	Balance December 31, <u>2021</u>	Anticipated in 2022 Current <u>Fund Budget</u>	<u>Received</u>	Balance December 31, <u>2022</u>
Clean Communities	\$ -	\$ 11,884.51	\$ 11,884.51	\$ -
Body Armor Replacement Fund	-	972.07	972.07	-
Recycling Tonnage	-	10,296.23	10,296.23	-
Body Worn Camera Grant	52,988.00	-	12,669.00	40,319.00
Bullet Proof Vest Partnership	-	2,640.00	2,640.00	-
Drunk Driving Enforcement Grant	-	631.73	631.73	-
	<u>\$ 52,988.00</u>	<u>\$ 26,424.54</u>	<u>\$ 39,093.54</u>	<u>\$ 40,319.00</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Description</u>	Balance December 31, 2021	Transferred From Current Fund	Prior Year Encumbrances	Expended	Encumbrances Payable	Balance December 31, 2022
Clean Communities Program	\$ 36,658.76	\$ 11,884.51	\$ -	\$ 10,420.13	\$ 10,933.29	\$ 27,189.85
Alcohol Education and Rehabilitation Fund	12,918.46	-	-	-	-	12,918.46
NJ Cultural Historical Grant	1,281.09	-	-	-	-	1,281.09
Body Armor Fund	6,439.47	972.07	-	-	-	7,411.54
Recycling Tonnage Grant	3,687.76	10,296.23	11,100.00	14,718.50	6,487.50	3,877.99
Drunk Driving Enforcement Fund	5,653.64	631.73	179.00	662.55	1,620.14	4,181.68
Body Worn Camera Grant	43,834.00	-	9,154.00	12,669.00	-	40,319.00
Bullet Proof Vest Partnership	-	2,640.00	-	-	-	2,640.00
American Rescue Plan	-	-	3,000.00	-	-	3,000.00
Comcast Technology Grant	5,500.00	-	-	1,755.00	-	3,745.00
	<u>\$ 115,973.18</u>	<u>\$ 26,424.54</u>	<u>\$ 23,433.00</u>	<u>\$ 40,225.18</u>	<u>\$ 19,040.93</u>	<u>\$ 106,564.61</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Description</u>	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Transfer to Current <u>Fund</u>	Balance December 31, <u>2022</u>
American Rescue Plan	\$ 297,189.41	\$ 300,189.42	\$ 200,000.00	\$ 397,378.83
Body Armor Grant	-	1,198.32	-	1,198.32
	<hr/>			
	\$ 297,189.41	\$ 301,387.74	\$ 200,000.00	\$ 398,577.15
	<hr/>			

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX LIENS PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$ 125,800.00
Increased By:	
Cash Receipts	<u>900.00</u>
	126,700.00
Decreased By:	
Cash Disbursements	<u>72,800.00</u>
Balance, December 31, 2022	<u><u>\$ 53,900.00</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Balance</u>	<u>Encumbrances</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
GENERAL GOVERNMENT					
General Administration:					
Salaries and Wages	\$ 1,927.58	\$ -	\$ 1,927.58	\$ -	\$ 1,927.58
Other Expenses	27,773.44	24,544.46	52,317.90	22,634.71	29,683.19
Municipal Clerk:					
Salaries and Wages	5,880.65	-	5,880.65	-	5,880.65
Other Expenses	1,738.05	6,943.37	8,681.42	6,795.59	1,885.83
Mayor & Council:					
Other Expenses	1,968.23	217.80	2,186.03	217.80	1,968.23
Financial Administration (Treasury):					
Salaries and Wages	12,770.10	-	12,770.10	-	12,770.10
Other Expenses	5,749.62	1,683.00	7,432.62	2,532.99	4,899.63
Audit Services	1,750.00	-	1,750.00	-	1,750.00
Revenue Administration (Tax Collection):					
Other Expenses	181.23	-	181.23	-	181.23
Tax Assessment Administration:					
Salaries and Wages	0.93	-	0.93	-	0.93
Other Expenses	5,287.66	-	5,287.66	-	5,287.66
Legal Services (Legal Department):					
Other Expenses	59,814.46	29,011.35	88,825.81	17,147.95	71,677.86
Engineering Services:					
Salaries and Wages	22.14	-	22.14	-	22.14
Other Expenses	12,693.00	4,600.00	17,293.00	4,600.00	12,693.00
Insurance:					
Employee Group Health	99,130.74	3,853.20	102,983.94	3,853.20	99,130.74
General Liability	42,788.00	-	42,788.00	-	42,788.00
Workers Compensation	3,780.00	-	3,780.00	-	3,780.00
Health Waivers	2,873.17	-	2,873.17	-	2,873.17
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	3,094.95	-	3,094.95	-	3,094.95
Other Expenses	26,876.09	12,690.54	39,566.63	6,659.30	32,907.33
Zoning Board of Adjustment:					
Salaries and Wages	3,095.05	-	3,095.05	-	3,095.05
Other Expenses	4,301.47	2,782.20	7,083.67	556.30	6,527.37
Zoning Officer:					
Salaries and Wages	69.09	-	69.09	-	69.09
Other Expenses	1,489.00	-	1,489.00	-	1,489.00
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	22,182.80	-	22,182.80	-	22,182.80
Other Expenses	3,911.50	42,497.61	46,409.11	41,937.02	4,472.09
Historic Preservation Committee:					
Other Expenses	200.00	-	200.00	-	200.00
Office of Emergency Management:					
Other Expenses	376.91	1,830.00	2,206.91	1,854.61	352.30
Aid To Volunteer Fire Companies:					
Other Expenses	386.91	22,805.56	23,192.47	21,152.56	2,039.91
Aid To Volunteer Fire Companies - Police:					
Other Expenses	1,951.97	-	1,951.97	-	1,951.97
Fire Hydrant Service	1,434.86	6,677.04	8,111.90	6,677.04	1,434.86
Emergency Medical Services:					
Other Expenses	1,961.05	92.00	2,053.05	92.00	1,961.05
Municipal Prosecutor's Office:					
Other Expenses	8.75	3,108.75	3,117.50	3,108.75	8.75
Water Rescue:					
Other Expenses	442.52	1,115.00	1,557.52	1,115.00	442.52

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Balance</u>	<u>Encumbrances</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
PUBLIC WORKS					
Streets and Road Maintenance:					
Salaries and Wages	29,213.06	-	29,213.06	-	29,213.06
Other Expenses	13,878.99	1,620.45	12,999.44	569.25	12,430.19
Shade Tree Commission:					
Other Expenses	5,839.50	427.50	6,267.00	-	6,267.00
Solid Waste Collection:					
Salaries and Wages	13,765.28	28,006.66	41,771.94	27,166.66	14,605.28
Recycling Program:					
Salaries and Wages	859.00	-	859.00	-	859.00
Other Expenses	3,517.50	-	3,517.50	-	3,517.50
Buildings and Grounds:					
Other Expenses	17,096.11	23,962.16	41,058.27	22,097.21	18,961.06
Vehicle Maintenance:					
Salaries and Wages	732.72	-	732.72	-	732.72
Other Expenses	4,806.52	5,099.46	12,405.98	10,625.78	1,780.20
HEALTH AND WELFARE					
Board of Health:					
Other Expenses	1,718.60	-	1,718.60	-	1,718.60
Environmental Health Services:					
Other Expenses	2,525.00	-	2,525.00	127.86	2,397.14
RECREATION AND EDUCATION					
Board of Recreation Commissioners:					
Salaries and Wages	475.05	-	475.05	-	475.05
Other Expenses	4,031.92	162.50	4,194.42	162.50	4,031.92
Maintenance of Parks and Playgrounds:					
Other Expenses	7,583.65	2,000.82	9,584.47	2,029.00	7,555.47
CODE ENFORCEMENT AND ADMINISTRATION					
Code Enforcement:					
Salaries and Wages	3,817.10	-	3,817.10	-	3,817.10
Other Expenses	766.33	-	766.33	-	766.33
Municipal Court:					
Salaries and Wages	56.89	-	56.89	-	56.89
Other Expenses	250.00	-	250.00	-	250.00
Public Defender:					
Salaries and Wages	1,000.00	-	1,000.00	-	1,000.00
UNCLASSIFIED					
Utilities:					
Electricity	9,673.65	7,650.39	17,324.04	8,961.13	8,362.91
Street Lighting	3,678.60	5,132.07	8,810.67	5,889.20	2,921.47
Telephone	5,746.13	2,097.93	7,844.06	2,247.93	5,596.13
Water	1,431.36	715.39	2,146.75	715.39	1,431.36
Gas (natural or propane)	151.35	5,666.45	5,817.80	3,971.84	1,845.96
Fuel Oil	4,964.30	4,882.91	9,847.21	4,882.91	4,964.30
Gasoline	3,616.72	3,300.48	6,917.20	3,300.48	3,616.72
Landfill/Solid Waste Disposal Costs	88,698.28	14,423.66	103,121.94	24,411.17	78,710.77
Celebration of Public Events	1.00	-	1.00	-	1.00
Salary and Wage Adjustment	85,000.00	-	85,000.00	-	85,000.00

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF 2021 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Balance</u>	<u>Encumbrances</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
STATUTORY EXPENDITURES					
Contribution To:					
Defined Contribution Retirement Program	4,693.19	-	4,693.19	-	4,693.19
Social Security System	13,940.13	-	13,940.13	-	13,940.13
Contingent	3,000.00		3,000.00	-	3,000.00
Maintenance of Free Public Library:					
Salaries and Wages	2,094.82	-	2,094.82	-	2,094.82
LOSAP	85,000.00	-	85,000.00	-	85,000.00
Recycling Tax	68.55	1,226.96	1,295.51	888.09	407.42
Interlocal Services Agreement -					
Township of Middletown - Tax Collector	98.24	-	98.24	-	98.24
Rumson Court Shared Services	383.16	-	383.16	-	383.16
Monmouth County SPCA - Animal Control Services	10,577.00	750.00	11,327.00	550.00	10,777.00
Monmouth County Dispatch Services	45.00	-	45.00	-	45.00
Monmouth County Records Management	100.00	-	100.00	-	100.00
Rumson Construction Office	4.99	-	4.99	-	4.99
Rumson-Fair Haven BOE - Custodial Services	7,441.08	3,000.00	10,441.08	4,515.00	5,926.08
Rumson-Fair Haven BOE - Technology Services	13,600.00	3,000.00	16,600.00	1,575.00	15,025.00
Township of Middletown - Finance Services	13,383.95	-	13,383.95	-	13,383.95
Total General Appropriations	<u>\$ 827,236.64</u>	<u>\$ 277,577.67</u>	<u>\$ 1,104,814.31</u>	<u>\$ 265,621.22</u>	<u>\$ 839,193.09</u>

Appropriation Reserves
Encumbrances Payable

\$ 827,236.64
277,577.67

\$ 1,104,814.31

Cash Disbursements
Accounts Payable

\$ 263,487.22
2,134.00
\$ 265,621.22

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 277,577.67
Increased By:	
Transferred From Current Appropriations	<u>316,554.64</u>
	594,132.31
Decreased By:	
Transferred To Appropriation Reserves	<u>277,577.67</u>
Balance, December 31, 2022	<u><u>\$ 316,554.64</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 150.00
Increased By:	
Cash Receipts	<u>150.00</u>
	300.00
Decreased By:	
Cash Disbursements	<u>300.00</u>
Balance, December 31, 2022	<u><u>\$ -</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 194,051.85
Increased By:	
Cash Receipts	<u>120,438.66</u>
	314,490.51
Decreased By:	
Applied To Taxes Receivable	<u>188,817.33</u>
Balance, December 31, 2022	<u><u>\$ 125,673.18</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	7,873.05
Increased By:			
Overpayments Created			<u>55,669.67</u>
			63,542.72
Decreased By:			
Applied to Taxes	\$	13,537.12	
Cash Disbursed		<u>46,036.33</u>	
			<u>59,573.45</u>
Balance, December 31, 2022		\$	<u><u>3,969.27</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021			
School Tax Payable	\$	4,085,702.97	
School Tax Deferred		<u>3,200,000.00</u>	
			\$ 7,285,702.97
Increased By:			
Levy - School Year, July 1, 2021 - June 30, 2022			<u>16,419,707.00</u>
			23,705,409.97
Decreased By:			
Cash Disbursed			<u>15,485,699.00</u>
Balance, December 31, 2022			
School Tax Payable		5,019,710.97	
School Tax Deferred		<u>3,200,000.00</u>	
			<u>\$ 8,219,710.97</u>
2022 Liability for Local District Tax			
Tax Payable, December 31, 2022		5,019,710.97	
Tax Paid		<u>15,485,699.00</u>	
			\$ 20,505,409.97
Less:			
Tax Payable, December 31, 2021			<u>4,085,702.97</u>
Amount Charged To 2022 Operations			<u>\$ 16,419,707.00</u>

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$ 54,305.49
Increased By:	
Levy Calendar Year 2020	<u>6,189,168.00</u>
	6,243,473.49
Decreased By:	
Cash Disbursed	<u>6,182,118.00</u>
Balance, December 31, 2022	<u><u>\$ 61,355.49</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	38,333.88
Increased By:			
County Taxes	\$	4,544,926.78	
County Library Taxes		341,581.89	
Open Space Preservation		588,902.38	
Added and Omitted		24,333.60	
			<u>5,499,744.65</u>
			5,538,078.53
Decreased By:			
Cash Disbursed			<u>5,513,744.89</u>
Balance, December 31, 2022		\$	<u><u>24,333.64</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR TAX APPEALS PENDING
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 111,758.81
Increased By:	
Appropriations to 2022 Budget	<u>25,000.00</u>
	136,758.81
Decreased By:	
Cash Disbursements	<u>14,674.86</u>
Balance, December 31, 2022	<u><u>\$ 122,083.95</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR OUTSIDE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 630.00
Increased By:	
Cash Receipts	<u>105,709.74</u>
	106,339.74
Decreased By:	
Cash Disbursements	<u>106,339.74</u>
Balance, December 31, 2022	<u><u>\$ -</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR LOSAP PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 105,602.91
Decreased By:	
Cash Disbursements	<u>51,508.45</u>
Balance, December 31, 2022	<u><u>\$ 54,094.46</u></u>

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND
SCHEDULE OF RESERVE FOR MUNICIPAL RELIEF FUND AID
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$ -
Increased By:	
Cash Receipts	<u>23,712.66</u>
Balance, December 31, 2022	<u><u>\$ 23,712.66</u></u>

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TRUST FUND

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Animal Control Trust Fund	Payroll Agency	Other Trust Funds
Balance, December 31, 2021	\$ 96.11	\$ 10,294.64	\$ 1,017,101.09
Increased By Receipts:			
License Fees	\$ 3,079.00	\$ -	\$ -
Various Reserves	-	-	1,053,650.44
Payroll Deductions Payable	-	1,611,055.67	-
	<u>3,079.00</u>	<u>1,611,055.67</u>	<u>1,053,650.44</u>
	3,175.11	1,621,350.31	2,070,751.53
Decreased By Disbursements:			
Due To:			
State of New Jersey	376.20	-	-
Reserve for Animal Control	244.15	-	-
Various Reserves	-	-	624,204.69
Payroll Deductions Payable	-	1,582,865.88	-
	<u>620.35</u>	<u>1,582,865.88</u>	<u>624,204.69</u>
Balance, December 31, 2022	<u>\$ 2,554.76</u>	<u>\$ 38,484.43</u>	<u>\$ 1,446,546.84</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$	96.11
Increased By:			
License Fees Collected			<u>3,079.00</u>
			3,175.11
Decreased By:			
Due To Current Fund:			
Expenditures	\$	244.15	
Due to State of NJ		<u>376.20</u>	
			<u>620.35</u>
Balance, December 31, 2022		\$	<u><u>2,554.76</u></u>

License Fees Collected

2020	\$	3,512.50
2021		<u>2,736.80</u>
	\$	<u><u>6,249.30</u></u>

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021	\$ -
Increased By:	
Cash Receipts	<u>376.20</u>
	376.20
Decreased By:	
Cash Disbursements	<u>376.20</u>
Balance, December 31, 2022	<u><u>\$ -</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
TRUST FUND - OTHER FUNDS
SCHEDULE OF VARIOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance, December 31, <u>2021</u>	Transfer From Encumbrances <u>Payable</u>	Increased	Decreased	Transfer To Encumbrances <u>Payable</u>	Balance, December 31, <u>2022</u>
Reserve for:						
Engineering Fees	\$ 295,988.84	\$ 6,256.00	\$ 116,963.49	\$ 101,509.48	\$ -	\$ 317,698.85
Accumulated Sick and Vacation	58,875.70	-	5,000.00	-	-	63,875.70
Bench/Tree Donations	3,289.05	-	-	-	-	3,289.05
Historic Fisk Chapel	2,770.81	-	-	-	-	2,770.81
Recreation Community Appeals	16,428.71	22,500.00	21,400.00	9,407.52	23,120.00	27,801.19
Recreation General Programs	57,380.12	765.35	81,240.00	69,513.81	123.00	69,748.66
Recreation - Community Alliance	5,152.75	-	-	5,152.75	-	-
Unemployment Compensation Fund	46,154.96	-	8,387.50	414.59	-	54,127.87
Recycling	8,775.57	-	2,168.45	-	-	10,944.02
Law Enforcement Trust Fund	5,945.36	-	35.62	-	-	5,980.98
Clock Donations	150.00	-	-	-	-	150.00
Public Defender Trust Fund	850.00	-	400.00	600.00	-	650.00
P.O.A.A.	1,146.27	-	2.00	-	-	1,148.27
Veterans Memorial	1,749.77	-	-	-	-	1,749.77
Officer Extra Duty Pay	4,085.50	-	337,063.75	339,076.25	-	2,073.00
Cash Performance	277,564.12	-	89,645.68	59,220.53	-	307,989.27
FH Fields Nature Area	25,839.15	-	5,415.00	3,973.59	-	27,280.56
Storm Recovery	33,473.35	2,125.73	38,947.59	23,715.43	104.75	50,726.49
Shade Tree Donations	6,252.32	-	2,427.00	2,374.49	200.00	6,104.83
Parking Fund	24,000.00	-	-	-	-	24,000.00
Sidewalk Escrow	61,704.73	-	16,700.00	-	-	78,404.73
Affordable Housing	45,370.68	2,506.25	327,854.36	9,246.25	-	366,485.04
	\$ 982,947.76	\$ 34,153.33	\$ 1,053,650.44	\$ 624,204.69	\$ 23,547.75	\$ 1,422,999.09

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
PAYROLL AGENCY TRUST FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 10,294.64
Increased By:	
Cash Receipts	<u>1,611,055.67</u>
	1,621,350.31
Decreased By:	
Cash Disbursements	<u>1,582,865.88</u>
Balance, December 31, 2022	<u><u>\$ 38,484.43</u></u>

BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARD PROGRAM ("LOSAP")
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

Balance, December 31, 2021		\$ 1,093,705.97
Increased By:		
Borough Contributions		<u>\$ 99,952.61</u>
		1,193,658.58
Decreased By:		
Withdrawals	\$ 54,100.13	
Investment Losses	133,903.22	
Administrative Fees	<u>3,664.38</u>	
		<u>191,667.73</u>
Balance, December 31, 2022		<u><u>\$ 1,001,990.85</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
LENGTH OF SERVICE AWARD PROGRAM ("LOSAP")
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 1,093,705.97
Increased By:		
Borough Contributions		<u>\$ 99,952.61</u>
		1,193,658.58
Decreased By:		
Withdrawals	\$ 54,100.13	
Investment Losses	133,903.22	
Administrative Fees	<u>3,664.38</u>	
		<u>191,667.73</u>
Balance, December 31, 2022		<u><u>\$ 1,001,990.85</u></u>

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GENERAL CAPITAL FUND

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021		\$ 7,898,683.59
Increased By:		
Capital Improvement Fund		<u>450,000.00</u>
		8,348,683.59
Decreased By:		
Reserve for Payment of Bonds	\$ 2,500.00	
Improvement Authorizations	<u>2,160,957.43</u>	
		<u>2,163,457.43</u>
Balance, December 31, 2022		<u><u>\$ 6,185,226.16</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2022</u>
Fund Balance	\$ 6,156.99
Due From:	
Monmouth County	(500,000.00)
State of New Jersey	(1,173,537.50)
Encumbrances Payable	893,457.86
Capital Improvement Fund	441,940.00
Reserve For The Payment of Bonds and Notes	56,689.54

<u>Ordinance Number</u>	<u>Improvement Description</u>	
16-02	Waterfront Navesink	250,000.00
16-14	Various Equipment & Infrastructure	250,000.00
17-07	Various Improvements	5,324,157.76
18-21	Various Improvements/Land Acquisition	486,063.80
19-06	Various Capital Improvements/Equipment	571.92
19-11	Various Capital Improvements	(1,323,863.67)
20-03	Various Equipment/Improvements	121,392.38
20-12	Various Capital Improvements	(233,641.22)
20-15	Various Capital Improvements	(163,145.92)
21-12	Various Capital Improvements	215,000.00
22-05	Various Capital Improvements	215,000.00
22-08	Various Capital Improvements	169,470.86
22-10	Various Capital Improvements	1,149,513.36
		<u>\$ 6,185,226.16</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 8,241,970.38
Decreased By:	
2022 Budget Appropriations	
To Pay Bonds and Loans	<u>249,131.75</u>
Balance, December 31, 2022	<u><u>\$ 7,992,838.63</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ordinance Number	<u>Improvement Description</u>	Balance December 31, 2021	<u>Authorizations</u>	<u>Cancelled</u>	Balance December 31, 2022	<u>Analysis of Balance</u>	
						<u>Expended</u>	<u>Unexpended Improvement Authorization</u>
18-21	Various Improvements/Land Acquisition	\$ 3,518,754.00	\$ -	\$ 3,518,754.00	\$ -	\$ -	\$ -
19-11	Various Capital Improvements	2,093,026.00	-	-	2,093,026.00	1,323,863.67	769,162.33
20-12	Various Capital Improvements	984,200.00	-	-	984,200.00	233,641.22	750,558.78
20-15	Various Capital Improvements	7,616,666.00	-	-	7,616,666.00	163,145.92	7,453,520.08
22-10	Various Capital Improvements	-	1,948,070.00	-	1,948,070.00	-	1,948,070.00
		<u>\$ 14,212,646.00</u>	<u>\$ 1,948,070.00</u>	<u>\$ 3,518,754.00</u>	<u>\$ 12,641,962.00</u>	<u>\$ 1,720,650.81</u>	<u>\$ 10,921,311.19</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM MONMOUTH COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Balance, December 31, 2021	\$ 250,000.00
Increased By:	
Grant Award	<u>250,000.00</u>
Balance, December 31, 2022	<u><u>\$ 500,000.00</u></u>
Analysis of Grants:	
Ord. #16-02 - Monmouth County Municipal Open Space	\$ 250,000.00
Ord. #22-10 - Monmouth County Municipal Open Space	<u>250,000.00</u>
	<u><u>\$ 500,000.00</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 1,023,537.50
Increased By:	
Grant Awarded	<u>500,000.00</u>
Balance, December 31, 2022	<u><u>\$ 1,523,537.50</u></u>
Analysis of Grants:	
Ord. #16-14 - DOT Knollwood	\$ 50,000.00
Ord. #18-23 - NJDOT Battin Rd.	131,637.50
Ord. #20-12 - NJDOT Hance/Cooney	350,000.00
Ord. #22-10 - NJDOT 3rd St. Phase 2	240,000.00
Ord. #22-10 - NJDOT Fair Haven Road Phase 1	251,900.00
Ord. #22-10 - NJDEP Green Acres	<u>500,000.00</u>
	<u><u>\$ 1,523,537.50</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding December 31, 2022</u>		<u>Interest Rate</u>	<u>Balance December 31, 2021</u>	<u>Decreased</u>	<u>Balance December 31, 2022</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
General Obligation Bonds, Series 2019	10/03/19	\$ 8,558,000.00	10/01/2023	\$ 250,000.00	4.000%	\$ 8,090,000.00	\$ 240,000.00	\$ 7,850,000.00
			10/01/2024	260,000.00	4.000%			
			10/01/2025	270,000.00	4.000%			
			10/01/2026	280,000.00	4.000%			
			10/01/2027	295,000.00	4.000%			
			10/01/2028	305,000.00	3.000%			
			10/01/2029	310,000.00	2.000%			
			10/01/2030	320,000.00	2.000%			
			10/01/2031	330,000.00	2.000%			
			10/01/2032	340,000.00	2.000%			
			10/01/2033	350,000.00	2.125%			
			10/01/2034	360,000.00	2.125%			
			10/01/2035	370,000.00	2.250%			
			10/01/2036	385,000.00	2.250%			
			10/01/2037	395,000.00	2.250%			
			10/01/2038	405,000.00	2.375%			
			10/01/2039	415,000.00	2.375%			
			10/01/2040	420,000.00	2.500%			
			10/01/2041	430,000.00	2.500%			
			10/01/2042	445,000.00	2.500%			
			10/01/2043	455,000.00	2.625%			
			10/01/2044	460,000.00	2.625%			
						\$ 8,090,000.00	\$ 240,000.00	\$ 7,850,000.00

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF GREEN ACRES LOAN PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 151,970.38
Decreased By:	
Payment of Principal on Loan	<u>9,131.75</u>
Balance, December 31, 2022	<u><u>\$ 142,838.63</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Ordinance Number	Improvement Description	Ordinance Amount		Balance December 31, 2021		Current Year Authorizations	Transfer From Encumbrances	Paid or Charged	Transfer To Encumbrances	Cancelled	Balance December 31, 2022	
		Date		Funded	Unfunded						Funded	Unfunded
16-02	Waterfront Navesink	02/08/16	250,000.00	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00	\$ -
16-12	Various Equipment/Improvements	06/27/16	215,000.00	-	-	-	65,698.36	-	-	-	-	-
16-14	Various Equipment & Infrastructure	09/12/16	1,140,000.00	250,000.00	-	-	-	-	-	-	250,000.00	-
17-06	Various Equipment/Improvements	05/22/17	215,000.00	-	-	-	14,757.00	14,757.00	-	-	-	-
17-07/18-12/19-01	Various Improvements	07/10/17	6,297,550.00	5,262,607.89	-	-	207,832.82	37,561.37	-	-	-	-
18-13	Various Equipment/Improvements	05/29/18	215,000.00	-	-	-	13,541.31	12,404.17	-	-	5,324,157.76	-
18-21/18-23/19-02	Various Improvements/Land Acquisition	09/24/18	5,308,750.00	487,354.56	3,518,754.00	-	333,652.23	222,524.49	112,418.50	3,518,754.00	486,063.80	-
19-06	Various Capital Improvements/Equipment	06/24/19	215,000.00	72,437.52	-	-	105,725.48	137,085.30	40,505.78	-	571.92	-
19-11	Various Capital Improvements	09/09/19	2,397,000.00	-	668,855.74	-	1,192,031.34	1,045,224.75	46,500.00	-	-	769,162.33
20-03	Various Equipment/Improvements	07/13/20	215,000.00	215,000.00	-	-	-	72,188.21	21,419.41	-	121,392.38	-
20-12	Various Capital Improvements	11/09/20	1,386,000.00	58,500.00	984,200.00	-	328,034.39	318,250.00	301,925.61	-	-	750,558.78
20-15	Various Capital Improvements	12/14/20	7,997,500.00	-	7,463,070.00	-	261,097.92	92,281.36	178,366.48	-	7,453,520.08	-
21-12	Various Capital Improvements	9/27/2021	215,000.00	215,000.00	-	-	-	-	-	-	215,000.00	-
22-05	Various Capital Improvements	6/13/2022	215,000.00	-	-	215,000.00	-	-	-	-	215,000.00	-
22-08	Various Capital Improvements	6/27/2022	200,000.00	-	-	200,000.00	-	13,764.14	16,765.00	-	169,470.86	-
22-10	Various Capital Improvements	7/25/2022	3,292,500.00	-	-	3,292,500.00	-	194,916.64	-	-	1,149,513.36	1,948,070.00
				\$ 6,810,899.97	\$ 12,634,879.74	\$ 3,707,500.00	\$ 2,522,370.85	\$ 2,160,957.43	\$ 893,457.86	\$ 3,518,754.00	\$ 8,181,170.08	\$ 10,921,311.19

Capital Improvement Fund	517,530.00
Grants Receivable	1,241,900.00
Deferred Charges - Unfunded	1,948,070.00
	<u>\$ 3,707,500.00</u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 509,470.00
Increased By:	
2022 Budget Appropriations	<u>450,000.00</u>
	959,470.00
Decreased By:	
Improvement Authorizations	<u>517,530.00</u>
Balance, December 31, 2022	<u><u>\$ 441,940.00</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 2,522,370.85
Increased By:	
Improvement Authorizations	<u>893,457.86</u>
	3,415,828.71
Decreased By:	
Cash Disbursements	<u>2,522,370.85</u>
Balance, December 31, 2022	<u><u>\$ 893,457.86</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF BONDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Balance, December 31, 2021	\$ 59,189.54
Decreased By:	
2022 Budget Revenue	<u>2,500.00</u>
Balance, December 31, 2022	<u><u>\$ 56,689.54</u></u>

**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2022**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2022</u>
18-21/18-23/19-02	Various Capital Improvements	\$ 3,518,754.00	\$ -	\$ 3,518,754.00	\$ -
19-11	Various Capital Improvements	2,093,026.00	-	-	2,093,026.00
20-12	Various Capital Improvements	984,200.00	-	-	984,200.00
20-15	Various Capital Improvements	7,616,666.00	-	-	7,616,666.00
22-10	Various Capital Improvements	-	1,948,070.00	-	1,948,070.00
		<u>\$ 14,212,646.00</u>	<u>\$ 1,948,070.00</u>	<u>\$ 3,518,754.00</u>	<u>\$ 12,641,962.00</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF FAIR HAVEN
COUNTY OF MONMOUTH, NEW JERSEY
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2022</u>
Land	\$ 9,728,600.00	\$ -	\$ -	\$ 9,728,600.00
Buildings	2,900,601.00	-	-	2,900,601.00
Machinery & Equipment	8,762,242.41	662,234.81	-	9,424,477.22
Improvements	301,522.91	-	-	301,522.91
	<u>\$ 21,692,966.32</u>	<u>\$ 662,234.81</u>	<u>\$ -</u>	<u>\$ 22,355,201.13</u>

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COMMENTS AND RECOMMENDATIONS

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BOROUGH OF FAIR HAVEN

PART II

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -
GOVERNMENT AUDITING STANDARDS**

FOR THE YEAR ENDED DECEMBER 31, 2022

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**BOROUGH OF FAIR HAVEN
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

None.

**BOROUGH OF FAIR HAVEN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

N/A – No Federal Single Audit in prior year

State Financial Assistance

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

BOROUGH OF FAIR HAVEN

PART III

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2022:

<u>Name</u>	<u>Title</u>
Josh Halpern	Mayor
Christopher Rodriguez	Council President
Tracy Cole	Council Member
Laline Neff	Council Member
Elizabeth Koch	Council Member
Meghan Chrisner-Keefe	Council Member
Michael McCue	Council Member
Theresa Casagrande	Borough Administrator
Allyson Cinquegrana	Clerk
Colleen Lapp	Chief Financial Officer
Debra Marchetti	Tax Collector
Peter Lucas	Judge
Michele R. Smallze	Court Administrator
Gregory Cannon	Attorney
Gregory T. Hutchinson	Assessor

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Honorable Mayor and Members
of the Borough Council
Borough of Fair Haven
Fair Haven, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2022.

GENERAL COMMENTS:

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year ended December 31, 2022.

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 3, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

OTHER COMMENTS (FINDINGS):

None.

RECOMMENDATIONS:

None.

Appreciation

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

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
August 8, 2023