

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

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COUNTY OF MONMOUTH, NEW JERSEY
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**BOROUGH OF KEYPORT
COUNTY OF MONMOUTH**

PART I

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

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INDEPENDENT AUDITOR'S REPORT

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

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Keyport 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 Keyport, 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 controls 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 Keyport'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 Keyport's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

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

Prior Period Financial Statements

The financial statements as of December 31, 2022, were audited by other auditors whose report dated February 2, 2024, 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 June 30, 2024, on our consideration of the Borough of Keyport'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 Keyport'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 Keyport'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
June 30, 2024

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

Honorable Mayor and Members
of the Borough Council
Borough of Keyport
Keyport, 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 Keyport, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough of Keyport’s basic financial statements, and have issued our report thereon dated June 30, 2024. Our report indicated that the Borough of Keyport’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 of Keyport’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 of Keyport’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Keyport’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 of Keyport'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 of Keyport'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 of Keyport'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
Registered Municipal Accountant
RMA No. 483

Lakewood, New Jersey
June 30, 2024

BASIC FINANCIAL STATEMENTS

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**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 2,450,460.67	\$ 2,785,751.51
Change Fund	A	<u>625.00</u>	<u>625.00</u>
Total		<u>2,451,085.67</u>	<u>2,786,376.51</u>
Other Receivable:			
Due from Satae of NJ:			
Ch. 129, P.L. 1976	A-5	<u>1,437.83</u>	<u>3,687.83</u>
Total		1,437.83	3,687.83
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	489,925.11	440,652.38
Tax Title Liens Receivable	A-9	72,870.14	70,406.18
Property Acquired for Taxes at Assessed Valuation	A-13	508,800.00	508,800.00
Due from Other Trust Fund	B	14,816.69	2,859.44
Due from Animal Control Trust Fund	B	1,470.00	1,470.00
Revenue Accounts Receivable	A-7	<u>41,928.44</u>	<u>33,830.90</u>
Total Receivables & Other Assets With Full Reserves		<u>1,129,810.38</u>	<u>1,058,018.90</u>
Total Regular Funds		<u>3,582,333.88</u>	<u>3,848,083.24</u>
Federal & State Grants:			
Federal and State Grants Receivable	A-20	654,392.12	178,189.21
Due From Current Fund	A-19	<u>136,084.91</u>	<u>402,472.45</u>
Total State & Federal Grants		<u>790,477.03</u>	<u>580,661.66</u>
Total Assets		<u>\$ 4,372,810.91</u>	<u>\$ 4,428,744.90</u>

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

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 539,982.17	\$ 577,270.05
Encumbrances Payable	A-3	463,319.35	555,221.97
Accounts Payable	A-18	8,482.39	14,546.00
Due to Federal & State Grant Fund	A-19	136,084.91	402,472.45
Tax Overpayments	A-10	200.00	2,856.39
Prepaid Taxes	A-13	180,852.30	168,997.59
County Taxes Payable	A-14	10,136.14	2,573.48
Local School Tax Payable	A-16	-	0.50
Various Reserves	A-12	88,204.85	48,910.13
		<u>1,427,262.11</u>	<u>1,772,848.56</u>
Subtotal Regular Fund		1,427,262.11	1,772,848.56
Reserve for Receivables & Other Assets	A	1,129,810.38	1,058,018.90
Fund Balance	A-1	1,025,261.39	1,017,215.78
		<u>3,582,333.88</u>	<u>3,848,083.24</u>
Total Regular Fund		3,582,333.88	3,848,083.24
Federal and State Grant Fund:			
Encumbrances Payable	A-21	155,843.02	35,062.00
Reserve for Grants Expenditures:			
Appropriated	A-21	546,825.73	215,959.21
Unappropriated	A-22	87,808.28	329,640.45
		<u>790,477.03</u>	<u>580,661.66</u>
Total State & Federal Grants		790,477.03	580,661.66
		<u>\$ 4,372,810.91</u>	<u>\$ 4,428,744.90</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 4,372,810.91</u>	<u>\$ 4,428,744.90</u>

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

BOROUGH OF KEYPORT
CURRENT FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 850,000.00	\$ 1,000,000.00
Miscellaneous Revenue Anticipated	2,956,831.04	2,544,142.95
Receipts From Delinquent Taxes	432,752.72	338,585.91
Non-Budget Revenue	426,767.47	141,749.03
Receipts From Current Taxes	22,431,001.14	21,539,011.22
Other Credits To Income:		
Unexpended Balance of Appropriation		
Reserves	378,878.96	384,034.43
Cancellation Appropriated Grant Reserves	13,488.01	22,720.37
Cancel Accounts Payable	5,287.00	-
Statutory Excess in Animal Control Fraud	-	349.42
	<u>27,495,006.34</u>	<u>25,970,593.33</u>
Total Revenues		
Expenditures:		
Budget Appropriations Within "CAPS":		
Operations:		
Salaries and Wages	4,353,220.00	4,293,200.00
Other Expenses	3,546,025.00	3,261,645.00
Deferred Charges and Statutory		
Expenditures	1,104,033.00	1,076,887.00
Appropriations Excluded From "CAPS":		
Operations:		
Salaries and Wages	-	41,000.00
Other Expenses	1,485,403.31	768,361.21
Capital Improvements	215,000.00	365,000.00
Municipal Debt Service	1,474,486.15	1,423,894.02
Deferred Charges	44,635.00	45,600.00
County Taxes	2,332,744.41	2,178,600.50
County Share of Added Taxes	10,136.14	-
Local School Tax	11,598,512.00	11,429,884.00
Municipal Open Space Tax	258,578.32	227,756.23
Prior Year Deductions Disallowed	1,750.00	1,134.25
Grants Receivable Cancelled	7,647.82	25,082.48
Prior Year Taxes Cancelled	16,300.27	-
Special District Taxes	171,500.00	171,500.00
Interfunds Advanced	11,957.25	2,859.44
Refund of Prior Year Revenue	5,032.06	-
	<u>26,636,960.73</u>	<u>25,312,404.13</u>
Total Expenditures		
Excess in Revenue	858,045.61	658,189.20
Fund Balance, January 1	<u>1,017,215.78</u>	<u>1,359,026.58</u>
	1,875,261.39	2,017,215.78
Decreased By:		
Utilized as Anticipated Revenue	<u>850,000.00</u>	<u>1,000,000.00</u>
Fund Balance, December 31	<u>\$ 1,025,261.39</u>	<u>\$ 1,017,215.78</u>

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

BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Budget	Budget Amendments	Realized	Excess/ (Deficit)
Fund Balance Anticipated	\$ 850,000.00	\$ -	\$ 850,000.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	30,000.00	-	30,140.00	140.00
Other Licenses	4,000.00	-	3,562.00	(438.00)
Fees and Permits	222,000.00	-	291,951.50	69,951.50
Fines and Costs:				
Municipal Court	111,000.00	-	145,186.34	34,186.34
Interest and Costs on Taxes	85,000.00	-	90,368.55	5,368.55
Uniform Fire Safety Act	85,000.00	-	76,276.84	(8,723.16)
Cable Television Fees	92,108.00	-	92,108.44	0.44
PILOT - Senior Citizen Housing	350,000.00	-	199,976.70	(150,023.30)
Sale of Municipal Assets	49,635.00	-	59,879.00	10,244.00
ARP - SLFRF Revenue Loss	162,200.00	-	162,200.00	-
Uniform Construction Code Fees	230,000.00	-	208,679.00	(21,321.00)
Municipal Relief Fund	37,269.68	-	37,269.68	-
Energy Receipts Tax (P.L. 1997, Ch. 62 & 67)	719,412.00	-	719,411.68	(0.32)
Shared Services - Health (Union Beach)	6,000.00	-	6,000.00	-
Shared Services - Police (Keyport Board of Education)	41,820.00	-	83,640.00	41,820.00
Office on Aging	37,500.00	32,000.00	69,500.00	-
Clean Communities	-	17,292.02	17,292.02	-
Recycling Tonnage	5,632.85	-	5,632.85	-
Keyport Bayfront Business Cooperative	-	35,000.00	35,000.00	-
DCA ARP Firefighter Grant	-	13,200.00	13,200.00	-
NJDL&PS - Bayshore Saturation Patrol Grant	-	19,600.00	19,600.00	-
Neighborhood Preservation Program	125,000.00	262,640.00	387,640.00	-
NJ DEP Stormwater Assistance Grant	-	25,000.00	25,000.00	-
DOA - Spotted Latternfly Grant	-	15,000.00	15,000.00	-
Body Armor Replacement Fund	1,735.50	-	1,735.50	-
Distracted Driving Crackdown Grant	-	16,000.00	16,000.00	-
Alcohol Education and Rehabilitation Fund	3,632.44	-	3,632.44	-
Municipal Alliance	8,740.00	-	8,740.00	-
Pedestrian Improvement Program - Final Design	132,208.50	-	132,208.50	-
	<u>2,539,893.97</u>	<u>435,732.02</u>	<u>2,956,831.04</u>	<u>(18,794.95)</u>
Receipts From Delinquent Taxes	<u>425,000.00</u>	<u>-</u>	<u>432,752.72</u>	<u>7,752.72</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	8,103,719.38	-	8,191,069.33	87,349.95
Minimum Library Tax	342,540.00	-	342,540.00	-
	<u>8,446,259.38</u>	<u>-</u>	<u>8,533,609.33</u>	<u>87,349.95</u>
Budget Totals	12,261,153.35	435,732.02	12,773,193.09	76,307.72
Non-Budget Revenue	-	-	426,767.47	426,767.47
	<u>\$ 12,261,153.35</u>	<u>\$ 435,732.02</u>	<u>\$ 13,199,960.56</u>	<u>\$ 503,075.19</u>

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

BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

Analysis of Realized Revenue

Allocation of Current Tax Collection:	
Revenue from Collections	\$ 22,431,001.14
Allocated to School, County, Special District and Municipal Open Space Taxes	<u>14,371,470.87</u>
Balance for Support of Municipal Budget	8,059,530.27
Add:	
Appropriation for Uncollected Taxes	<u>474,079.06</u>
Balance for Support of Municipal Budget	<u><u>\$ 8,533,609.33</u></u>
Miscellaneous Revenue Not Anticipated:	
Copies	\$ 2.47
NSF Charges	280.00
Fire Arms Report	5,563.00
Post Office Land Rent	1,650.00
DMV Inspection Fines	350.00
Scrap Metal	3,692.50
Uniform Construction Code Fees - Misc	24,054.00
Board of Health Fees - Misc	1,450.00
Miscellaneous	77,983.76
Interest Income	311,099.74
Administration Fee:	
Senior Citizens' and Veterans'	640.00
Fire Museum Rent	<u>2.00</u>
	<u><u>\$ 426,767.47</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid	Paid or Charged Encumbered	Reserved	Cancelled
	Original Budget	Budget After Modifications				
General Appropriations Operations - Within "CAPS"						
GENERAL GOVERNMENT						
Department of Public Affairs and Safety						
Mayor's & Council Office:						
Salaries and Wages	\$ 25,200.00	\$ 25,200.00	\$ 25,119.64	\$ -	\$ 80.36	\$ -
Other Expenses	6,000.00	6,000.00	5,645.82	220.00	134.18	-
Administrator:						
Salaries and Wages	132,000.00	134,000.00	133,482.69	-	517.31	-
Other Expenses	69,000.00	64,000.00	45,166.12	12,635.50	6,198.38	-
Municipal Clerk:						
Salaries and Wages	75,000.00	70,000.00	64,795.90	-	5,204.10	-
Other Expenses	15,000.00	12,000.00	5,545.92	128.98	6,325.10	-
Revision of Ordinances	2,500.00	2,500.00	-	-	2,500.00	-
Legal Services and Costs:						
Other Expenses	196,000.00	196,000.00	125,466.03	70,156.47	377.50	-
Financial Administration:						
Salaries and Wages	72,000.00	72,000.00	71,754.02	-	245.98	-
Other Expenses	10,000.00	10,000.00	8,707.02	561.71	731.27	-
Audit Services	17,000.00	17,000.00	-	-	17,000.00	-
Collector of Taxes:						
Salaries and Wages	90,000.00	74,000.00	72,700.43	-	1,299.57	-
Other Expenses	10,000.00	10,000.00	6,138.52	561.71	3,299.77	-
Tax Assessment Administration:						
Salaries and Wages	22,300.00	22,300.00	22,205.82	-	94.18	-
Other Expenses	75,000.00	75,000.00	12,994.47	43,310.21	18,695.32	-
Tax Map Revision	100.00	100.00	-	-	100.00	-
Engineering Services and Costs:						
Other Expenses	95,000.00	105,000.00	75,963.75	15,986.25	13,050.00	-
Environmental Commission						
Other Expenses	1,100.00	1,100.00	267.84	470.00	362.16	-
Municipal Land Use Law (N.J.S.A. 40:55D-1):						
Land Use (Planning & Zoning Board)						
Salaries and Wages	6,300.00	6,300.00	4,952.86	-	1,347.14	-
Other Expenses	11,000.00	11,000.00	5,202.47	1,085.79	4,711.74	-
Master Plan Revision	100.00	100.00	-	-	100.00	-

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

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Reserved	Cancelled		
	Original Budget	Budget After Modifications				Encumbered	Paid
Insurance (N.J.S.A. 40A:4-45.3(00)):							
General Liability	228,000.00	228,000.00	-	227,845.00	155.00		
Workers Compensation	225,600.00	225,600.00	-	223,483.00	2,117.00		
Employee Group Health	633,000.00	648,000.00	-	634,376.63	13,623.37		
Health Benefits Waiver	30,000.00	25,000.00	-	22,868.64	2,131.36		
Unemployment Insurance (N.J.S.A. 43:21-3 et seq.)	10,000.00	10,000.00	-	10,000.00	-		
PUBLIC SAFETY FUNCTIONS							
Police Department:							
Salaries and Wages	2,860,000.00	2,860,000.00	-	2,708,982.05	151,017.95		
Other Expenses	182,000.00	182,000.00	10,223.91	161,187.32	10,588.77		
Office of Emergency Management:							
Other Expenses	13,000.00	13,000.00	5,000.00	7,211.46	788.54		
Volunteer Organizations							
Aid to Volunteer Fire Company	23,720.00	23,720.00	-	23,720.00	-		
First Aid to Volunteer First Aid Squad	25,000.00	25,000.00	535.39	18,510.96	5,953.65		
Fire Department							
Salaries and Wages	3,000.00	3,000.00	-	3,000.00	-		
Other Expenses	135,000.00	135,000.00	49,868.28	76,627.26	8,504.46		
Uniform Fire Safety							
Salaries and Wages	66,000.00	66,000.00	-	62,011.04	3,988.96		
Other Expenses	13,000.00	13,000.00	249.99	12,183.93	566.08		
Municipal Prosecutor's Office							
Other Expenses	27,500.00	27,500.00	4,583.30	22,916.70	0.00		
Road Repair and Maintenance:							
Salaries and Wages	600,000.00	534,700.00	-	506,909.50	27,790.50		
Other Expenses	115,000.00	135,000.00	29,151.74	84,935.62	20,912.64		
Garbage and Trash Removal:							
Salaries and Wages	9,000.00	9,000.00	-	8,997.19	2.81		
Other Expenses	343,000.00	343,000.00	21,774.07	306,968.52	14,257.41		
Public Buildings and Grounds:							
Other Expenses	84,000.00	154,000.00	11,397.42	138,646.63	3,955.95		

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

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Budget After Modifications	Paid	Paid or Charged		Cancelled
	Original Budget	Budget After Modifications			Encumbered	Reserved	
HEALTH AND HUMAN SERVICES							
Board of Health							
Salaries and Wages	53,000.00	53,000.00	52,647.86	-	352.14	-	-
Other Expenses	2,500.00	2,500.00	2,106.86	213.00	180.14	-	-
Blood Borne Pathogens - Hepatitis B							
Salaries and Wages	3,000.00	3,000.00	2,884.50	-	115.50	-	-
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-	-
Animal Control Services							
Other Expenses	16,000.00	16,000.00	16,000.00	-	-	-	-
Mayors Wellness Program							
Other Expenses	1,500.00	1,500.00	-	-	1,500.00	-	-
Senior Citizens Community Center							
Salaries and Wages	30,000.00	30,000.00	24,035.55	-	5,964.45	-	-
Other Expenses	12,325.00	12,325.00	9,129.61	2,858.02	337.37	-	-
Senior Citizen Transportation (County of Monmouth)							
Other Expenses	4,000.00	4,000.00	2,574.00	-	1,426.00	-	-
PARKS AND RECREATION FUNCTIONS							
Recreation:							
Salaries and Wages	34,000.00	4,000.00	3,120.00	-	880.00	-	-
Other Expenses	30,000.00	25,000.00	16,673.09	59.77	8,267.14	-	-
Park Maintenance:							
Other Expenses	10,000.00	11,000.00	6,587.68	3,645.00	767.32	-	-
UTILITIES AND BULK PURCHASES							
Electricity	40,000.00	35,000.00	25,358.66	-	9,641.34	-	-
Street Lighting	106,000.00	131,000.00	108,558.36	-	22,441.64	-	-
Telecommunications	65,000.00	80,000.00	72,467.82	432.00	7,100.18	-	-
Natural Gas	40,000.00	35,000.00	25,729.24	127.90	9,142.86	-	-
Fuel for Motor Vehicles	105,000.00	91,000.00	86,232.29	-	4,767.71	-	-
Fuel Oil	17,000.00	17,000.00	7,268.56	559.05	9,172.39	-	-
RECYCLING AND LANDFILL							
Landfill/Sold Waste Disposal Costs	340,000.00	345,000.00	316,408.74	6,754.65	21,836.61	-	-

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After Modifications			
COURT AND PUBLIC DEFENDER					
Municipal Court:					
Salaries and Wages	140,000.00	140,000.00	-	2,800.03	-
Other Expenses	23,000.00	23,000.00	1,807.58	11,324.75	-
Public Defender (P.L. 1997, c.256):					
Other Expenses	8,000.00	8,000.00	1,025.00	700.00	-
CODE ENFORCEMENT					
Property Maintenance Code					
Salaries and Wages	20,000.00	27,000.00	-	384.84	-
Other Expenses	1,000.00	1,300.00	110.14	59.02	-
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official:					
Salaries and Wages	191,000.00	191,000.00	-	5,495.91	-
Other Expenses	10,500.00	10,500.00	306.86	6,120.37	-
UNCLASSIFIED					
Accumulated Leave Compensation					
Salaries and Wages	10,000.00	5,000.00	-	5,000.00	-
Celebration of Public Events					
Other Expenses	1,500.00	1,500.00	-	1,500.00	-
Postage					
Other Expenses	20,000.00	20,000.00	121.98	3,859.04	-
Total Operations - Within "CAPS"	7,891,745.00	7,898,745.00	295,921.67	490,865.26	-
Contingent	500.00	500.00	-	500.00	-
Detail:					
Salaries and Wages	7,892,245.00	7,899,245.00	295,921.67	491,365.26	-
Other Expenses	4,465,520.00	4,353,220.00	-	212,581.73	-
	3,426,725.00	3,546,025.00	295,921.67	278,783.53	-

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

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged		Cancelled
	Original Budget	Budget After Modifications	Paid	Encumbered	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System of NJ	251,667.00	244,667.00	228,588.00	-	16,079.00
Social Security System (O.A.S.I.)	188,000.00	188,000.00	175,647.78	-	12,352.22
Police and Firemen's Retirement System of NJ	669,366.00	669,366.00	669,365.74	-	0.26
Defined Contribution Retirement Program	2,000.00	2,000.00	1,417.61	-	582.39
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	1,111,033.00	1,104,033.00	1,075,019.13	-	29,013.87
Total General Appropriations for Municipal Purposes - Within "CAPS"	9,003,278.00	9,003,278.00	8,186,977.20	295,921.67	520,379.13
Maintenance of Free Public Library (PL 1985, Ch. 541)	342,540.00	342,540.00	322,938.56	-	19,601.44
Public Employees' Retirement System	6,107.00	6,107.00	6,107.00	-	-
Police and Firemens Retirement System of NJ	39,665.00	39,665.00	39,665.00	-	-
Total General Appropriations for Other Operations Excluded from "CAPS"	388,312.00	388,312.00	368,710.56	-	19,601.44
SHARED SERVICE AGREEMENTS					
Police Dispatch/911 (Monmouth County)	138,535.00	138,535.00	138,534.00	-	1.00
Tax Collector and Treasurer (Tinton Falls)	43,296.00	43,296.00	43,296.00	-	-
Other Expenses					
Police (Board of Education)	41,820.00	41,820.00	41,820.00	-	-
Salaries and Wages					
IT Services (Freehold)					
Other Expenses	22,324.00	22,324.00	19,925.72	2,397.68	0.60
Total Interlocal Muni Service Agreements Excluded from "CAPS"	245,975.00	245,975.00	243,575.72	2,397.68	1.60

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

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After Modifications			
Public and Private Programs Offset By Revenues:					
Body Armor Replacement Fund	1,735.50	1,735.50	1,735.50	-	-
Recycling Tonnage Grant	5,632.85	5,632.85	5,632.85	-	-
Clean Communities Program	-	17,292.02	17,292.02	-	-
Office on Aging Grant					
Grant Share	37,500.00	69,500.00	69,500.00	-	-
Local Share	73,750.00	73,750.00	73,750.00	-	-
Alcohol Education & Rehabilitation Fund	3,632.44	3,632.44	3,632.44	-	-
Municipal Alliance Against Alcohol & Drug Abuse					
Grant Share	8,740.00	8,740.00	8,740.00	-	-
Local Share	2,185.00	2,185.00	2,185.00	-	-
Keyport Bayfront Business Cooperative	-	35,000.00	35,000.00	-	-
Districted Driving Craekdown	-	16,000.00	16,000.00	-	-
DCA ARP Firefighter Grant	-	13,200.00	13,200.00	-	-
NJDL&PS - Bayshore Saturation Patrol Grant	-	19,600.00	19,600.00	-	-
Neighborhood Preservation Program					
Grant Share	125,000.00	387,640.00	387,640.00	-	-
Local Share	25,000.00	25,000.00	25,000.00	-	-
DOA - Spotted Lanternfly Grant	-	15,000.00	15,000.00	-	-
NJ DEP Stormwater Assistance Grant	-	25,000.00	25,000.00	-	-
Pedestrian Improvement Program - Final Design	132,208.50	132,208.50	132,208.50	-	-
Total Public and Private Programs Offset	415,384.29	851,116.31	851,116.31	-	-
By Revenues					
Total Operations - Excluded From "CAPS"	1,049,671.29	1,485,403.31	1,463,402.59	2,397.68	19,603.04
Detail:					
Salaries and Wages	41,820.00	41,820.00	41,820.00	-	-
Other Expenses	1,007,851.29	1,443,583.31	1,421,582.59	2,397.68	19,603.04

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

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023**

	Appropriations		Paid	Paid or Charged	Reserved	Cancelled
	Original Budget	Budget After Modifications				
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Improvements to Public Buildings	60,000.00	60,000.00	-	60,000.00	-	-
Acquisition of First Aid Equipment - Power Cot	65,000.00	65,000.00	-	65,000.00	-	-
Acquisition of Fire Department Equipment	40,000.00	40,000.00	-	40,000.00	-	-
Total Capital Improvements - Excluded From "CAPS"	215,000.00	215,000.00	50,000.00	165,000.00	-	-
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	1,040,000.00	1,040,000.00	1,040,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	50,000.00	50,000.00	50,000.00	-	-	-
Interest on Bonds	312,950.00	312,950.00	312,946.15	-	-	3.85
Interest on Notes	71,540.00	71,540.00	71,540.00	-	-	-
Total Municipal Debt Service - Excluded From "CAPS"	1,474,490.00	1,474,490.00	1,474,486.15	-	-	3.85
Deferred Charges - Municipal - Excluded From "CAPS"						
Transferred to Board of Education for Use of Local School (N.J.S.A. 40:48-)	44,635.00	44,635.00	44,635.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	44,635.00	44,635.00	44,635.00	-	-	-
Total General Appropriations - Excluded From "CAPS"	2,783,796.29	3,219,528.31	3,032,523.74	167,397.68	19,603.04	3.85
Subtotal General Appropriations	11,787,074.29	12,222,806.31	11,219,500.94	463,319.35	539,982.17	3.85
Reserve for Uncollected Taxes	474,079.06	474,079.06	474,079.06	-	-	-
Total General Appropriations	\$ 12,261,153.35	\$ 12,696,885.37	\$ 11,693,580.00	\$ 463,319.35	\$ 539,982.17	\$ 3.85
Analysis of Modified Budget:						
Original Budget	\$ 12,261,153.35					
Appropriation by 40A-4-87	<u>435,732.02</u>					
	<u>\$ 12,696,885.37</u>					
Analysis of Paid or Charged:						
Reserve for Uncollected Taxes		\$ 474,079.06				
Cash Disbursements		10,368,384.63				
Reserve for Grant Expenditures - Appropriated		<u>851,116.31</u>				
		<u>\$ 11,693,580.00</u>				

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

**BOROUGH OF KEYPORT
TRUST FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	Ref.	<u>2023</u>	<u>2022</u>
Animal Control Fund:			
Cash	B-1	\$ 10,877.50	\$ 9,351.80
Total Animal Control Fund		<u>10,877.50</u>	<u>9,351.80</u>
Trust - Other Fund:			
Cash	B-1	1,210,878.01	1,128,381.73
Total Trust - Other Fund		<u>1,210,878.01</u>	<u>1,128,381.73</u>
Municipal Open Space Trust Fund			
Cash	B-1	268,095.07	224,682.13
Total Municipal Open Space Trust Fund		<u>268,095.07</u>	<u>224,682.13</u>
Total Assets		<u>\$ 1,489,850.58</u>	<u>\$ 1,362,415.66</u>
 LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 6,307.50	\$ 5,081.80
Encumbrances Payable		3,100.00	2,800.00
Due to Current Fund		1,470.00	1,470.00
Total Animal Control Fund		<u>10,877.50</u>	<u>9,351.80</u>
Trust - Other Fund:			
Trust - Other Reserves	B-4	1,195,791.32	1,125,502.29
Due to State of New Jersey		270.00	20.00
Due to Current Fund		14,816.69	2,859.44
Total Trust - Other Fund		<u>1,210,878.01</u>	<u>1,128,381.73</u>
Municipal Open Space Trust Fund			
Reserve for Open Space	B-5	176,365.07	222,802.92
Encumbrances Payable		91,730.00	1,879.21
Total Municipal Open Space Trust Fund		<u>268,095.07</u>	<u>224,682.13</u>
Total		<u>\$ 1,489,850.58</u>	<u>\$ 1,362,415.66</u>

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

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	Ref.	2023	2022
Cash	C-2:C-3	\$ 865,053.33	\$ 2,609,201.89
Grants Receivable	C-10	1,325,082.03	851,288.75
Due from Water & Sewer Utility Capital Fund	D	300,000.00	300,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	6,058,686.21	7,156,674.73
Unfunded	C-5	5,251,444.02	2,530,444.02
 Total Assets		 \$ 13,800,265.59	 \$ 13,447,609.39
 LIABILITIES, RESERVES & FUND BALANCE			
Bond Anticipation Notes	C-6	\$ 1,775,000.00	\$ 1,825,000.00
Improvement Authorizations:			
Funded	C-7	1,371,654.52	483,108.73
Unfunded	C-7	3,482,816.31	875,658.81
Capital Improvement Fund	C-8	103,250.69	53,250.69
Encumbrances Payable	C-7	981,745.93	3,028,473.00
General Serial Bonds	C-12	5,615,000.00	6,655,000.00
Green Trust Loans Payable	C-13	443,686.21	501,674.73
Various Reserves	C-9	24,254.20	24,254.20
Fund Balance	C-1	2,857.73	1,189.23
 Total Liabilities, Reserves & Fund Balance		 \$ 13,800,265.59	 \$ 13,447,609.39

There were \$3,476,444.02 of bonds and notes authorized but not issued on December 31, 2023 and \$705,444.02 on December 31, 2022.

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
STATEMENTS OF CAPITAL FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Balance December 31, 2022	\$ 1,189.23
Increased by:	
BAN Proceeds - Premium	<u>1,668.50</u>
Balance December 31, 2023	<u><u>\$ 2,857.73</u></u>

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

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
ASSETS			
Operating Fund:			
Cash	D-4	\$ 946,265.52	\$ 955,962.67
Total		<u>946,265.52</u>	<u>955,962.67</u>
Receivables With Full Reserves:			
Comsumer Accounts Receivable	D-6	200,612.65	175,546.36
BRSA Rent Reserve	D-9	308,482.05	302,482.01
Total		<u>509,094.70</u>	<u>478,028.37</u>
Total Operating Fund		<u>1,455,360.22</u>	<u>1,433,991.04</u>
Capital Fund:			
Cash & Cash Equivalents	D-4	369,672.84	63,319.09
Fixed Capital	D-10	19,076,859.59	19,076,859.59
Fixed Capital Authorized and Uncompleted	D-11	1,495,000.00	1,495,000.00
Total Capital Fund		<u>20,941,532.43</u>	<u>20,635,178.68</u>
Total Operating & Capital Fund		<u>\$ 22,396,892.65</u>	<u>\$ 22,069,169.72</u>

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

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY FUND
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

	Ref.	<u>2023</u>	<u>2022</u>
LIABILITIES RESERVES & FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3	\$ 273,152.49	\$ 307,593.93
Water & Sewer Overpayments	D-7	9,705.11	8,561.99
Encumbrances Payable	D-13	93,344.95	129,814.87
Accounts Payable	D	1,620.00	-
Accrued Interest on Bonds and Notes	D-15	51,685.19	49,072.27
Prepaid Consumer Accounts	D-8	226,373.48	291,713.67
Due to State of NJ - LIHWAP	D	1,554.52	-
Subtotal		<u>657,435.74</u>	<u>786,756.73</u>
Reserve for Receivables	D	509,094.70	478,028.37
Fund Balance	D-1	<u>288,829.78</u>	<u>169,205.94</u>
Total Operating Fund		<u>1,455,360.22</u>	<u>1,433,991.04</u>
Capital Fund:			
Serial Bonds	D-18	285,000.00	380,000.00
Bond Anticipation Notes	D-16	1,419,000.00	1,268,000.00
Loans Payable	D-17	9,548,372.40	9,745,952.31
Improvement Authorizations:			
Unfunded	D-19	64,273.82	64,273.82
Capital Improvement Fund	D-20	34,087.00	4,087.00
Reserve for Amortization	D-21	9,069,615.91	8,641,795.15
Reserve for Deferred Amortization	D-22	76,000.00	76,000.00
Due to General Capital Fund	C	300,000.00	300,000.00
Encumbrances Payable	D-13	130,263.15	141,484.11
Fund Balance	D-1a	<u>14,920.15</u>	<u>13,586.29</u>
Total Capital Fund		<u>20,941,532.43</u>	<u>20,635,178.68</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 22,396,892.65</u>	<u>\$ 22,069,169.72</u>

There were \$173,871.28 of bonds and notes authorized but not issued on December 31, 2023 and \$460,112.13 on December 31, 2022.

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

BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income Realized:		
Fund Balance Anticipated	\$ 110,000.00	\$ -
Water/Sewer Rents	3,224,065.35	3,076,839.48
Miscellaneous Revenues Anticipated	295,363.54	230,185.29
ARP - SLFRF Revenue Loss	80,000.00	145,000.00
Increased Rents	245,000.00	245,000.00
Other Credits to Income:		
Lapsed Appropriation Reserves	140,258.32	21,916.01
	<hr/>	<hr/>
Total Revenues	4,094,687.21	3,718,940.78
	<hr/>	<hr/>
Expenditures:		
Budget Appropriations:		
Operating	2,875,000.00	2,889,100.00
Capital Improvements	230,000.00	405,000.00
Debt Service	559,822.52	536,020.95
Deferred Charges	135,240.85	-
Statutory Expenditures	65,000.00	47,000.00
Refund Prior Year Revenue	-	8,013.39
	<hr/>	<hr/>
Total Expenditures	3,865,063.37	3,885,134.34
	<hr/>	<hr/>
Excess in Revenue	-	166,193.56
	<hr/>	<hr/>
Adjustment to Income before Fund Balance:		
Expenditures included above which are Funded by a Water & Sewer Capital Fund Bond Ordinance	-	335,000.00
	<hr/>	<hr/>
Excess in Revenue	229,623.84	168,806.44
	<hr/>	<hr/>
Fund Balance, January 1	169,205.94	399.50
	<hr/>	<hr/>
	398,829.78	169,205.94
Decreased By:		
Utilized as Anticipated Revenue	110,000.00	-
	<hr/>	<hr/>
Fund Balance, December 31	<u>\$ 288,829.78</u>	<u>\$ 169,205.94</u>

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

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
STATEMENTS OF FUND BALANCE -
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

Balance, December 31, 2022	\$ 13,586.29
Increased By:	
BAN Proceeds from Gen Cap - Premium	<u>1,333.86</u>
Balance, December 31, 2023	<u><u>\$ 14,920.15</u></u>

BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Anticipated	\$ 110,000.00	\$ 110,000.00	\$ -
Water & Sewer Rents	3,280,000.00	3,224,065.35	(55,934.65)
ARP - SLFRF Revenue Loss	80,000.00	80,000.00	-
Increased Rents	245,000.00	245,000.00	-
Miscellaneous	200,982.00	295,363.54	94,381.54
	<u>\$ 3,915,982.00</u>	<u>\$ 3,954,428.89</u>	<u>\$ 38,446.89</u>

Analysis of Miscellaneous Revenue

Interest on Delinquents	\$ 18,452.61
Interest on Investments	50,556.01
Cell Tower Leases	119,201.13
Water & Sewer Connection Fees	83,051.12
Miscellaneous	<u>24,102.67</u>
	<u>\$ 295,363.54</u>

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

BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	APPROPRIATIONS		PAID OR CHARGED			
	Original Budget	Budget After Modification	Paid	Encumbered	Reserved	Cancelled
Operating:						
Salaries and Wages	\$ 480,000.00	\$ 495,000.00	\$ 487,758.48	\$ -	\$ 7,241.52	\$ -
Other Expenses	600,000.00	589,000.00	480,393.25	52,764.45	55,842.30	-
Salaries and Wages - ARP SLFRF	80,000.00	80,000.00	80,000.00	-	-	-
Bayshore Regional Sewerage Authority	1,190,000.00	1,186,000.00	1,185,193.48	-	806.52	-
Acquisition of Water	525,000.00	525,000.00	367,109.80	-	157,890.20	-
Total Operating	2,875,000.00	2,875,000.00	2,600,455.01	52,764.45	221,780.54	-
Capital Improvements:						
Capital Improvement Fund	30,000.00	30,000.00	30,000.00	-	-	-
Capital Outlay	250,000.00	250,000.00	110,981.70	40,580.50	48,437.80	50,000.00
Total Capital Improvements	280,000.00	280,000.00	140,981.70	40,580.50	48,437.80	50,000.00
Debt Service:						
Payment on Bond Principal	95,000.00	95,000.00	95,000.00	-	-	-
Interest on Bonds	18,604.17	18,604.17	18,604.17	-	-	-
Interest on Notes	54,400.00	54,400.00	53,481.37	-	-	918.63
USDA Loan - Principal	197,579.91	197,579.91	197,579.91	-	-	-
USDA Loan - Interest	195,157.07	195,157.07	195,157.07	-	-	-
Total Debt Service	560,741.15	560,741.15	559,822.52	-	-	918.63
Deferred Charges:						
Ord. 08-09/10-11, Sanitary Sewer System	135,240.85	135,240.85	135,240.85	-	-	-
Total Deferred Charges	135,240.85	135,240.85	135,240.85	-	-	-
Statutory Expenditures:						
Contribution To:						
Public Employees' Retirement System	20,000.00	20,000.00	20,000.00	-	-	-
Social Security System (O.A.S.I.)	45,000.00	45,000.00	42,065.85	-	2,934.15	-
Total Statutory Expenditures	65,000.00	65,000.00	62,065.85	-	2,934.15	-
Total Water/Sewer Utility Fund Appropriations	\$ 3,915,982.00	\$ 3,915,982.00	\$ 3,498,565.93	\$ 93,344.95	\$ 273,152.49	\$ 50,918.63
Cash Disbursements			\$ 3,231,323.32			
Accrued Interest on Bonds and Notes			267,242.61			
			<u>\$ 3,498,565.93</u>			

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

**BOROUGH OF KEYPORT
PAYROLL AGENCY FUND
COMPARATIVE BALANCE SHEET
FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2023 AND 2022**

ASSETS	Ref.	<u>2023</u>	<u>2022</u>
Cash		\$ 2,504.23	\$ 2,432.02
Total Assets		<u>\$ 2,504.23</u>	<u>\$ 2,432.02</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Payroll Deductions Tayable		\$ 2,504.23	\$ 2,432.02
Total		<u>\$ 2,504.23</u>	<u>\$ 2,432.02</u>

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

BOROUGH OF KEYPORT
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENTS OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

	<u>Ref.</u>	Balance December 31, <u>2023</u>	Balance December 31, <u>2022</u>
Land	F-1	\$ 5,121,300.00	\$ 5,121,300.00
Buildings	F-1	5,214,100.00	5,214,100.00
Motor Vehicles and Equipment	F-1	4,585,622.39	4,129,788.43
Machinery and Equipment	F-1	505,878.30	519,878.30
Office Furniture and Equipment	F-1	163,066.09	163,066.09
Other Equipment	F-1	<u>218,914.00</u>	<u>218,914.00</u>
Total General Fixed Assets		<u>\$ 15,808,880.78</u>	<u>\$ 15,367,046.82</u>
Investment in General Fixed Assets	F	<u>\$ 15,808,880.78</u>	<u>\$ 15,367,046.82</u>

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

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**BOROUGH OF KEYPORT
COUNTY OF MONMOUTH, NEW JERSEY**

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

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

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The Borough of Keyport, County of Monmouth, New Jersey (hereafter referred to as the "Borough") is incorporated under the laws of the State of New Jersey. The Borough is governed as a Mayor-Council form of government. The mayor is elected in a general election to a four-year term. There are six councilpersons, each elected to three-year terms. At its annual meeting, the council elects a president of the council who shall preside at all of the Borough's meetings when the mayor is not present. The mayor is the head of the municipal government, and the council is the legislative body. The Borough has adopted an administrative code, which provides for the delegation of a portion of executive responsibilities to an administrator and the organization of the council into standing committees to oversee various Borough activities. The financial statements of the reporting entity include those of the Borough only.

Component Units - GASB Statement 14, as amended by GASB Statements 39, 61, 80 & 90, 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 & 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.

Open Space Fund - used to record receipts and disbursements relative to open space acquisition and maintenance.

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.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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.

Payroll Agency Fund - used to account for payroll deductions and social security contributions of municipal and utility operations.

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

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

Cash, Cash Equivalents and Investments - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost 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.

BOROUGH OF KEYPORT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Inventories 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.

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

Foreclosed property – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent

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

Note 1. Summary of Significant Accounting Policies (continued)

taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

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

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

Revenues – are recorded when received in cash except for certain amounts, 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.

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

Property Tax Revenues – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth and the Keyport Public 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 Keyport Public School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

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

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

Note 1. Summary of Significant Accounting Policies (continued)

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.

Expenditures – are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C.5:30-5.2. When encumbered charges are 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 principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis. Appropriations for interest payments on outstanding utility capital bonds and notes are provided on the accrual basis.

Appropriation Reserves – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, 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 and Utility Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

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.

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

Note 1. Summary of Significant Accounting Policies (continued)

Accounting Pronouncements Adopted in Current Year

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

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

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

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

Management has not yet determined the 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.

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

Note 2. Deposits and Investments (continued)

As of December 31, 2023, the Borough's bank balance of \$6,454,010.34 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$	5,629,124.32
Uninsured and Uncollateralized		824,886.02
 Total	 \$	 6,454,010.34

Investments

When authorized by a cash management plan approved pursuant to N.J.S.A 40A:5-14, the Borough may use available funds for the purchase of securities as regulated and restricted by N.J.S.A 40A:5-14. Any investment in which the security is not physically held by the Borough shall be covered by a third party custodial agreement, which shall provide for the designation of such investments in the name of the Borough and prevent unauthorized use of such investments.

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 money market funds and fixed account investments. These investments represent 100% of the Borough's total investments.

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

Note 3. Property Taxes

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

Comparison of Tax Rate Information

	2023	2022	2021
Total Tax Rate	<u>\$2.198</u>	<u>\$2.394</u>	<u>\$2.524</u>
Apportionment of Tax Rate:			
Municipal	0.787	0.841	0.851
Municipal Open Space	0.025	0.025	0.025
Municipal Library	0.033	0.033	0.033
County	0.227	0.239	0.262
Local School District	1.126	1.256	1.353
Business Improvement	0.071	0.080	0.085

Assessed Valuation

2023	\$ 1,029,850,098.00
2022	909,949,069.00
2021	822,360,027.00

Comparison of Tax Levies and Collection

Year	Tax Levy	Cash Collections	Percentage of Collection
2023	\$22,908,631.27	\$ 22,431,001.14	97.92%
2022	21,983,571.79	21,539,011.22	97.98%
2021	20,429,141.29	20,002,106.45	97.91%

Delinquent Taxes and Tax Title Liens

Year	Tax Title Liens	Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2023	\$ 72,870.14	\$ 489,925.11	\$ 562,795.25	2.46%
2022	\$ 70,406.18	\$ 440,652.38	\$ 511,058.56	2.32%
2021	\$ 68,072.03	\$ 337,701.66	\$ 405,773.69	1.99%

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

Note 3. Property Taxes (continued):

<u>Number of Tax Title Liens</u>	
<u>Year</u>	
2023	8
2022	8
2021	8

The last tax sale was held on October 18, 2023.

Note 4. Property Acquired By Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2023	\$ 508,800.00
2022	508,800.00
2021	508,800.00

Note 5. Water/Sewer Utility Service Charges

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

<u>Year</u>	<u>Beginning Balance</u>	<u>Billings</u>	<u>Total</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 175,546.36	\$ 3,494,131.64	\$3,669,678.00	\$ 3,469,065.35	94.53%
2022	238,223.59	3,259,162.25	3,497,385.84	3,321,839.48	94.98%
2021	185,000.19	3,213,001.58	3,398,001.77	3,159,778.18	92.98%

Note 6. 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			
2023	\$ 1,025,261.39	\$ 850,000.00	82.91%
2022	1,017,215.78	850,000.00	83.56%
2021	1,359,026.58	850,000.00	62.54%
Water and Sewer Operating			
2023	\$ 288,829.78	\$ 190,000.00	65.78%
2022	169,205.94	110,000.00	65.01%
2021	399.50	-	0.00%

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

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, 2023:

<u>Fund</u>	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$ 16,286.69	\$ 136,084.91
State and Federal Grant Fund	136,084.91	-
Animal Control Trust	-	1,470.00
Trust Other Fund	-	14,816.69
General Capital Fund	300,000.00	-
Water-Sewer Utility Operating Fund	-	300,000.00
	<u>\$ 452,371.60</u>	<u>\$ 452,371.60</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.

Interfund transfers for the year ended December 31, 2023 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Current Fund	\$ 2,859.44	\$ 272,066.35
State and Federal Grant Fund	272,066.35	-
Trust Other Fund	-	2,859.44
	<u>\$ 274,925.79</u>	<u>\$ 274,925.79</u>

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

Note 8. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023.

	Balance December 31, 2022	Additions	Deletions	Balance December 31, 2023
Land	\$ 5,121,300.00	\$ -	\$ -	\$ 5,121,300.00
Buildings	5,214,100.00	-	-	5,214,100.00
Motor Vehicles and Equipment	4,129,788.43	777,106.00	321,272.04	4,585,622.39
Machinery and Equipment	519,878.30	-	14,000.00	505,878.30
Office Furniture and Equipment	163,066.09	-	-	163,066.09
Other Equipment	218,914.00	-	-	218,914.00
	<u>\$ 15,367,046.82</u>	<u>\$ 777,106.00</u>	<u>\$ 335,272.04</u>	<u>\$ 15,808,880.78</u>

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

Note 9. Disaggregated Receivable and Payable Balances

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

Note 10. Pension Obligations

A. Public Employees' Retirement System (PERS)

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

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

The following represents the membership tiers for PERS:

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

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

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

Contributions - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2023, the State's pension contribution was 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

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

Note 10. Pension Obligations (continued)

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

normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2023, the Borough's contractually required contribution to PERS plan was \$263,628.00.

Components of Net Pension Liability - At December 31, 2023, the Borough's proportionate share of the PERS net pension liability was \$2,857,021. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Borough's proportion measured as of June 30, 2023, was 0.01972485% which was a decrease of 0.0023023% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/30/2022</u>
	June 30, 2023	June 30, 2022
Actuarial valuation date (including roll forward)		
Deferred Outflows of Resources	\$ 50,501	\$ 205,027
Deferred Inflows of Resources	566,031	630,501
Net Pension Liability	2,857,021	3,324,213
 Borough's portion of the Plan's total Net Pension Liability	 0.01972%	 0.02203%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources - At December 31, 2023, the Borough's proportionate share of the PERS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date is (\$113,508). 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 \$263,628 to the plan in 2023.

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

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

Note 10. Pension Obligations (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 27,317	\$ 11,679
Changes of Assumptions	6,276	173,148
Net Difference between Projected and Actual Earnings on Pension Plan Investments	13,157	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	3,751	381,204
	\$ 50,501	\$ 566,031

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>
2024	\$ (226,331)
2025	(159,684)
2026	42,163
2027	(96,546)
2028	(75,132)
	\$ (515,530)

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, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers

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

Note 10. Pension Obligations (continued)

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

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

Additionally, the State has no proportionate share of the PERS net pension liability attributable to the Borough as of December 31, 2023. At December 31, 2023, the State’s proportionate share of the PERS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$8,910.

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

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

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

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

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

Note 10. Pension Obligations (continued)

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

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

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

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

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

Note 10. Pension Obligations (continued)

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	<u>\$ 3,750,590</u>	<u>\$ 2,857,021</u>	<u>\$ 2,141,064</u>

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

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

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

The following represents the membership tiers for PFRS:

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

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

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.

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

Note 10. Pension Obligations (continued)

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

Such preparation requires management of PFRS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2023, the State contributed an amount 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, 2023, the Borough's contractually required contributions to PFRS plan was \$785,388.

Net Pension Liability and Pension Expense - At December 31, 2023 the Borough's proportionate share of the PFRS net pension liability was \$6,518,611. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023. The Borough's proportion measured as of June 30, 2023, was 0.05899845%, which was an increase of 0.00549953% from its proportion measured as of June 30, 2022.

Balances at December 31, 2023 and December 31, 2022

	<u>12/31/2023</u>	<u>12/31/2022</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 1,744,760	\$ 1,661,986
Deferred Inflows of Resources	1,002,791	1,530,928
Net Pension Liability	6,518,611	6,123,677
Borough's portion of the Plan's total net pension Liability	0.05900%	0.05350%

Pension Expense/(Credit) and Deferred Outflows/Inflows of Resources – At December 31, 2023, the Borough's proportionate share of the PFRS expense/(credit), calculated by the plan as of the June 30, 2023 measurement date was \$569,500 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 \$785,388 to the plan in 2022.

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

Note 10. Pension Obligations (continued)

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 279,114	\$ 310,880
Changes of Assumptions	14,069	440,162
Net Difference between Projected and Actual Earnings on Pension Plan Investments	331,981	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	1,119,596	251,749
	\$ 1,744,760	\$ 1,002,791

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:

<u>Year Ending</u>	<u>Amount</u>
<u>December 31,</u>	
2024	\$ (80,113)
2025	(69,883)
2026	565,259
2027	139,881
2028	185,593
Thereafter	1,232
	\$ 741,969

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

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

Note 10. Pension Obligations (continued)

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

to the plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities’ total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the non-employer contributing entities’ total proportionate share of the collective pension expense associated with the local participating employer.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Borough is \$1,201,130 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2022, to the measurement date of June 30, 2023. The State’s proportion of the net pension liability associated with the Borough was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2023 was 0.05899846%, which was an increase of 0.0054996% from its proportion measured as of June 30, 2022, which is the same proportion as the Borough’s. At December 31, 2023, the Borough’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 6,518,611
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	1,201,130
	\$ 7,719,741

At December 31, 2023, the State’s proportionate share of the PFRS expense, associated with the Borough, calculated by the plan as of the June 30, 2023 measurement date was \$136,626.

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.

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

Note 10. Pension Obligations (continued)

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

The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
 Salary Increases:	
Through	All future years
	3.25 - 16.25%
	Based on Years of Service
 Investment Rate of Return	 7.00%

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

The actuarial assumptions used in the July 1, 2022 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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2023 are summarized in the following table:

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

Note 10. Pension Obligations (continued)

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

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

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

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

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:

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

Note 10. Pension Obligations (continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the Net Pension Liability	\$ 9,082,543	\$ 6,518,611	\$ 4,383,468
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	<u>1,673,564</u>	<u>1,201,130</u>	<u>807,705</u>
	<u>\$ 10,756,107</u>	<u>\$ 7,719,741</u>	<u>\$ 5,191,173</u>

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

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>2023</u>	<u>2022</u>	<u>2021</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 7,833,686.21	\$ 8,981,674.73	\$ 13,703,520.65
Utility:			
Bonds, Notes and Loans	<u>11,252,372.40</u>	<u>11,393,952.31</u>	<u>11,073,621.64</u>
Total Debt Issued	<u>19,086,058.61</u>	<u>20,375,627.04</u>	<u>24,777,142.29</u>
Authorized but not issued:			
General:			
Bonds, Notes and Loans	\$ 3,476,444.02	\$ 705,444.02	\$ 705,444.02
Utility:			
Bonds, Notes and Loans	<u>173,871.28</u>	<u>460,112.13</u>	<u>1,220,015.00</u>
Total Authorized But Not Issued	<u>3,650,315.30</u>	<u>1,165,556.15</u>	<u>1,925,459.02</u>
Total Gross Debt	<u>\$ 22,736,373.91</u>	<u>\$ 21,541,183.19</u>	<u>\$ 26,702,601.31</u>

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

Note 11. Municipal Debt (continued)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deductions:			
General:			
Other Deductions	\$ 3,214,686.21	\$ -	\$ -
Funds on Hand For			
Payment of Bonds and Notes:			
Reserve for Debt Service	-	-	5,450,000.00
Utility:			
Self Liquidating Debt	<u>\$ 11,426,243.68</u>	<u>\$ 11,854,064.44</u>	<u>\$ 12,293,636.64</u>
 Total Deductions	 <u>14,640,929.89</u>	 <u>11,854,064.44</u>	 <u>17,743,636.64</u>
 Total Net Debt	 <u><u>\$ 8,095,444.02</u></u>	 <u><u>\$ 9,687,118.75</u></u>	 <u><u>\$ 8,958,964.67</u></u>

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	\$ 14,275,000.00	\$ 14,275,000.00	\$ -
General Debt	11,310,130.23	3,214,686.21	8,095,444.02
Utility Debt	<u>11,426,243.68</u>	<u>11,426,243.68</u>	<u>-</u>
	<u><u>\$ 37,011,373.91</u></u>	<u><u>\$ 28,915,929.89</u></u>	<u><u>\$ 8,095,444.02</u></u>

Net Debt \$8,095,444.02 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$986,744,467.67, equals 0.820%. 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, 2023 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 34,536,056.37
Net Debt	<u>8,095,444.02</u>
 Remaining Borrowing Power	 <u><u>\$ 26,440,612.35</u></u>

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

Note 11. Municipal Debt (continued)

Self-Liquidating Utility Calculation per N.J.S.A. 40A:2-46

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 3,954,428.89
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Deductions:

Operating and Maintenance Costs	\$ 2,940,000.00
Debt Service	<u>559,822.52</u>

Total Deductions	<u>3,499,822.52</u>
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Excess/(Deficit) in Revenue	<u>\$ 454,606.37</u>
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*If Excess in Revenues all Utility Debt is Deducted

General Debt

A. Serial Bonds Payable

In 2012 the Borough issued MCIA Refunding Bonds in the amount of \$3,525,000.00. The Bonds were issued at an interest rate of 4.00% and matured on December 1, 2023.

In 2014 the Borough issued MCIA Bonds in the amount of \$740,000.00. The Bonds were issued at an interest rate of 5.00% and mature on December 21, 2026.

In 2021 the Borough issued MCIA Bonds in the amount of \$4,785,000.00. The Bonds were issued at with interest rates ranging from 4.00-5.00% and mature on December 21, 2026.

In 2021 the Borough issued MCIA Bonds in the amount of \$750,000. The Bonds were issued at with interest rates ranging from 4.00-5.00% and mature on December 21, 2031.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 940,000.00	\$ 265,700.00	\$ 1,205,700.00
2025	935,000.00	226,250.00	1,161,250.00
2026	935,000.00	187,000.00	1,122,000.00
2027	565,000.00	140,250.00	705,250.00
2028	560,000.00	112,000.00	672,000.00
2029-2031	1,680,000.00	168,000.00	1,848,000.00
	<u>\$ 5,615,000.00</u>	<u>\$ 1,099,200.00</u>	<u>\$ 6,714,200.00</u>

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

Note 11. Municipal Debt (continued)

B. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2023.

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>Balance December 31, 2023</u>
Series 2023	10/18/2023	4/17/2024	4.750%	<u>\$ 1,775,000.00</u>
				<u>\$ 1,775,000.00</u>

C. Loans

Green Trust Loans

The Borough has entered into the following Green Trust Loan agreements with the State of New Jersey

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity Maturity</u>	<u>Balance</u>
Ralph Peir	6/12/2010	9/7/2027	\$ 170,369.99
Waterfront PArk	8/30/2017	12/1/2037	273,316.22

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,154.08	\$ 8,579.42	\$ 67,733.50
2025	60,343.08	7,390.42	67,733.50
2026	61,555.97	6,177.53	67,733.50
2027	62,793.27	4,940.23	67,733.50
2028	19,301.33	3,900.77	23,202.10
2029-2033	102,484.35	13,526.15	116,010.50
2034-2037	78,054.13	3,153.22	81,207.35
	<u>\$ 443,686.21</u>	<u>\$ 47,667.74</u>	<u>\$ 491,353.95</u>

C. Bonds and Notes Authorized But Not Issued

As of December 31, 2023, the Borough had \$3,476,444.02 in various General Capital bonds and notes authorized but not issued.

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

Note 11. Municipal Debt (continued)

Water/Sewer Utility Debt

A. Serial Bonds Payable

In 2014, the Borough issued \$1,070,000.00 of Bonds. The Bonds were issued at an interest rate of 5.00% and matures on December 1, 2026.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 95,000.00	\$ 14,250.00	\$ 109,250.00
2025	95,000.00	9,500.00	104,500.00
2026	95,000.00	750.00	95,750.00
	<u>\$ 285,000.00</u>	<u>\$ 24,500.00</u>	<u>\$ 309,500.00</u>

B. Loans Payable

United States Department of Agriculture Loan

In 2014 the Borough finalized a loan agreement with the state of United State Department of Agriculture in the amount of \$2,656,000.00 repayable in semi annual payments for a term of 40 years. The Loan was issued at an interest rate of 2.625%.

In 2015 the Borough finalized a loan agreement with the state of United State Department of Agriculture in the amount of \$3,070,000.00 repayable in semi annual payments for a term of 40 years. The Loan was issued at an interest rate of 3.625%.

In 2020 the Borough finalized a loan agreement with the state of United State Department of Agriculture in the amount of \$3,250,000.00 repayable in semi annual payments for a term of 40 years. The Loan was issued at an interest rate of 1.375%.

In 2020 the Borough finalized a loan agreement with the state of United State Department of Agriculture in the amount of \$1,700,000.00 repayable in semi annual payments for a term of 40 years. The Loan was issued at an interest rate of 1.375%.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 201,577.16	\$ 191,926.84	\$ 393,504.00
2025	205,663.16	187,840.84	393,504.00
2026	209,839.99	183,664.01	393,504.00
2027	214,109.86	179,394.14	393,504.00
2028	218,474.96	175,029.04	393,504.00
2029-2033	1,161,346.79	806,173.21	1,967,520.00
2034-2038	1,286,135.74	681,384.26	1,967,520.00
2039-2043	1,425,683.85	541,836.15	1,967,520.00
2044-2048	1,581,861.07	385,658.93	1,967,520.00
2049-2053	1,756,784.30	210,735.70	1,967,520.00
2054-2058	1,051,794.93	53,780.57	1,105,575.50
2059-2060	235,100.59	3,214.43	238,315.02
	<u>\$ 9,548,372.40</u>	<u>\$ 3,600,638.12</u>	<u>\$13,149,010.52</u>

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

Note 11. Municipal Debt (continued)

C. Bond Anticipation Notes Payable – Short Term Debt

The following is a summary of bond anticipation notes payable accounted for in the Water/Sewer Utility Capital Fund at December 31, 2023.

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	<u>December 31, 2023</u>
Series 2023	10/18/2023	4/17/2024	4.750%	<u>\$ 1,419,000.00</u>
				<u>\$ 1,419,000.00</u>

D. Bonds and Notes Authorized But Not Issued

As of December 31, 2023 the Borough had \$173,871.28 in various Utility bonds and notes authorized but not issued.

Note 12. 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 \$573,862.95 at December 31, 2023.

Note 13. 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.

Joint Insurance Pool

The Borough is a member of the Municipal Excess Liability Joint Insurance Fund. The Fund provides the Borough with the following coverage:

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

Contributions to the Funds are payable in one installment and are based on actuarial assumptions determined by the Funds’ actuaries. The Fund publishes its own financial report for the year ended December 31, 2023 which can be obtained on the Fund’s website.

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

Note 14. 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, 2023, the Borough estimates that no material liabilities will result from such audits.

Litigation

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

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. There are no significant pending tax appeals as of December 31, 2023.

Note 15. Tax Abatement Agreements

The Borough entered into two property tax abatement agreements in order to provide incentives to redevelop areas that in need of improvement or to create economic growth. The tax abatement agreements are authorized under various State of New Jersey Statutes. The Borough's tax abatement agreements are as follows:

	Payment in Lieu of Taxes	Taxes if Billed in Full	Abated Property Taxes
Oyster Bay Urban Renewal	\$ 111,206.00	\$ 420,583.00	\$ 309,377.00
Bethany Manor and Annex	88,771.00	678,294.00	589,523.00
	\$ 199,977.00	\$ 1,098,877.00	\$ 898,900.00

Note 16. Leases

The Borough, as a lessor, has entered into the following lease agreements:

Cell Tower - T-Mobile. The current lease term expires May of 2025, Payments in 2023 totaled \$42,825.

Cell Tower - Verizon. The current lease term expires November 7, 2028 with three available five year term extensions. Payments in 2023 totaled \$79,376.13.

In June 2023 the Borough, as a Lessee, renewed a lease agreement for the use of a building for the Department of Public Works. The lease agreement expires on July 31, 2026. Payments in 2023 totaled \$42,500.

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

Note 17. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and June 30, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements.

On June 17, 2024 the Borough adopted an ordinance providing an appropriation of \$1,300,000.00 for Various Road Improvements in and around the Borough and authorizing the issuance of \$970,000.00 in bonds or notes of the Borough to finance a portion of the costs.

On June 17, 2024 the Borough adopted an ordinance providing an appropriation of \$2,300,000 for Various Water and Sewer Improvements in and around the Borough and authorizing the issuance of \$2,300,000.00 in bonds or notes of the Borough to finance a portion of the costs.

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR/TREASURER
YEAR ENDED DECEMBER 31, 2023**

	Current Fund
Balance, December 31, 2022	\$ 2,785,751.51
Increased By:	
Miscellaneous Revenue Not Anticipated	\$ 426,767.47
State of New Jersey - Senior Citizens' and Veterans' Deductions	32,000.00
Taxes Receivable	22,663,256.27
Tax Title Liens Receivable	2,463.96
Revenue Accounts Receivable	1,919,304.73
Various Reserves	160,135.20
Prepaid Taxes	180,852.30
Federal & State Grants Receivable	260,962.64
Reserve for Federal & State Grants - Unappropriated	5,735.77
	25,651,478.34
	28,437,229.85
Decreased By:	
2023 Budget Appropriations	10,368,384.63
2022 Appropriation Reserves	745,130.67
Various Reserves	23,691.80
Overpayments	5,381.55
Accounts Payable	9,259.00
County Taxes Payable	2,335,317.89
Local School District Tax Payable	11,598,512.50
Special District Taxes	171,500.00
Municipal Open Space Tax	258,578.32
Anticipated as Revenue in Utility Fund	80,000.00
Refund of Prior Year Revenue	5,032.06
Reserve for Federal & State Grants - Appropriated	385,980.76
	25,986,769.18
Balance, December 31, 2023	\$ 2,450,460.67

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
CH 129 P.L. 1976
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 3,687.83
Increased By:		
Senior Citizens' Deductions Per Billing	\$ 6,750.00	
Veterans Deductions Per Billing	25,500.00	
Deductions Allowed By Collector - Current Veterans'	250.00	
		32,500.00
		36,187.83
Decreased By:		
Cash Receipts	32,000.00	
Deductions Disallowed By Collector - Current	1,000.00	
Deductions Disallowed By Collector - Prior Year	1,750.00	
		34,750.00
Balance, December 31, 2023		\$ 1,437.83

**BOROUGHS OF KEYPORT
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2023**

Year	Balance December 31, 2022	2023 Levy	Added	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Transfer To Tax Title Liens	Year End Penalty	Cancelled	Balance December 31, 2023
				2022	2023					
2021	\$ 250.00	\$ -	\$ -	\$ -	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -
2022	440,402.38	-	-	-	432,502.72	(1,750.00)	-	-	9,399.66	250.00
	440,652.38	-	-	-	432,752.72	(1,750.00)	-	-	9,399.66	250.00
2023	-	22,808,799.59	99,831.68	168,997.59	22,230,503.55	31,500.00	2,463.96	14,508.94	-	489,675.11
	\$ 440,652.38	\$ 22,808,799.59	\$ 99,831.68	\$ 168,997.59	\$ 22,663,256.27	\$ 29,750.00	\$ 2,463.96	\$ 14,508.94	\$ 9,399.66	\$ 489,925.11

Current Year Cash Receipts

\$ 22,663,256.27
\$ 22,663,256.27

Analysis of Property Tax Levy

Tax Yield:	
General Purpose Tax	\$ 22,636,105.07
Special District Taxes	172,694.52
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq.)	99,831.68
	<u>\$ 22,908,631.27</u>
Tax Levy:	
Local District School Taxes	\$ 11,598,512.00
County Taxes	\$ 2,008,228.86
County Library Tax	39,999.32
County Open Space Tax	284,516.23
Due To County for Added and Omitted Taxes	10,136.14
Special District Tax - BID	171,500.00
Municipal Open Space Tax	257,462.00
Due To Municipal Open Space for Added and Omitted Taxes	1,116.32
Local Tax for Municipal Purposes	8,103,719.38
Minimum Library Tax	342,540.00
Additional Tax Levied	90,901.02
	<u>\$ 22,908,631.27</u>

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	Accrued in <u>2023</u>	<u>Collected</u>	Balance December 31, <u>2023</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 30,140.00	\$ 30,140.00	\$ -
Other Licenses	-	3,562.00	3,562.00	-
Fees and Permits	-	291,951.50	291,951.50	-
Fines and Costs:				
Municipal Court	22,518.90	131,458.88	145,186.34	8,791.44
Interest and Costs on Taxes	-	90,368.55	90,368.55	-
Cable Television Fees	-	92,108.44	92,108.44	-
PILOT - Senior Citizen Housing	-	199,976.70	199,976.70	-
Energy Receipts Tax	-	719,411.68	719,411.68	-
Uniform Construction Code Fees	11,312.00	230,504.00	208,679.00	33,137.00
Sale of Municipal Assets	-	59,879.00	59,879.00	-
Municipal Relief Fund	-	37,269.68	37,269.68	-
ARP - SLFRP Revenue Loss	-	162,200.00	162,200.00	-
Uniform Fire Safety Act	-	76,276.84	76,276.84	-
Shared Services - Health (Union Beach)	-	6,000.00	6,000.00	-
Shared Services - Police (Keyport Board o	-	83,640.00	83,640.00	-
	<u>\$ 33,830.90</u>	<u>\$ 2,214,747.27</u>	<u>\$ 2,206,649.73</u>	<u>\$ 41,928.44</u>

Cash Receipts	\$ 1,947,301.05
Transfer from Reserves	97,148.68
Transfer from Unappr Res.	162,200.00
	<u>\$ 2,206,649.73</u>

BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	<u>Balance December 31, 2022</u>		<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
GENERAL GOVERNMENT					
Department of Public Affairs and Safety					
Admin & Executive Office:					
Salaries and Wages	\$ 268.01	\$ -	\$ 268.01	\$ -	\$ 268.01
Other Expenses	11.65	5,002.34	9,113.99	5,047.38	4,066.61
Other Expenses - Email Upgrade	6,490.00	-	6,490.00	-	6,490.00
Mayor and Council					
Salaries and Wages	12.51	-	12.51	-	12.51
Other Expenses	1,002.00	800.00	1,802.00	645.00	1,157.00
Legal Services and Costs:					
Other Expenses	5,900.00	25,202.18	81,102.18	76,679.60	4,422.58
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Board of Adjustment:					
Salaries and Wages	991.01	-	991.01	-	991.01
Other Expenses	1,553.86	533.47	2,087.33	1,027.77	1,059.56
Other Expenses - Master Plan Revision	100.00	-	100.00	-	100.00
Municipal Clerk					
Salaries and Wages	12,181.29	-	12,181.29	-	12,181.29
Other Expenses	6,353.69	2,012.67	8,366.36	1,529.84	6,836.52
Other Expenses - Codification ORD Revision	2,500.00	-	2,500.00	1,815.00	685.00
Police Department:					
Salaries and Wages	178,909.57	-	158,909.57	87,007.92	71,901.65
Other Expenses - MISC	16,029.18	50,393.78	68,422.96	59,556.77	8,866.19
Office of Emergency Management:					
Other Expenses	3,743.70	4,869.43	8,613.13	4,869.43	3,743.70
Fire Department:					
Other Expenses	7,850.54	33,834.01	41,684.55	33,106.76	8,577.79
Uniform Fire Safety Act:					
Salaries and Wages	134.29	-	134.29	-	134.29
Other Expenses	7,105.68	1,046.76	8,152.44	825.00	7,327.44
Aid to Volunteer Fire Company	3,120.00	-	3,120.00	-	3,120.00
Aid to Volunteer First Aid Squad	37.56	98.28	135.84	98.28	37.56
Municipal Prosecutor's Office:					
Salaries and Wages	88.63	-	88.63	-	88.63
Financial Administration:					
Salaries and Wages	3,431.09	-	3,431.09	-	3,431.09
Other Expenses	371.54	1,846.67	2,218.21	1,523.93	694.28
Collector of Taxes:					
Salaries and Wages	14,072.51	-	5,372.51	-	5,372.51
Other Expenses	2,316.26	1,405.10	3,721.36	1,077.37	2,643.99
Tax Assessment Administration:					
Salaries and Wages	74.03	-	74.03	-	74.03
Other Expenses	13,066.76	24,536.63	37,603.39	34,017.71	3,585.68
Other Expenses - Tax Maps Revision	1,000.00	-	1,000.00	-	1,000.00
Computer Data Processing					
Other Expenses	-	2,016.50	2,016.50	2,016.50	-

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	<u>Balance December 31, 2022</u>		<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
Department of Public Works, Parks, and Public Property					
Engineering Services and Costs:					
Other Expenses	8,281.12	5,239.50	13,520.62	5,108.00	8,412.62
Keyport Historical Society					
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Road Repair and Maintenance:					
Salaries and Wages	14,992.63	-	7,892.63	-	7,892.63
Other Expenses	1,126.58	29,254.83	30,381.41	18,690.11	11,691.30
Garbage and Trash Removal:					
Salaries and Wages	338.65	-	338.65	-	338.65
Other Expenses - Master Plan Revision	679.19	869.00	1,548.19	869.00	679.19
Other Expenses - Contracted	1,544.00	55,702.00	57,246.00	55,702.00	1,544.00
Public Buildings and Grounds:					
Other Expenses	12,363.35	8,910.84	21,274.19	6,910.84	14,363.35
Recreation:					
Salaries and Wages	6,564.85	-	6,564.85	-	6,564.85
Other Expenses	10,223.47	106.97	10,330.44	281.97	10,048.47
Park Maintenance:					
Other Expenses	30,490.41	2,739.88	33,230.29	1,889.88	31,340.41
Recycling and Landfill:					
Other Expenses	39,809.67	59,773.37	99,583.04	88,595.53	10,987.51
Municipal Court:					
Salaries and Wages	8,393.72	-	8,393.72	3,902.94	4,490.78
Other Expenses	12,057.72	845.00	12,902.72	907.11	11,995.61
Public Defender (P.L. 1997, c.256):					
Salaries and Wages	746.08	-	746.08	-	746.08
Other Expenses	27.44	-	27.44	-	27.44
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	166.43	-	166.43	-	166.43
Other Expenses	465.88	1,299.07	1,764.95	1,299.07	465.88
Blood Borne Pathogens - Hepatitis B					
Salaries and Wages	400.00	-	400.00	-	400.00
Other Expenses	1,000.00	-	1,000.00	-	1,000.00
Environmental Commission:					
Other Expenses	326.42	-	326.42	-	326.42
Other Expenses	1,500.00	-	1,500.00	-	1,500.00
Senior Citizens Community Center					
Salaries and Wages	974.59	-	974.59	-	974.59
Other Expenses	947.58	3,081.97	4,029.55	1,012.94	3,016.61

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022		Balance After Transfer	Paid or Charged	Balance Lapsed
	Reserved	Encumbered			
Insurance (N.J.S.A. 40A:4-45.3(00)):					
General Liability	7.40	-	7.40	-	7.40
Workers Compensation	429.60	-	429.60	-	429.60
Employee Group Health	18,095.25	-	95.25	-	95.25
Health Benefit Waiver	8,828.32	-	828.32	-	828.32
CODE ENFORCEMENT					
Property Maintenance Code					
Salaries and Wages	1,118.00	-	1,118.00	-	1,118.00
Other Expenses	717.73	94.39	812.12	94.39	717.73
UNCLASSIFIED					
Accumulated Leave Compensation					
Salaries and Wages	20,000.00	-	20,000.00	-	20,000.00
Celebration of Public Events					
Other Expenses	894.35	-	894.35	-	894.35
Postage					
Other Expenses	2,677.04	5,050.00	7,727.04	5,266.00	2,461.04
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official:					
Salaries and Wages	839.21	-	839.21	-	839.21
Other Expenses	3,985.67	3,011.08	6,996.75	2,675.94	4,320.81
Utilities and Bulk Purchases:					
Electricity	4,074.51	700.43	4,774.94	4,662.02	112.92
Street Lighting	988.45	8,752.04	9,840.49	9,825.62	14.87
Telecommunications	987.04	3,826.67	4,813.71	3,323.98	1,489.73
Natural Gas	38.39	2,263.83	7,602.22	7,370.63	231.59
Fuel for Motor Vehicles	2,208.98	5,829.16	8,038.14	5,829.16	2,208.98
Fuel Oil	612.84	3,216.30	4,129.14	4,046.37	82.77
Total General Operations - Within "CAPS"	509,637.92	354,164.15	863,802.07	539,107.76	324,694.31
Contingent	500.00	-	500.00	-	500.00
Total Operations Including Contingent Within "CAPS"	510,137.92	354,164.15	864,302.07	539,107.76	325,194.31
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	4,524.84	-	4,524.84	532.49	3,992.35
Defined Contribution Retirement Program	1,436.96	-	1,436.96	-	1,436.96
Total General Appropriations for Municipal Purposes - Within "CAPS"	516,099.72	354,164.15	870,263.87	539,640.25	330,623.62
Maintanance of Free Public Library (PL 1985, Ch. 541)	13,982.15	-	13,982.15	13,982.15	-
Total General Appropriations for Other Operations Excluded from "CAPS"	13,982.15	-	13,982.15	-	13,982.15

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

	<u>Balance December 31, 2022</u>		<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>			
SHARED SERVICE AGREEMENTS					
Senior Citizen Transportation (County of Monmouth)					
Other Expenses	1,426.00	-	1,426.00	858.00	568.00
Total Shared Service Agreements	1,426.00	-	1,426.00	858.00	568.00
Total Operations - Excluded from "CAPS"	15,408.15	-	15,408.15	14,840.15	568.00
Capital Improvements:					
Improvements to Public Buildings	33,000.00	17,000.00	50,000.00	15,975.01	34,024.99
Drainage and Road Improvements	5,000.00	75,000.00	80,000.00	75,000.00	5,000.00
Acquisition of First Aid Equipment - Oxygen System	2,820.00	-	2,820.00	300.00	2,520.00
Acquisition of First Aid Equipment - Power Cot	4,381.11	55,618.89	60,000.00	55,618.89	4,381.11
Acquisition of Fire Department Equipment	2.77	29,997.23	30,000.00	28,238.76	1,761.24
Acquisition of Police Department Guns	558.30	23,441.70	24,000.00	24,000.00	-
Total Capital Improvements - Excluded from "CAPS"	45,762.18	201,057.82	246,820.00	199,132.66	47,687.34
Total General Appropriation	\$ 577,270.05	\$ 555,221.97	\$ 1,132,492.02	\$ 753,613.06	\$ 378,878.96

Cash Disbursements	\$ 745,130.67
Accounts Payable	<u>8,482.39</u>
	<u><u>\$ 753,613.06</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 70,406.18
Increased By:		
Transfers from Taxes Receivable	<u>\$ 2,463.96</u>	
		<u>72,870.14</u>
Balance, December 31, 2023		<u><u>\$ 72,870.14</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 2,856.39
Increased By:		
Overpayments Created		2,725.16
		5,581.55
Decreased By:		
Cash Disbursements	\$ 5,381.55	
Overpayments Applied to Taxes	0.00	
		5,381.55
Balance, December 31, 2023		\$ 200.00

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF PREAPID TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	168,997.59
Increased By:		
Receipts		<u>180,852.30</u>
		349,849.89
Decreased By:		
Applied to Current Year Taxes		<u>168,997.59</u>
Balance, December 31, 2023	\$	<u><u>180,852.30</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF VARIOUS RESERVES
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2023</u>
Senior Center Programs	\$ 11,640.45	\$ 25,688.00	\$ 23,646.80	\$ 13,681.65
Sale of Municipal Assets	-	59,879.00	59,879.00	-
Municipal Relief	37,269.68	74,523.20	37,269.68	74,523.20
Due to Keyport Public Library	-	45.00	45.00	-
	<u>\$ 48,910.13</u>	<u>\$ 160,135.20</u>	<u>\$ 120,840.48</u>	<u>\$ 88,204.85</u>

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES AT ASSESS VALUATION
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 & 2022

\$ 508,800.00

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 2,573.48
Increased By:		
2023 Tax Levy:		
County Taxes	\$ 2,008,228.86	
County Library Taxes	39,999.32	
County Open Space Taxes	284,516.23	
Omitted Taxes	<u>10,136.14</u>	
		<u>2,342,880.55</u>
		2,345,454.03
Decreased By:		
Cash Disbursements		<u>2,335,317.89</u>
Balance, December 31, 2023		<u><u>\$ 10,136.14</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF LOCAL MUNICIPAL OPEN SPACE TAX PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ -
Increased By:		
2023 Tax Levy:		
Amount Due Municipal Open Space Fund	\$ 257,462.00	
Added & Omitted Taxes	<u>1,116.32</u>	
		<u>258,578.32</u>
		258,578.32
Decreased By:		
Payments		<u>258,578.32</u>
Balance, December 31, 2023		<u><u>\$ -</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAXES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022:	\$	0.50
Increased By:		
Levy - July 1, 2023 to June 30, 2024		11,598,512.00
		11,598,512.50
Decreased By:		
Cash Disbursements		11,598,512.50
Balance, December 31, 2023:	\$	-
 <u>2023 Liability for Local School Tax</u>		
Tax Payable, December 31, 2023	\$	-
Tax Paid		11,598,512.50
Amount Charged To 2023 Operations	\$	11,598,512.50

**BOROUGH OF KEYPORT
CURRENT FUND
SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$ -
Increased By:	
Business Improvement District Tax Levy	<u>171,500.00</u>
	171,500.00
Decreased By:	
Payments	<u>171,500.00</u>
Balance, December 31, 2023	<u><u>\$ -</u></u>

**BOROUGH OF KEYPORT
CURRENT FUND
STATEMENT OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 14,546.00
Increased By:		
Transfer From Appropriation Reserves		<u>8,482.39</u>
		23,028.39
Decreased By:		
Disbursements	9,259.00	
Cancel A/P to Operations	<u>5,287.00</u>	
		<u>14,546.00</u>
Balance, December 31, 2022 and 2021		<u><u>\$ 8,482.39</u></u>

**BOROUGH OF KEYPORT
FEDERAL AND STATE GRANT FUND
DUE FROM (TO) CURRENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 402,472.45
Increased By:		
Cash Received by Grant Fund - Due to Current	\$ 272,066.35	
Local Matching Grants	100,935.00	
Cancelled Receivables	<u>7,647.82</u>	
		<u>380,649.17</u>
		783,121.62
Decreased By:		
Cancelled Appropriated Reserves	13,488.01	
Expenditures Paid by Current Fund	385,980.76	
American Rescue Plan - Anticipated as Revenue in Current Fund	162,200.00	
American Rescue Plan - Anticipated as Revenue in Utility Fund	80,000.00	
Unappropriated Grants Appropriated in 2023 Budget	<u>5,367.94</u>	
		<u>647,036.71</u>
Balance, December 31, 2023		<u><u>\$ 136,084.91</u></u>

**BOROUGH OF KEYPORT
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	Revenue Anticipated 2023	Cash <u>Received</u>	<u>Cancelled</u>	Balance December 31, 2023
Municipal Drug Alliance	\$ 12,075.59	\$ 8,740.00	\$ 4,427.77	\$ 7,647.82	\$ 8,740.00
Office on Aging	37,500.00	39,500.00	37,500.00	-	39,500.00
Office on Aging - CARES Act	-	30,000.00	-	-	30,000.00
Body Armor Replacement Grant	-	1,735.50	1,735.50	-	-
Clean Communities Program	-	17,292.02	17,292.02	-	-
Alcohol Education and Rehabilitation Grant	-	3,632.44	3,632.44	-	-
Neighborhood Preservation Program	7,500.00	125,000.00	120,000.00	-	12,500.00
Neighborhood Preservation Program - ARP	-	262,640.00	-	-	262,640.00
NJ Body-Worn Camera Grant	32,608.00	-	-	-	32,608.00
Districted Driving Crackdown	-	16,000.00	11,480.00	-	4,520.00
Recycling Tonnage	-	5,632.85	5,632.85	-	-
NJ Bayshore Saturation Patrol Grant	-	19,600.00	14,630.00	-	4,970.00
NJ EDA Hazardous Discharge Site Remediation	88,505.62	-	-	-	88,505.62
Pedestrian Improvement Program - Final Design	-	132,208.50	-	-	132,208.50
NJ DOA Spotted Lanternfly Grant	-	15,000.00	-	-	15,000.00
NJ DCA ARP Firefighter Grant	-	13,200.00	-	-	13,200.00
Donation KBBC - Mini Park	-	35,000.00	35,000.00	-	-
NJ DEP Stormwater Assistance Grant	-	25,000.00	15,000.00	-	10,000.00
	\$ 178,189.21	\$ 750,181.31	\$ 266,330.58	\$ 7,647.82	\$ 654,392.12

Adopted Budget	\$ 314,449.29
Ch. 159 Budget Amendments	<u>435,732.02</u>
	<u>\$ 750,181.31</u>

**BOROUGH OF KEYPORT
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED
YEAR ENDED DECEMBER 31, 2023**

Grant	Balance December 31, 2022	Transferred		Encumbrances	Expended	Encumbrances	Cancelled	Balance December 31, 2023
		From Budget Appropriation	From Encumbrances					
Alcohol Education and Rehabilitation Grant	\$ 29,530.94	\$ 3,632.44	\$ -	\$ -	\$ 1,601.89	\$ 375.00	\$ -	\$ 31,186.49
Municipal Drug Alliance	11,167.76	10,925.00	1,568.81	-	8,271.42	725.32	8,384.89	6,279.94
Drunk Driving Enforcement Fund	8,609.55	-	9,198.00	-	16,323.00	-	-	1,484.55
Recycling Tonnage	7,742.69	5,632.85	-	-	4,147.20	1,956.00	-	7,272.34
Clean Communities Program	9,040.68	17,292.02	6,513.85	-	10,419.40	1,000.00	-	21,427.15
Office on Aging	75.56	113,250.00	3,790.70	-	112,467.25	2,373.75	2,275.26	(0.00)
Office on Aging - Cares Act	-	30,000.00	2,500.00	-	2,500.00	-	-	-
Office on Aging - ARPA Title IIIB	-	-	-	-	6,412.50	-	-	23,587.50
Body Armor Replacement Grant	-	1,735.50	600.64	-	600.64	988.21	-	747.29
NJ EDA Hazardous Discharge Site Remediation	123,883.16	-	-	-	-	-	-	123,883.16
Monmouth County Recycling Stimulus	5,940.00	-	-	-	-	-	-	5,940.00
Pedestrian Safety Grant	1,725.00	-	-	-	-	-	-	1,725.00
Districted Driving Crackdown	-	16,000.00	-	-	10,400.00	-	-	5,600.00
Bequest Senior Center	6,078.05	-	-	-	1,367.46	-	-	4,710.59
PBA Donation - Police Headquarters	-	-	1,000.00	-	-	-	-	1,000.00
Neighborhood Preservation Program - ARP	-	262,640.00	-	-	-	-	-	262,640.00
Neighborhood Preservation Program	1,950.65	150,000.00	-	-	150,380.00	507.50	1,063.15	(0.00)
Neighborhood Preservation Program - Covid 19 Relief	1,764.71	-	-	-	-	-	1,764.71	-
NJ Bayshore Saturation Patrol Grant	-	19,600.00	-	-	16,700.00	-	-	2,900.00
NJ Body-Worn Camera Grant	8,450.46	-	9,890.00	-	9,390.00	-	-	8,950.46
	-	-	-	-	-	-	-	-
Local Grants:								
Pedestrian Improvement Program - Final Design	-	132,208.50	-	-	-	132,208.50	-	-
NJ DOA Spotted Lanternfly Grant	-	15,000.00	-	-	-	2,508.74	-	12,491.26
NJ DCA ARP Firefighter Grant	-	13,200.00	-	-	-	13,200.00	-	-
Donation KBBC - Mini Park	-	35,000.00	-	-	35,000.00	-	-	-
NJ DEP Stormwater Assistance Grant	-	25,000.00	-	-	-	-	-	25,000.00
	\$ 215,959.21	\$ 851,116.31	\$ 35,062.00	\$ -	\$ 385,980.76	\$ 155,843.02	\$ 13,488.01	\$ 546,825.73

**BOROUGH OF KEYPORT
FEDERAL AND STATE GRANT FUND
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2023**

<u>Program</u>	Balance December 31, 2022	Cash Receipts	Transferred to Grants <u>Receivable</u>	Transferred <u>To Other Funds</u>	Balance December 31, 2023
Body Armor Grant	\$ 1,735.50	\$ 1,971.73	\$ 1,735.50	\$ -	\$ 1,971.73
Alcohol Education & Rehab Grant	3,632.44	3,764.04	3,632.44	-	3,764.04
American Rescue Plan - Coronavirus SLFRF	324,272.51	-	-	242,200.00	82,072.51
	<u>\$ 329,640.45</u>	<u>\$ 5,735.77</u>	<u>\$ 5,367.94</u>	<u>\$ 242,200.00</u>	<u>\$ 87,808.28</u>

TRUST FUND

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BOROUGH OF KEYPORT
TRUST FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2023

	<u>Animal</u> <u>Control</u>	<u>Open</u> <u>Space</u>	<u>Trust -</u> <u>Other</u>
Balance, December 31, 2022	\$ 9,351.80	\$ 224,682.13	\$ 1,128,381.73
Increased By Receipts:			
Dog License Fees - Borough Share	17,527.80	-	-
Dog License Fees - Due to State	864.60	-	-
Trust - Other Reserves	-	-	1,114,794.27
Due To State of New Jersey	-	-	250.00
Due To Current Fund	-	-	11,957.25
Reserve for Open Space	-	273,958.09	-
	<u>18,392.40</u>	<u>273,958.09</u>	<u>1,127,001.52</u>
	<u>27,744.20</u>	<u>498,640.22</u>	<u>2,255,383.25</u>
Decreased By Disbursements:			
Animal Control Statutory Excess			
Expenditures Under R.S. 4:19-15.11	16,866.70	-	-
Trust - Other Reserves	-	-	1,044,505.24
Reserve for Open Space	-	230,545.15	-
	<u>16,866.70</u>	<u>230,545.15</u>	<u>1,044,505.24</u>
Balance, December 31, 2023	<u>\$ 10,877.50</u>	<u>\$ 268,095.07</u>	<u>\$ 1,210,878.01</u>

**BOROUGH OF KEYPORT
ANIMAL CONTROL FUND
SCHEDULE RESERVE FOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 5,081.80
Increased By:		
Dog License Fees Collected	\$ 2,392.40	
Budget Appropriation	16,000.00	
		18,392.40
		23,474.20
Decreased By:		
Transferred To Encumbrances Payable	300.00	
Cash Disbursements	16,866.70	
		17,166.70
Balance, December 31, 2023		\$ 6,307.50

<u>Year</u>	<u>Amount</u>
2021	\$ 2,490.80
2022	2,140.80
	\$ 4,631.60

**BOROUGH OF KEYPORT
SCHEDULE OF DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ -
Increased By:		
Registration Fees Collected		864.60
		864.60
Decreased By:		
Cash Disbursements		864.60
Balance, December 31, 2023		\$ -

**BOROUGH OF KEYPORT
TRUST - OTHER FUND
SCHEDULE OF TRUST - OTHER RESERVES
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
Recreation Special Activities:				
Cellular Tower Lease	\$ 6,767.02	\$ -	\$ -	\$ 6,767.02
Premium on Tax Sale	372,300.00	40,300.00	274,000.00	138,600.00
Welcome Center	100.00	-	-	100.00
Cash Repair Deposits	54,919.00	1,420.00	-	56,339.00
POAA	4,277.52	202.00	-	4,479.52
Public Defender Fees	5,251.75	2,210.00	5,200.00	2,261.75
Municipal Drug Allianace	2,455.91	-	-	2,455.91
Tax Title Lien Redemptions	0.04	149,477.01	149,477.01	0.04
Construction Debris Deposits	10,503.00	-	-	10,503.00
Material Disposition	350.00	-	-	350.00
Law Enforcement Trust	1,099.80	54.88	-	1,154.68
Developer's Escrow Deposits	333,624.18	484,381.85	247,065.61	570,940.42
Bayfront Improvements	53,401.82	57,507.21	60,233.89	50,675.14
Recreation Commission	29,254.31	-	1,356.45	27,897.86
Unemployment	124,127.50	31,187.31	28,082.70	127,232.11
Police Off-Duty	14,742.95	249,531.65	254,088.00	10,186.60
Reserve for Recreation Events	4,222.28	375.00	-	4,597.28
Reserve for Diaster Asst - Sandy	250.00	-	-	250.00
Contractor Deposits	62,157.04	-	-	62,157.04
Insurance Claims	15,698.17	98,147.36	25,001.58	88,843.95
Fire Safety Penalties	30,000.00	-	-	30,000.00
	<u>\$ 1,125,502.29</u>	<u>\$ 1,114,794.27</u>	<u>\$ 1,044,505.24</u>	<u>\$ 1,195,791.32</u>

**BOROUGH OF KEYPORT
TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 222,802.92
Increased By:		
2023 Tax Levy	\$ 257,462.00	
Open Space Added and Omitted Levy	1,116.32	
Interest Income	15,379.77	
		273,958.09
		496,761.01
Decreased By:		
Cash Disbursements	230,545.15	
Encumbrances Payable	89,850.79	
		320,395.94
Balance, December 31, 2023		\$ 176,365.07

GENERAL CAPITAL FUND

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**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 2,609,201.89
Increased By:		
Capital Improvement Fund	\$ 50,000.00	
BAN Proceeds - Premium	1,668.50	
Grants Receipts	434,383.56	
Bond Anticipation Notes	<u>1,775,000.00</u>	
		<u>2,261,052.06</u>
		4,870,253.95
Decreased By:		
Improvement Authorizations	2,230,200.62	
Bond Anticipation Notes Rollover	<u>1,775,000.00</u>	
		<u>4,005,200.62</u>
Balance, December 31, 2023		<u><u>\$ 865,053.33</u></u>

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2022																																																						
Capital Improvement Fund	\$ 103,250.69																																																						
Fund Balance	2,857.73																																																						
Grants Receivable	(1,325,082.03)																																																						
Due from Water and Sewer Capital Fund	(300,000.00)																																																						
Encumbrances Payable	981,745.93																																																						
Various Reserves	24,254.20																																																						
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; width: 15%;"><u>Ordinance</u></th> <th style="text-align: left; width: 60%;"><u>Improvement Authorizations</u></th> <th style="width: 25%;"></th> </tr> <tr> <th style="text-align: left;"><u>Number</u></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>15-03, 17-16</td> <td>Construction/Acquisition of Public Works Complex</td> <td style="text-align: right;">(94,257.85)</td> </tr> <tr> <td>14-04, 22-05</td> <td>Construction of a Waterfront Park/Bulkhead Improvements</td> <td style="text-align: right;">1,122.49</td> </tr> <tr> <td>08-05, 22-07</td> <td>Reconstruction of Third Street</td> <td style="text-align: right;">23.75</td> </tr> <tr> <td>08-11</td> <td>Various Improvements to Firemen's Parl Boardwalk, Benjamin Terry Park Bulkhead, and William Ralph Pier</td> <td style="text-align: right;">126.25</td> </tr> <tr> <td>06-13</td> <td>Improvements Luppataong Avenue Area</td> <td style="text-align: right;">50,000.00</td> </tr> <tr> <td>08-18</td> <td>Road Improvements</td> <td style="text-align: right;">232.00</td> </tr> <tr> <td>31-18</td> <td>Various Capital Improvements</td> <td style="text-align: right;">4,995.14</td> </tr> <tr> <td>10-19</td> <td>2019 Road Improvement Program</td> <td style="text-align: right;">38.03</td> </tr> <tr> <td>05-20</td> <td>Various Capital Improvements</td> <td style="text-align: right;">362,641.86</td> </tr> <tr> <td>08-20</td> <td>Senior Center Improvements</td> <td style="text-align: right;">75.00</td> </tr> <tr> <td>08-21</td> <td>Purchase of a Fire Engine with Related Apparatus and Equipment</td> <td style="text-align: right;">3,400.00</td> </tr> <tr> <td>2022-15</td> <td>Various Capital Improvements</td> <td style="text-align: right;">30,798.89</td> </tr> <tr> <td>2022-21</td> <td>2022 Road Improvement Project</td> <td style="text-align: right;">69,831.25</td> </tr> <tr> <td>2023-12</td> <td>Fireman's Park Boardwalk & Lot Improvement</td> <td style="text-align: right;">675,000.00</td> </tr> <tr> <td>2023-13</td> <td>Cedar Street Park Improvements</td> <td style="text-align: right;">274,000.00</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 865,053.33</td> </tr> </tbody> </table>		<u>Ordinance</u>	<u>Improvement Authorizations</u>		<u>Number</u>			15-03, 17-16	Construction/Acquisition of Public Works Complex	(94,257.85)	14-04, 22-05	Construction of a Waterfront Park/Bulkhead Improvements	1,122.49	08-05, 22-07	Reconstruction of Third Street	23.75	08-11	Various Improvements to Firemen's Parl Boardwalk, Benjamin Terry Park Bulkhead, and William Ralph Pier	126.25	06-13	Improvements Luppataong Avenue Area	50,000.00	08-18	Road Improvements	232.00	31-18	Various Capital Improvements	4,995.14	10-19	2019 Road Improvement Program	38.03	05-20	Various Capital Improvements	362,641.86	08-20	Senior Center Improvements	75.00	08-21	Purchase of a Fire Engine with Related Apparatus and Equipment	3,400.00	2022-15	Various Capital Improvements	30,798.89	2022-21	2022 Road Improvement Project	69,831.25	2023-12	Fireman's Park Boardwalk & Lot Improvement	675,000.00	2023-13	Cedar Street Park Improvements	274,000.00			\$ 865,053.33
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**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 7,156,674.73
Decreased By:		
2023 Budget Appropriations:		
Municipal Bonds	1,040,000.00	
Open Space Green Trust Loan	57,988.52	
	1,097,988.52	1,097,988.52
Balance, December 31, 2023		\$ 6,058,686.21

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2023**

Improvement Authorizations	Ordinance Number	Balance December 31, 2022	2023 Authorized	Bond Anticipation Note Paid By Budget	Balance December 31, 2023	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
Construction of a Public Works Complex	15-03, 17-16	\$ 705,444.02	\$ -	\$ -	\$ 705,444.02	\$ -	\$ 94,257.85	\$ 611,186.17
Various Capital Improvements	2022-15	675,000.00	-	50,000.00	625,000.00	625,000.00	-	-
2022 Road Improvement Project	2022-21	1,150,000.00	-	-	1,150,000.00	1,150,000.00	-	-
Firemans Park Boardwalk	2023-12	-	2,625,000.00	-	2,625,000.00	-	-	2,625,000.00
Cedar Street Park	2023-13	-	146,000.00	-	146,000.00	-	-	146,000.00
		\$ 2,530,444.02	\$ 2,771,000.00	\$ 50,000.00	\$ 5,251,444.02	\$ 1,775,000.00	\$ 94,257.85	\$ 3,382,186.17

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Improvement Description	Original Issue Date	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2022	Increase	Decrease	Balance December 31, 2023
2022-15	Various Capital Improvements	10/18/2022	10/18/2022	10/18/2023	3.92%	\$ 675,000.00	\$ -	\$ 675,000.00	\$ -
			10/18/2023	4/17/2024	4.75%	-	625,000.00	-	625,000.00
2022-21	Road Improvement Project	10/18/2022	10/18/2022	10/18/2023	3.92%	1,150,000.00	-	1,150,000.00	-
			10/18/2023	4/17/2024	4.75%	-	1,150,000.00	-	1,150,000.00
						<u>\$ 1,825,000.00</u>	<u>\$ 1,775,000.00</u>	<u>\$ 1,825,000.00</u>	<u>\$ 1,775,000.00</u>

Renewal Paid By Budget Appropriation	Amount
	\$ 1,775,000.00
	<u>50,000.00</u>
	<u>\$ 1,775,000.00</u>

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Improvement Authorizations	Balance December 31, 2022		2023 Authorizations	Reserve for Encumbrances	Paid or Charged	12/31/2023 Encumbered	Cancelled	Balance December 31, 2023	
		Funded	Unfunded						Funded	Unfunded
15-03, 17-16	Construction/Acquisition of Public Works Complex	\$ -	\$ 611,186.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 611,186.17
14-04, 22-05	Construction of a Waterfront Park/Bulkhead Improvements	1,122.49	-	-	-	-	-	-	1,122.49	-
08-05, 22-07	Reconstruction of Third Street	23.75	-	-	-	-	-	-	23.75	-
	Various Improvements to Fireman's Park Boardwalk, Benjamin Terry Park Bulkhead, and William Ralph Pier	126.25	-	-	-	-	-	-	126.25	-
06-13	Improvements Luppataotong Avenue Area	50,000.00	-	-	-	-	-	-	50,000.00	-
08-18	Road Improvements	232.00	-	-	-	-	-	-	232.00	-
31-18	Various Capital Improvements	7,974.19	-	-	2,979.05	-	-	-	4,995.14	(0.00)
10-19	2019 Road Improvement Program	38.03	-	-	53,715.56	284.44	-	-	38.03	-
05-20	Various Capital Improvements	403,465.02	-	-	33,867.08	180,542.56	-	40,823.16	362,641.86	-
08-20	Senior Center Improvements	5,432.00	-	-	5,357.00	-	-	-	75.00	-
	Purchase of a Fire Engine with Related Apparatus and Equipment	14,695.00	-	-	696,000.00	-	-	-	3,400.00	-
08-21	Various Capital Improvements	-	189,081.39	-	520,918.61	-	158,282.50	-	-	30,798.89
2022-15	Various Capital Improvements	-	-	-	520,918.61	-	-	-	-	-
2022-21	2022 Road Improvement Project	-	75,391.25	-	1,554,439.75	917,363.32	642,636.43	-	-	69,831.25
2023-12	Fireman's Park Boardwalks & Lot Improv.	-	-	3,300,000.00	-	-	-	-	675,000.00	2,625,000.00
2023-13	Cedar Street Park Improvements	-	-	420,000.00	-	-	-	-	274,000.00	146,000.00
		\$ 483,108.73	\$ 875,658.81	\$ 3,720,000.00	\$ 3,028,473.00	\$ 2,230,200.62	\$ 981,745.93	\$ 40,823.16	\$ 1,371,654.52	\$ 3,482,816.31

Ref.	C		C-10	C
	C	C		
	\$ 483,108.73	\$ 875,658.81	\$ 3,720,000.00	\$ 3,028,473.00
			\$ 2,230,200.62	\$ 981,745.93
			\$ 40,823.16	\$ 1,371,654.52
			\$ 3,482,816.31	\$ 3,482,816.31

Ref.	C	
	C-10	C-5
	\$ 949,000.00	\$ 2,771,000.00
		\$ 2,771,000.00

Grants Receivable

Deferred Charges - Unfunded

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	53,250.69
Increased By:		
2023 Budget Appropriation		50,000.00
Balance, December 31, 2023	\$	103,250.69

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR INSURANCE PROCEEDS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022	\$	24,254.20
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**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	851,288.75
Increased By:		
Funding for General Capital Improvement Authorizations	949,000.00	949,000.00
Decreased By:		
Cancellation of Grant Receivable	40,823.16	
Cash Receipt	434,383.56	475,206.72
Balance, December 31, 2023	\$	1,325,082.03

Analysis of Grants Receivable Balance:	<u>Ord. Number</u>		
N.J. D.O.T. for 2019 Road Improvement Project	10-19	\$	168,750.00
N.J. D.O.T. for Various Capital Projects	05-20		76,857.03
N.J. D.O.T. for 2022 Road Improvement Project	2022-21		130,475.00
DEP - Firemans Park Boardwalk	2023-12		225,000.00
Congressional Com Project - Firemans Park Boardwalk	2023-12		450,000.00
Monmouth County Open Space - Cedar St. Park	2023-13		140,000.00
DCA Local Recreation Improvement - Cedar St. Park	2023-13		134,000.00
		\$	1,325,082.03

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023**

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	Balance December 31, <u>2022</u>	2023 <u>Authorization</u>	Balance December 31, <u>2023</u>
15-03, 17-16	Construction of a Public Works Complex	\$ 705,444.02	-	\$ 705,444.02
23-12	Firemans Park Boardwalk	-	2,625,000.00	2,625,000.00
23-13	Cedar Street Park	-	146,000.00	146,000.00
		<u>\$ 705,444.02</u>	<u>\$ 2,771,000.00</u>	<u>\$ 3,476,444.02</u>
	Ref.	C	C-5	C

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2023**

<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Maturities of Bonds Outstanding December 31,</u>		<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
MCIA Refunding Bonds, Series 2012	5/22/12	\$ 3,525,000.00	\$ -	-	4.00%	\$ 380,000.00	\$ 380,000.00	\$ -
MCIA Bonds	12/24/12	2,160,000.00	12/31/24	185,000.00	5.00%	740,000.00	185,000.00	555,000.00
			12/31/25	185,000.00	5.00%			
			12/31/26	185,000.00	5.00%			
MCIA Bonds	12/30/21	5,070,000.00	12/31/24	565,000.00	4.00%	4,785,000.00	285,000.00	4,500,000.00
			12/31/25	565,000.00	4.00%			
			12/31/26	565,000.00	5.00%			
			12/31/27	565,000.00	5.00%			
			12/31/28	560,000.00	5.00%			
			12/31/29	560,000.00	5.00%			
			12/31/30	560,000.00	5.00%			
			12/31/31	560,000.00	5.00%			
MCIA Refunding Bonds, Series 2021	12/30/21	940,000.00	12/31/24	190,000.00	4.00%	750,000.00	190,000.00	560,000.00
			12/31/25	185,000.00	4.00%			
			12/31/26	185,000.00	5.00%			
						<u>\$ 6,655,000.00</u>	<u>\$ 1,040,000.00</u>	<u>\$ 5,615,000.00</u>

Paid by Budget Appropriation
\$ 1,040,000.00
\$ 1,040,000.00

**BOROUGH OF KEYPORT
GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 501,674.73
Decreased By:		
Paid by Open Space Fund Budget Appropriation	<u>57,988.52</u>	<u>57,988.52</u>
Balance, December 31, 2023		<u><u>\$ 443,686.21</u></u>

WATER-SEWER UTILITY FUND

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BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2023

	Operating	Capital
Balance, December 31, 2022	\$ 955,962.67	\$ 63,319.09
Increased By Receipts:		
Miscellaneous Income	\$ 296,918.06	\$ -
ARP - SLFRF Revenue Loss	80,000.00	-
Utility Rents	3,168,789.69	-
Prepays	226,373.48	-
Transfer Budget Cost of Improvement Authorization	-	135,240.85
Overpayments	9,705.11	-
Bond Anticipation Notes	-	1,419,000.00
Capital Improvement Fund	-	30,000.00
BAN Proceeds - Premium	-	1,333.86
	3,781,786.34	1,585,574.71
	4,737,749.01	1,648,893.80
Decreased By Disbursements:		
Refund Prior Year Revenue		
2023 Budget Appropriations	3,231,323.32	-
2022 Appropriation Reserves	295,530.48	-
Accrued Interest Paid	264,629.69	-
Bond Anticipation Notes	-	1,268,000.00
Improvement Authorization	-	11,220.96
	3,791,483.49	1,279,220.96
Balance, December 31, 2023	\$ 946,265.52	\$ 369,672.84

**BOROUGH OF KEYPORT
 WATER-SEWER UTILITY CAPITAL FUND
 SCHEDULE OF ANALYSIS OF WATER-SEWER UTILITY CAPITAL FUND CASH
 YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, 2023																					
Capital Improvement Fund	\$ 34,087.00																					
Encumbrances Payable	130,263.15																					
Due To/(From) General Capital	300,000.00																					
Fund Balance	14,920.15																					
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%; text-align: center;"><u>Ordinance</u></th> <th style="width: 45%; text-align: center;"><u>Improvement Authorizations</u></th> <th style="width: 30%;"></th> </tr> <tr> <th style="text-align: center;"><u>Number</u></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">09-21</td> <td>Various Capital Improvements</td> <td style="text-align: right;">42,623.59</td> </tr> <tr> <td style="text-align: center;">08-09/10-11</td> <td>Sanitary Sewer System Upgrades USDA</td> <td style="text-align: right;">(100,000.00)</td> </tr> <tr> <td style="text-align: center;">24-16</td> <td>Various Water and Sewer Improvements</td> <td style="text-align: right;">(73,871.28)</td> </tr> <tr> <td style="text-align: center;">2022-22</td> <td>Various Water and Sewerage System</td> <td style="text-align: right; border-top: 1px solid black;">21,650.23</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 3px double black;">\$ 369,672.84</td> </tr> </tbody> </table>		<u>Ordinance</u>	<u>Improvement Authorizations</u>		<u>Number</u>			09-21	Various Capital Improvements	42,623.59	08-09/10-11	Sanitary Sewer System Upgrades USDA	(100,000.00)	24-16	Various Water and Sewer Improvements	(73,871.28)	2022-22	Various Water and Sewerage System	21,650.23			\$ 369,672.84
<u>Ordinance</u>	<u>Improvement Authorizations</u>																					
<u>Number</u>																						
09-21	Various Capital Improvements	42,623.59																				
08-09/10-11	Sanitary Sewer System Upgrades USDA	(100,000.00)																				
24-16	Various Water and Sewer Improvements	(73,871.28)																				
2022-22	Various Water and Sewerage System	21,650.23																				
		\$ 369,672.84																				

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF WATER CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	175,546.36
Increased By:			
2023 Water Rents Levied	<u>\$</u>	3,494,131.64	
			<u>3,494,131.64</u>
			3,669,678.00
Decreased By:			
Cash Collections		3,168,789.69	
Overpayments Applied		8,561.99	
Prepayments Applied	<u></u>	<u>291,713.67</u>	
			<u>3,469,065.35</u>
Balance, December 31, 2023		<u>\$</u>	<u>200,612.65</u>

**BOROUGH OF KEYPORT
SCHEDULE OF WATER & SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	8,561.99
Increased By:			
Transferred from Current Year Rents			<u>9,705.11</u>
			18,267.10
Decreased By:			
Applied to Current Year Rents			<u>8,561.99</u>
Balance, December 31, 2023		<u>\$</u>	<u>9,705.11</u>

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF PREPAID CONSUMER RENTS
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 291,713.67
Increased By:		
Overpayments Created	\$ 226,373.48	226,373.48
		518,087.15
Decreased By:		
Overpayments Applied	291,713.67	291,713.67
Balance, December 31, 2023		\$ 226,373.48

**BOROUGH OF KEYPORT
SCHEDULE OF BRSA RENT RESERVE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 302,482.01
Increased By:		
Interest Earned		6,000.04
Balance, December 31, 2023		\$ 308,482.05

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2023</u>
Distribution System Land	\$ 20,500.00
Miscellaneous Land - Capital	750.00
Springs and Wells	107,432.80
Collection Repair	15,000.00
Filters	31,877.89
Clear Well Basin	1,000.00
Pumping Station Structures	68,569.50
Reservoirs and Standpipes	10,000.00
Distribution Mains and Accessories	770,104.60
Frei Hydrants and Cisterns	2,500.00
Bulkheads	15,691.72
Meters & Meter Bonds	1,391.05
Insurance & Bonds	1,275.00
Electric Pumping Power Equipment	42,940.50
Ferry Street Plant and Wells	1,467,500.00
General Equipment	71,609.00
Construction of Well #8	249,863.33
Repairs and Improvements to Water Plant	435,000.00
Cedar Street Pumping Station	210,000.00
Rehabilitation of Sewer System	151,000.00
Various Improvements to Water & Sewer System	242,314.56
Perry Street Water Treatment Facility Upgrade	1,100,000.00
Cass Street Standpipe Painting Project	416,672.60
Various Water & Sewer Improvements	150,000.00
Sanitary Sewer System Upgrades	3,437,525.85
Design & Permitting - USDA Phase II	179,773.92
Various Water & Sewer Improvements	3,890,000.00
Perry Street Water Treatment Facility Upgrade	5,449,695.99
Various Water & Sewer Improvements	536,871.28
	\$ 19,076,859.59
	\$ 19,076,859.59

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Purpose	Ordinance		Balance December 31, 2022	Balance December 31, 2023
		Date	Amount		
09-21	Various Capital Improvements	7/6/2021	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
2022-14	Beers Street Water Main Repairs and Improvements	7/5/2022	335,000.00	335,000.00	335,000.00
2022-22	Various Water and Sewerage System	10/18/2022	160,000.00	160,000.00	160,000.00
				<u>\$ 1,495,000.00</u>	<u>\$ 1,495,000.00</u>

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023**

<u>Appropriation</u>	Balance December 31, <u>2022</u>	Encumbered as of <u>2022</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 28,607.19	\$ -	\$ 28,607.19	\$ -	\$ 28,607.19
Other Expenses	57,346.91	90,325.46	135,972.37	92,596.77	43,375.60
Acquisition of Water	180,848.30	-	192,548.30	192,470.93	77.37
Bayshore Regional Sewerage Authority	1,488.54	-	1,488.54	-	1,488.54
Capital Improvements:					
Capital Outlay (Emergency \$335,000)	32,908.04	39,489.41	72,397.45	12,082.78	60,314.67
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	6,394.95	-	6,394.95	-	6,394.95
	<u>\$ 307,593.93</u>	<u>\$ 129,814.87</u>	<u>\$ 437,408.80</u>	<u>\$ 297,150.48</u>	<u>\$ 140,258.32</u>

Cash Disbursed	\$ 295,530.48
Accounts Payable	<u>1,620.00</u>

Total Paid or Charged \$ 297,150.48

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING
SCHEDULE OF ENCUMBRANCES PAYABLE
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	129,814.87
Increased By:		
Current Appropriations		<u>93,344.95</u>
		223,159.82
Decreased By:		
Transfer to Appropriation Reserves		<u>129,814.87</u>
Balance, December 31, 2023	\$	<u><u>93,344.95</u></u>

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE TO GENERAL CAPITAL
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2023 and 2022	\$	<u><u>300,000.00</u></u>
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**BOROUGH OF KEYPORT
WATER-SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND NOTES
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	49,072.27
Increased By:		
Budget Appropriation		267,242.61
		316,314.88
Decreased By:		
Cash Disbursements		264,629.69
Balance, December 31, 2023	\$	51,685.19

BAN Accrual Calculation:

Principal Amount	\$ 1,419,000.00	dated 10/17	74 days	4.75%	\$	13,854.96
------------------	-----------------	-------------	---------	-------	----	-----------

USDA LOAN ACCRUAL

2014 Loan Interest Due 1/31/24	\$ 29,524.47	5/6 of amount		\$	24,603.73
2015 Loan Interest Due 5/30/24	35,204.91	1/6 of amount			5,867.49
2020A Loan Interest Due 4/24/24	20,838.87	35 days			4,052.00
2020B Loan Interest Due 4/24/24	10,900.33	35 days			2,119.51
				\$	36,642.73

BONDS ACCRUAL

Interest Due 6/1/24	7,125.00	1/6 of amount		\$	1,187.50
Total				\$	51,685.19

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2023**

<u>Ordinance</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>								
09-21	Various Capital Improvements	10/18/22	10/18/22 10/18/23	10/18/23 4/17/24	3.92% 4.75%	\$ 950,000.00 -	-	\$ 950,000.00	\$ - 1,101,000.00								
2022-14	Beers Sreet Water Main Repairs and Improvement	10/18/22	10/18/22 10/18/23	10/18/23 4/17/24	3.92% 4.75%	318,000.00 -	-	318,000.00	- 318,000.00								
						<u>\$ 1,268,000.00</u>	<u>\$ 1,419,000.00</u>	<u>\$ 1,268,000.00</u>	<u>\$ 1,419,000.00</u>								
						<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: right;">Renewal</td> <td style="width: 50%; text-align: right;">\$ 1,268,000.00</td> </tr> <tr> <td style="width: 50%; text-align: right;">Issued - Cash Receipts</td> <td style="width: 50%; text-align: right;">151,000.00</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 1,419,000.00</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 1,268,000.00</u></td> </tr> </table>				Renewal	\$ 1,268,000.00	Issued - Cash Receipts	151,000.00		<u>\$ 1,419,000.00</u>		<u>\$ 1,268,000.00</u>
Renewal	\$ 1,268,000.00																
Issued - Cash Receipts	151,000.00																
	<u>\$ 1,419,000.00</u>																
	<u>\$ 1,268,000.00</u>																

**BOROUGH OF KEYPORT
 WATER-SEWER UTILITY CAPITAL FUND
 SCHEDULE OF LOANS PAYABLE
 YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$ 9,745,952.31
Decreased By:		
Loan Principal Paid by Operating Budget	\$ <u>197,579.91</u>	<u>197,579.91</u>
Balance, December 31, 2023		<u><u>\$ 9,548,372.40</u></u>
<u>Analysis of Loans Payable Balance:</u>		
USDA Loan - 2014		\$ 2,249,483.26
USDA Loan - 2015		2,682,278.74
USDA Loan - 2020A&B		<u>4,616,610.40</u>
		<u><u>\$ 9,548,372.40</u></u>

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS
YEARENDED DECEMBER 31, 2023**

<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>				
MCI A Bonds	12/24/14	\$ 1,070,000.00	12/31/24	\$ 95,000.00	5.00%	\$ 380,000.00	\$ 95,000.00	\$ 285,000.00
			12/31/25	95,000.00	5.00%			
			12/31/26	95,000.00	5.00%			
						\$ 380,000.00	\$ 95,000.00	\$ 285,000.00
							\$ 95,000.00	
							\$ 95,000.00	

Paid by Budget Appropriation

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023**

Ordinance Number	Purpose	Ordinance		December 31, 2022		Reserve for Encumbrances	Paid	December 31, 2023	
		Date	Amount	Funded	Unfunded			Encumbered	Unfunded
09-21	Various Capital Improvements	7/6/2021	\$ 1,000,000.00	\$ -	\$ 42,623.59	\$ 140,614.11	\$ 11,220.96	\$ 129,393.15	\$ 42,623.59
2022-22	Various Water and Sewer Improvements	10/18/2022	160,000.00	-	21,650.23	870.00	-	870.00	21,650.23
				\$ -	\$ 64,273.82	\$ 141,484.11	\$ 11,220.96	\$ 130,263.15	\$ 64,273.82

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	4,087.00
Increased By:		
2023 Budget Appropriations		30,000.00
Balance, December 31, 2023	\$	34,087.00

**BOROUGH OF KEYPORT
SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	8,641,795.15
Increased By:		
Serial Bonds Paid	\$	95,000.00
Transferred from Budget		135,240.85
USDA Loans Paid		197,579.91
		427,820.76
Balance, December 31, 2023	\$	9,069,615.91

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2023**

Balance as of December 31, 2023 and 2022	<u>\$ 76,000.00</u>
Ordinance 08-09/10/11	<u>\$ 76,000.00</u>

**BOROUGH OF KEYPORT
WATER-SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023**

<u>Ordinance Number</u>	<u>Purpose</u>	Balance December 31, <u>2022</u>	Decreased	Balance December 31, <u>2023</u>
08-09/10-11	Sanitary Sewer System Upgrades - USDA	\$ 235,240.85	\$ 135,240.85	\$ 100,000.00
24-16	Various Improvements to the Water/Sewer Utility	73,871.28	-	73,871.28
2022-22	Various Water and Sewer Improvements	151,000.00	151,000.00	-
		<u>\$ 460,112.13</u>	<u>\$ 286,240.85</u>	<u>\$ 173,871.28</u>

PAYROLL AGENCY FUND

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**BOROUGH OF KEYPORT
PAYROLL AGENCY FUND
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2023**

	Balance, December 31, <u>2022</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2023</u>
Federal Withholding Tax	\$ -	\$ 546,843.46	\$ 546,843.46	\$ -
Social Security Medicare	-	474,667.84	474,667.84	-
State Withholding Tax	-	204,281.20	204,281.20	-
SUI/Disability	7.16	15,126.88	15,134.04	-
457B Plan	-	15,408.00	15,408.00	-
AFLAC	-	10,266.96	10,266.96	-
PERS	1,327.92	141,090.52	142,418.44	-
PFRS	-	294,213.71	294,213.71	-
Police/Firemen's Insurance	-	3,681.84	3,681.84	-
Garnishments	-	30.00	30.00	-
Monoc Credit Union	-	2,880.00	2,880.00	-
PBA Dues	-	27,250.00	27,250.00	-
Clerical/PW Union Dues	-	25,638.41	25,638.41	-
Miscellaneous	1,153.90	1,350.33	-	2,504.23
Health Insurance Co-Pay	-	189,135.06	189,135.06	-
DCRP	180.55	7,575.43	7,755.98	-
FSA Ameriflex 125 Plan	237.51	2,765.56	2,528.05	-
	<u>\$ 2,432.02</u>	<u>\$ 1,962,205.20</u>	<u>\$ 1,962,132.99</u>	<u>\$ 2,504.23</u>

**BOROUGH OF KEYPORT
PAYROLL AGENCY FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022		\$	2,432.02
Increased By:			
Payroll Deductions Payable	<u>\$</u>	<u>1,962,205.20</u>	<u>1,962,205.20</u>
			1,964,637.22
Decreased By:			
Payroll Deductions Payable	<u></u>	<u>1,962,132.99</u>	<u>1,962,132.99</u>
Balance, December 31, 2023		<u>\$</u>	<u>2,504.23</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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**BOROUGH OF KEYPORT
GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE OF GENERAL FIXED ASSETS
YEAR ENDED DECEMBER 31, 2023**

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land	\$ 5,121,300.00	\$ -	\$ -	\$ 5,121,300.00
Buildings	5,214,100.00	-	-	5,214,100.00
Motor Vehicles and Equipment	4,129,788.43	777,106.00	321,272.04	4,585,622.39
Machinery and Equipment	519,878.30	-	14,000.00	505,878.30
Office Furniture and Equipment	163,066.09	-	-	163,066.09
Other Equipment	218,914.00	-	-	218,914.00
	<u>\$ 15,367,046.82</u>	<u>\$ 777,106.00</u>	<u>\$ 335,272.04</u>	<u>\$ 15,808,880.78</u>

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BOROUGH OF KEYPORT

PART II

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

FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

None.

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

This section identifies the status of prior year findings related to the financial statements.

Financial Statement Findings

None.

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 KEYPORT

PART III

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

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OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name of Officials</u>	<u>Title</u>
Rose P. Araneo	Mayor
Lori Ann Davidson	Council President
Ronald G. Perperoni Jr.	Councilman
J. Christopher Demarest	Councilman
Cathleen Reilly	Councilwoman
Kathleen McNamara	Councilwoman
Melissa Vecchio	Councilwoman
Michele Clark	Borough Clerk
Kimberly Humphrey	Borough Administrator
Thomas P. Fallon	Chief Financial Officer
Sandra Akes	Court Administrator
Michael Delre	Tax Assessor
Frank LaRocca	Judge - Municipal Court
Keri Stencel	Tax Collector and Utility Collector
Victoria Flynn	Borough Attorney

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Honorable Mayor and Members
of the Borough Council
Borough of Keyport
County of Monmouth
Keyport, New Jersey

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

GENERAL COMMENTS:

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

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

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the period from January 1, 2023 through December 31, 2023.

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

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

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 Borough Council of the Borough of Keyport, 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 Borough Council of the Borough of Keyport, 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.

OTHER COMMENTS (FINDINGS):

2023-001 – We noted that dedications by riders were not obtained from the Division of Local Government Services for certain other trust fund reserves.

RECOMMENDATIONS:

2023-001 - We recommend that all other trust fund reserves be reviewed and where appropriate, dedication by rider resolution be adopted and submitted for approval by the Division of Local Government Services.

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

June 30, 2024
Lakewood, New Jersey