

**THE HARDYSTON TOWNSHIP**  
**MUNICIPAL UTILITIES AUTHORITY**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**AUGUST 31, 2022 AND 2021**

**THE HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

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## **INDEPENDENT AUDITOR'S REPORT**

The Chairman and Commissioners of the  
Hardyston Township Municipal Utilities Authority  
149 Wheatsworth Road, Suite A  
Hardyston, New Jersey 07419

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying statements of net position of the Hardyston Township Municipal Utilities Authority as of August 31, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Financial Statements" paragraph, the financial statements referred to previously do not present fairly the net position of the Hardyston Township Municipal Utilities Authority, as of August 31, 2022 and 2021, or the changes in net position thereof for the years then ended.

#### ***Basis for Adverse Opinion on the Financial Statements***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 Hardyston Township Municipal Utilities Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Management has not recorded certain contributed assets in the financial statements and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those contributed assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hardyston Township Municipal Utilities Authority's ability to continue as a going concern for the next twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Hardyston Township Municipal Utilities Authority'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Hardyston Township Municipal Utilities Authority's ability to continue as a going concern for a reasonable period of time.

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

#### ***Other Matters***

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

##### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprises the Hardyston Township Municipal Utilities Authority's financial statements. The schedule of revenues, expenses and changes in net position - restricted and unrestricted; schedule of cash receipts, cash disbursements and changes in cash and cash equivalents - unrestricted and restricted; schedule of operating revenue and costs funded by operating revenue compared to budget; schedule of capital budget program funded by financing services; and roster of officials (collectively referred to as the "Supplementary Schedules") are presented for purposes of additional analysis and are not a required part of the financial statements.



The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves. And other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022 on our consideration of the Hardyston Township Municipal Utilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Hardyston Township Municipal Utilities Authority's internal control over financial reporting and compliance.

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 20, 2022



**Required Supplementary Information**

**Management Discussion and Analysis**



**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

*As management of the Hardyston Township Municipal Utilities Authority, we offer the Authority's financial statements this narrative overview and analysis of the Authority's financial performance during the fiscal year ended August 31, 2022 and 2021. Please read this analysis in conjunction with the Authority's financial statements, which follow this section.*

**Financial Highlights**

- The Authority's assets and deferred outflows of resources exceeded its liabilities by \$6,478,172 (net position) for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities by \$6,592,191.
- Total net position is comprised of the following:
  - (1) Net investment in capital assets of \$3,542,649 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  - (2) Unrestricted net position of \$2,935,523 represent the portion available to maintain the Authority's continuing obligations to citizens and creditors.
- Total liabilities of the Authority decreased by \$87,539 to \$173,877 during the fiscal year.

**Overview of the Financial Statements**

This annual report includes this management discussion, the independent auditor's report and the basic financial statements of the Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

***Required Financial Statements***

The financial statements of the Authority report information of the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The *Statement of Net Position* includes all of the Authority's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and provides information about the nature and amounts of investments in resources (assets), the consumption of net position that is applicable to a future period (deferred outflows of resources), the acquisition of net position that is applicable to a future reporting period (deferred inflows of resources) and the obligations to Authority creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Overview of the Financial Statements (Continued)**

All of the current year's revenues and expenses are accounted for in the *Statement of Revenues, Expenses and Changes in Net Position*. This statement measures the results of the Authority operations over the past year and can be used to determine whether the Authority has recovered all its costs through its user fees and other charges, operational stability and credit worthiness.

The final required financial statement is the *Statement of Cash Flows*. This statement reports cash receipts and cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as what operational sources provided cash, what was the cash used for, and what was the change in cash balance during the reporting period.

***Notes to the Financial Statements***

The accompanying notes to the financial statements provide information essential to a full understanding of the financial statements. The notes to the financial statements begin immediately following the basic financial statements.

***Other Information***

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information. This supplementary information follows the notes to the financial statements.

**Financial Analysis of the Authority**

One of the most important questions asked about the Authorities finances is "Is the Authority as a whole better able to fulfill its mission as a result of this years activities?" The *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Net Position* report information about the Authority's activities in a way that will help answer this question. These two statements report net position of the Authority and the changes in those assets. The reader can think of the Authority's net position – the difference between assets and deferred outflows of resources and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider the non-financial factors such as changes in economic conditions, population growth, development, and new or changed government regulation.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the Authority as a whole.

The Authority's net position at fiscal year-end was \$6,478,172. This is a \$114,019 decrease over last year's net position of \$6,592,191.

A summary of the Authority's current year statement of net position is presented with comparative prior year balances in the following table:

**Condensed Statement of Net Position at August 31, 2022  
With Comparative Prior Year Balances**

|   | <u>FY 2022</u>   | <u>FY 2021</u>   | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|---|------------------|------------------|--------------------------|---------------------------|
| Current and Other Assets                | 3,109,400        | 3,076,187        | 33,213                   | 1.08%                     |
| Capital Assets                          | <u>3,444,582</u> | <u>3,665,344</u> | <u>(220,762)</u>         | <u>(6.02)%</u>            |
| Total Assets                            | <u>6,553,982</u> | <u>6,741,531</u> | <u>(187,549)</u>         | <u>(2.78)%</u>            |
| Total Deferred Outflows of<br>Resources | <u>98,067</u>    | <u>112,076</u>   | <u>(14,009)</u>          | <u>(12.50)%</u>           |
| Total Liabilities                       | <u>173,877</u>   | <u>261,416</u>   | <u>(87,539)</u>          | <u>(33.49)%</u>           |
| Net Investment in Capital<br>Assets     | 3,542,649        | 3,777,420        | (234,771)                | (6.22)%                   |
| Unrestricted                            | <u>2,935,523</u> | <u>2,814,771</u> | <u>120,752</u>           | 4.29%                     |
| Total Net Position                      | <u>6,478,172</u> | <u>6,592,191</u> | <u>(114,019)</u>         | <u>(1.73)%</u>            |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position (Continued)**

A summary of the Authority's prior year statement of net position is presented with comparative FY 2020 year balances in the following table:

**Condensed Statement of Net Position at August 31, 2021  
With Comparative Prior Year Balances**

|   | <u>FY 2021</u>   | <u>FY 2020</u>   | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|---|------------------|------------------|--------------------------|---------------------------|
| Current and Other Assets                | 3,076,187        | 4,740,083        | (1,663,896)              | (35.10)%                  |
| Capital Assets                          | <u>3,665,344</u> | <u>3,772,893</u> | <u>(107,549)</u>         | (2.85)%                   |
| Total Assets                            | <u>6,741,531</u> | <u>8,512,976</u> | <u>(1,771,445)</u>       | (20.81)%                  |
| Total Deferred Outflows of<br>Resources | <u>112,076</u>   | <u>126,086</u>   | <u>(14,010)</u>          | (11.11)%                  |
| Total Liabilities                       | <u>261,416</u>   | <u>1,977,021</u> | <u>(1,715,605)</u>       | (86.78)%                  |
| Net Investment in Capital<br>Assets     | 3,777,420        | 3,898,979        | (121,559)                | (3.12)%                   |
| Unrestricted                            | <u>2,814,771</u> | <u>3,377,240</u> | <u>(562,469)</u>         | (16.65)%                  |
| Total Net Position                      | <u>6,592,191</u> | <u>7,276,219</u> | <u>(684,028)</u>         | (9.40)%                   |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position (Continued)**

While the *Statement of Net Position* shows the change in financial position of net position, the *Statement of Revenues, Expenses and Changes in Net Position* provides answers as to the nature and source of these changes. As can be seen in the following table, net position decreased by \$114,019 in FY 2022 and decreased by \$69,850 in FY 2021.

**Condensed Statement of Revenues, Expenses and Changes  
in Net Position for the Year Ending August 31, 2022  
With Comparative Prior Year Balances**

|                          | <u>FY 2022</u>   | <u>FY 2021</u>   | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|--------------------------|------------------|------------------|--------------------------|---------------------------|
| Operating Revenues       | 1,433,383        | 1,410,279        | 23,104                   | 1.64%                     |
| Non-Operating Revenues   | <u>9,091</u>     | <u>16,460</u>    | <u>(7,369)</u>           | (44.77)%                  |
| Total Revenues           | <u>1,442,474</u> | <u>1,426,739</u> | <u>15,735</u>            | 1.10%                     |
| Depreciation             | 169,001          | 166,568          | 2,433                    | 1.46%                     |
| Other Operating Expenses | 1,387,492        | 1,330,021        | 57,471                   | 4.32%                     |
| Total Expenses           | <u>1,556,493</u> | <u>1,496,589</u> | <u>59,904</u>            | 4.00%                     |
| Change in Net Position   | <u>(114,019)</u> | <u>(69,850)</u>  | <u>(44,169)</u>          | 63.23%                    |
| Beginning Net Position   | <u>6,592,191</u> | <u>6,662,041</u> | <u>(69,850)</u>          | (1.05)%                   |
| Ending Net Position      | <u>6,478,172</u> | <u>6,592,191</u> | <u>(114,019)</u>         | (1.73)%                   |

The Authority's Operating Revenues increased by \$23,104 to \$1,433,383 in 2022 from \$1,410,279 in 2021 due to an increase in water and sewer rents and the sale of new meters. The Authority's non-operating revenues decreased by \$7,369 to \$9,091 in 2022 from \$16,460 in 2021 due to a decrease in interest earned because of lower interest rates.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Net Position (Continued)**

A summary of the Authority's prior year statement of revenues, expenses and changes in net position is presented with comparative FY20 year figures in the following table:

**Condensed Statement of Revenues, Expenses and Changes  
in Net Position for the Year Ending August 31, 2021  
With Comparative Prior Year Balances**

|                               | <u>FY 2021</u>          | <u>FY 2020</u>          | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|-------------------------------|-------------------------|-------------------------|--------------------------|---------------------------|
| Operating Revenues            | 1,410,279               | 1,372,957               | 37,322                   | 2.72%                     |
| Non-Operating Revenues        | <u>16,460</u>           | <u>36,593</u>           | <u>(20,133)</u>          | (55.02)%                  |
| <b>Total Revenues</b>         | <b><u>1,426,739</u></b> | <b><u>1,409,550</u></b> | <b><u>17,189</u></b>     | 1.22%                     |
| Depreciation                  | 166,568                 | 118,046                 | 48,522                   | 41.10%                    |
| Other Operating Expenses      | 1,330,021               | 1,332,782               | (2,761)                  | (0.21)%                   |
| Other Non-Operating Expenses  | <u>0</u>                | <u>20,632</u>           | <u>(20,632)</u>          | 100.00%                   |
| <b>Total Expenses</b>         | <b><u>1,496,589</u></b> | <b><u>1,471,460</u></b> | <b><u>25,129</u></b>     | 1.71%                     |
| <b>Change in Net Position</b> | <b><u>(69,850)</u></b>  | <b><u>(61,910)</u></b>  | <b><u>(7,940)</u></b>    | 12.83%                    |
| <b>Beginning Net Position</b> | <b><u>6,662,041</u></b> | <b><u>6,723,951</u></b> | <b><u>(61,910)</u></b>   | (0.92)%                   |
| <b>Ending Net Position</b>    | <b><u>6,592,191</u></b> | <b><u>6,662,041</u></b> | <b><u>(69,850)</u></b>   | (1.05)%                   |

The Authority's Operating Revenues increased by \$37,322 to \$1,410,279 in 2021 from \$1,372,957 in 2020 due to \$20,133 to \$16,460 in 2021 from \$36,593 in 2020 due to a decrease in interest earned because of lower interest rates.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Budgetary Highlights**

The Authority prepares and submits an annual budget to the State of New Jersey, which approves the budget for adoption by the Authority prior to the beginning of the fiscal year.

The following table provides a 2022 and 2021 budget comparison:

| <b>Budget vs. Actual<br/>FY 2022</b>           |                      |                      |                        |
|--|----------------------|----------------------|------------------------|
|  | <u><b>Budget</b></u> | <u><b>Actual</b></u> | <u><b>Variance</b></u> |
| Revenues:                                      |                      |                      |                        |
| Operating                                      | 1,391,749            | 1,433,383            | 41,634                 |
| Non-Operating                                  | <u>66,799</u>        | <u>57,890</u>        | <u>(8,909)</u>         |
| Total Revenues                                 | <u>1,458,548</u>     | <u>1,491,273</u>     | <u>32,725</u>          |
| Expenses:                                      |                      |                      |                        |
| Operating                                      | 1,428,960            | 1,457,094            | 28,134                 |
| Non-Operating                                  | <u>29,588</u>        | <u>29,588</u>        | <u>0</u>               |
| Total Expenses                                 | <u>1,458,548</u>     | <u>1,486,682</u>     | <u>28,134</u>          |
| Income Before Depreciation<br>and Amortization | <u>0</u>             | <u>4,591</u>         | <u>4,591</u>           |

| <b>Budget vs. Actual<br/>FY 2021</b>           |                      |                      |                        |
|--|----------------------|----------------------|------------------------|
|  | <u><b>Budget</b></u> | <u><b>Actual</b></u> | <u><b>Variance</b></u> |
| Revenues:                                      |                      |                      |                        |
| Operating                                      | 1,414,831            | 1,410,279            | (4,552)                |
| Non-Operating                                  | <u>28,569</u>        | <u>25,029</u>        | <u>(3,540)</u>         |
| Total Revenues                                 | <u>1,443,400</u>     | <u>1,435,308</u>     | <u>(8,092)</u>         |
| Expenses:                                      |                      |                      |                        |
| Operating                                      | <u>1,443,400</u>     | <u>1,316,011</u>     | <u>(127,389)</u>       |
| Total Expenses                                 | <u>1,443,400</u>     | <u>1,316,011</u>     | <u>(127,389)</u>       |
| Income Before Depreciation<br>and Amortization | <u>0</u>             | <u>119,297</u>       | <u>119,297</u>         |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Budgetary Highlights (Continued)**

The HTMUA determines sewer and water charges based primarily on three separate cost elements. These cost elements include an annual operating charge imposed by the Sussex County Municipal Utilities Authority (SCMUA), an annual debt service charge imposed by the SCMUA, and an annual operating, maintenance and administration charge imposed by the Hardyston Township Municipal Utilities Authority. A public hearing is conducted annually in accordance with N.J.S.A. 40:14B.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

During 2022, the Authority's net property, plant and equipment at fiscal year-end was \$3,444,582. This is a \$220,762 decrease over last year's net property, plant and equipment of \$3,665,344.

A summary of the Authority's capital assets is presented in the following table:

**CAPITAL ASSETS**

|                                     | <u><b>FY2022</b></u>      | <u><b>FY2021</b></u>      | <u><b>FY2020</b></u>      |
|-------------------------------------|---------------------------|---------------------------|---------------------------|
| Forest Hill Village                 | \$1,723,276               | \$1,723,276               | \$1,723,276               |
| Crystal Springs                     | 3,653,419                 | 3,653,419                 | 3,653,419                 |
| Briar Crest                         | 368,935                   | 368,935                   | 368,935                   |
| HTMUA                               | <u>1,189,040</u>          | <u>1,240,801</u>          | <u>1,181,782</u>          |
| Total Property, Plant and Equipment | 6,934,670                 | 6,986,431                 | 6,927,412                 |
| Construction in Progress            |                           |                           | 0                         |
| Less: Accumulated Depreciation      | <u>(3,490,088)</u>        | <u>(3,321,087)</u>        | <u>(3,154,519)</u>        |
| Net Property, Plant and Equipment   | <u><b>\$3,444,582</b></u> | <u><b>\$3,665,344</b></u> | <u><b>\$3,772,893</b></u> |

As mentioned in Note 6 of the Notes to the Financial Statements, several contributed water and sewer systems are not included in the summary of the Authority's capital assets above.



**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
(UNAUDITED)**

**Capital Assets (Continued)**

The Authority's ongoing capital plan is reviewed each year by the Authority's consulting engineer. Notable future capital improvements are listed below:

|                                    |                  |
|------------------------------------|------------------|
| Various Water Capital Improvements | \$100,000        |
| Various Sewer Capital Improvements | <u>100,000</u>   |
|                                    | <u>\$200,000</u> |

**Economic Factors, Future Years Budgets and Rates**

The Commissioners and management of the Authority consider many factors when preparing each years budget and service charges. Two of the main factors are growth in the Authority's system and new regulations issued by the State and Federal governments.

**Contacting the Authority**

This financial report is designed to provide our customers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the fees it receives. If you have any questions about this report or need additional information, contact the Hardyston Township Municipal Utilities Authority, 149 Wheatsworth Road, Suite A, Hardyston, New Jersey 07419.

**Basic Financial Statements**

HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
STATEMENT OF NET POSITION  
AUGUST 31, 2022 AND 2021

| <u>ASSETS</u>                                    | <u>2022</u>        | <u>2021</u>        |
|--|--------------------|--------------------|
| Current Assets:                                  |                    |                    |
| Unrestricted:                                    |                    |                    |
| Cash and Cash Equivalents                        | 2,696,115          | 2,545,242          |
| Petty Cash                                       | 50                 | 50                 |
| Developer Fees Receivable                        | 5,288              |                    |
| Prepaid Expenses                                 | 9,753              | 9,115              |
| Water and Sewer Rents Receivable                 | 362,179            | 393,342            |
| Total Unrestricted Assets                        | <u>3,073,385</u>   | <u>2,947,749</u>   |
| Restricted:                                      |                    |                    |
| Cash and Cash Equivalents                        | 36,015             | 43,598             |
| NJIB Loan Receivable                             |                    | 84,840             |
| Total Restricted Assets                          | <u>36,015</u>      | <u>128,438</u>     |
| Capital Assets                                   |                    |                    |
| Water and Sewer System                           | 6,934,670          | 6,986,431          |
| Less: Accumulated Depreciation                   | <u>(3,490,088)</u> | <u>(3,321,087)</u> |
| Total Capital Assets                             | <u>3,444,582</u>   | <u>3,665,344</u>   |
| <b>TOTAL ASSETS</b>                              | <u>6,553,982</u>   | <u>6,741,531</u>   |
| <br><b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b> |                    |                    |
| Deferred Debits:                                 |                    |                    |
| Organizational Costs (Net of Amortization)       | <u>98,067</u>      | <u>112,076</u>     |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>      | <u>98,067</u>      | <u>112,076</u>     |

See accompanying notes to the financial statements.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2022 AND 2021**

|   | <u>2022</u>             | <u>2021</u>             |
|---|-------------------------|-------------------------|
| <b><u>LIABILITIES</u></b>                   |                         |                         |
| Current Liabilities:                        |                         |                         |
| Payable from Unrestricted Assets            |                         |                         |
| Accounts Payable and Accrued Liabilities    | 130,462                 | 125,578                 |
| Due to Swedeland Development Group, Inc.    | <u>7,400</u>            | <u>7,400</u>            |
| Total Payable from Unrestricted Liabilities | <u>137,862</u>          | <u>132,978</u>          |
| Payable from Restricted Assets              |                         |                         |
| Escrow Deposits Payable                     | 36,015                  | 43,598                  |
| NJIB Loan Payable                           | <u>      </u>           | <u>84,840</u>           |
| Total Payable from Restricted Liabilities   | <u>36,015</u>           | <u>128,438</u>          |
| <b>TOTAL LIABILITIES</b>                    | <u><u>173,877</u></u>   | <u><u>261,416</u></u>   |
| <b><u>NET POSITION</u></b>                  |                         |                         |
| Net Investment in Capital Assets            | 3,542,649               | 3,777,420               |
| Unrestricted:                               |                         |                         |
| Designated                                  | 1,912,563               | 1,831,214               |
| Undesignated                                | <u>1,022,960</u>        | <u>983,557</u>          |
| <b>TOTAL NET POSITION</b>                   | <u><u>6,478,172</u></u> | <u><u>6,592,191</u></u> |

See accompanying notes to the financial statements.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
COMPARATIVE STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**

|                                  | <u>2022</u>      | <u>2021</u>      |
|----------------------------------|------------------|------------------|
| Operating Revenues:              |                  |                  |
| Water and Sewer Rents            | 1,313,542        | 1,277,611        |
| Developer Fees                   | 57,252           | 56,436           |
| Miscellaneous                    | 62,589           | 76,232           |
|                                  | <u>1,433,383</u> | <u>1,410,279</u> |
| Operating Expenses:              |                  |                  |
| Cost of Providing Services       | 1,205,544        | 1,084,344        |
| Administrative and General       | 251,550          | 231,667          |
| Depreciation                     | 169,001          | 166,568          |
| Amortization                     | 14,009           | 14,010           |
|                                  | <u>1,640,104</u> | <u>1,496,589</u> |
| Operating Income                 | <u>(206,721)</u> | <u>(86,310)</u>  |
| Nonoperating Revenue (Expenses): |                  |                  |
| Interest on Investments          | 9,091            | 16,460           |
| Reimburse Prior Year Expense     | 42,656           |                  |
| Renewal and Replacement          | 40,955           |                  |
|                                  | <u>92,702</u>    | <u>16,460</u>    |
| Change in Net Position           | (114,019)        | (69,850)         |
| Net Position, September 1        | <u>6,592,191</u> | <u>6,662,041</u> |
| Net Position, August 31          | <u>6,478,172</u> | <u>6,592,191</u> |

See accompanying notes to the financial statements.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**

|   | <u>2022</u>             | <u>2021</u>             |
|---|-------------------------|-------------------------|
| <b>Cash Flows From Operating Activities:</b>      |                         |                         |
| Cash Received From:                               |                         |                         |
| Water and Sewer Rents                             | 1,344,705               | 1,229,705               |
| Developers Fees                                   | 51,964                  | 1,767,946               |
| Miscellaneous                                     | 62,589                  | 72,632                  |
| Cash Paid to Vendors and Employees                |                         |                         |
| Cost of Providing Services                        | (1,125,270)             | (2,796,395)             |
| Administrative and General                        | (251,550)               | (231,667)               |
| Net Cash Provided (Used) by Operating Activities: | <u>82,438</u>           | <u>42,221</u>           |
| <b>Cash Flows From Investing Activities:</b>      |                         |                         |
| Interest Received                                 | 9,091                   | 16,460                  |
| Indian Fields Settlement - Phase I                | 137,251                 |                         |
| Fixed Capital Additions                           | (85,490)                | (59,019)                |
| Net Cash Provided (Used) by Investing Activities: | <u>60,852</u>           | <u>(42,559)</u>         |
| Net Increase (Decrease) in Cash                   | 143,290                 | (338)                   |
| Cash and Cash Equivalents, Beginning of Year      | <u>2,588,840</u>        | <u>2,589,178</u>        |
| Cash and Cash Equivalents, End of Year            | <u><u>2,732,130</u></u> | <u><u>2,588,840</u></u> |
| <b>Cash and Cash Equivalents:</b>                 |                         |                         |
| Unrestricted                                      | 2,696,115               | 2,545,242               |
| Restricted  | 36,015                  | 43,598                  |
|   | <u><u>2,732,130</u></u> | <u><u>2,588,840</u></u> |

See accompanying notes to the financial statements.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**

|   | <b>2022</b>    | <b>2021</b>    |
|---|----------------|----------------|
| <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                |                |
| Operating Income (Loss)   | (206,721)      | (86,310)       |
| <b>Adjustments to Reconcile Net Income to Net Cash Used by Operating Activities:</b>                  |                |                |
| Depreciation  | 169,001        | 166,568        |
| Amortization  | 14,009         | 14,010         |
| Renewal and Replacement   | 40,955         |                |
| Reimburse Prior Year Expense  | 42,656         |                |
| (Increase)/Decrease in Due from Developers  | (5,288)        | 1,711,510      |
| (Increase)/Decrease in Accounts Receivable  | 31,163         | (47,906)       |
| (Increase)/Decrease in Prepaid Expenses   | (638)          | (46)           |
| Increase/(Decrease) in Deferred Revenue   |                | (3,600)        |
| Increase/(Decrease) in Accounts Payable   | 4,884          | (1,710,606)    |
| Increase/(Decrease) in Escrow Deposits Payable  | (7,583)        | (1,399)        |
| <b>Total Adjustments</b>  | <b>289,159</b> | <b>128,531</b> |
| <b>Net Cash Used by Operating Activities</b>  | <b>82,438</b>  | <b>42,221</b>  |

See accompanying notes to the financial statements.

**Notes to Financial Statements**



**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2022 AND 2021**

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

**A. Basis of Accounting:**

The financial statements of the Hardyston Township Municipal Utilities Authority (Authority) have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, provided that they do not conflict with or contradict GASB pronouncements. The more significant of the Authority's accounting policies are described below.

On September 1, 2012, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which amends the net asset reporting requirement of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and other pronouncements by incorporating deferred outflows from resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The classifications of net position are defined as follows:

- *Net investment in Capital Assets* - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are any significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather that portion of the debt is included in the same net position component as the unspent proceeds.
- *Restricted* - This component of net position consists of constraints placed on net position used through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Organization:**

The Hardyston Township Municipal Utilities Authority was created pursuant to the Municipal Utilities Law, N.J.S.A. 40:14B-1 et seq. on September 17, 1985. The Authority shall have and exercise all of the powers and perform all of the duties provided for by the Municipal Utilities Authority Law within the territorial boundaries of the Township of Hardyston in the County of Sussex, New Jersey.

The Authority's fiscal year is the twelve-month period ending August 31, on any year, or such other twelve-month period, which the Authority may establish by Resolution.

The ordinance creating the Authority provides that the Authority's governing body shall consist of five members each appointed by the Township Committee for a term of 5 years and who serve until a successor is appointed.

**C. Component Unit:**

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit would be or is reported in a separate column in the financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unity within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**C. Component Unit:(continued)**

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Based upon the application of these criteria, the Authority has no component units.

**D. Inventories of Materials and Supplies:**

Since the cost of inventories of materials and supplies is not material to the financial statements, it is recorded as an expenditure at the time the individual item is purchased. The cost of inventories of materials and supplies is not included on the balance sheet.

**E. Organization Costs:**

All costs incurred prior to the Authority beginning operations were capitalized. These costs are being amortized over a period of 40 years using the straight-line method.

**F. Operations:**

Prior to August 31, 1990 revenues and expenses related to all the developers were capitalized to contributed capital and organization costs respectively. Subsequent to August 31, 1990 all revenues and expenses are shown as operating.

**G. Property and Depreciation:**

Property received as a contribution is stated at cost on the date received.

Depreciation is computed using the straight-line method over the following estimated useful lives:

|                          |          |
|--------------------------|----------|
| Sewer Lines              | 75 Years |
| Sewer Pump Station       | 40 Years |
| Water System             | 75 Years |
| Water Mains              | 75 Years |
| Wells                    | 75 Years |
| Water Tanks              | 75 Years |
| Water Treatment Building | 75 Years |
| Well Pump House          | 75 Years |
| Service Meters           | 25 Years |
| Equipment                | 5 Years  |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**G. Property and Depreciation: (continued)**

Depreciation on assets acquired with contributed capital is recorded as a reduction of contributed capital.

**H. Allowance for Doubtful Accounts:**

The Authority does not provide for an allowance for doubtful accounts. The Authority believes that all accounts will eventually be collected either through the lien or foreclosure process. The Authority also has a water shut off procedure in place to compel collections.

**I. Use of Estimates:**

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates and assumptions include depreciation expense. Actual results could differ from those estimates.

**J. Budgetary Procedures:**

The Authority follows these procedures in establishing the Operating Fund budget:

The annual budget for each fiscal year of the Authority is introduced by resolution passed by not less than a majority of the governing body. Three certified copies are submitted to the director of the Division of Local

Government Services at least 60 days prior to the beginning of the Authority's fiscal year for approval prior to its adoption.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**J. Budgetary Procedures: (continued)**

The budget must comply with the terms and provisions of any security agreements, and is to be in such form and detail as to items of revenue, expenses and other contents as required by law or by rules and regulations of the Local Finance Board.

No Authority budget can be finally adopted until the Director has approved the budget.

Public hearings are conducted to obtain citizen comment on the proposed budget.

Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

The level at which expenses cannot exceed the budget is at the total budget level.

The budget may be increased after adoption when an item of revenue has been made available after the adoption date (N.J.S.A. 5:31-2.8).

**K. Cash, Cash Equivalents and Investments:**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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 Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks 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 full amount of their deposits to the Governmental Units.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**K. Cash, Cash Equivalents and Investments: (continued)**

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

**L. Recent Accounting Pronouncements:**

In August 2018, the Government Accounting Standards Board issued GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The Authority does not believe this Statement will have any effect on future financial statements.

In May 2019, the Government Accounting Standards Board issued GASB Statement No. 91, Conduit Debt Obligations. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020. The Authority believes this Statement will not affect future financial statements.

In January 2020, the Government Accounting Standards Board issued GASB Statement No. 92, Omnibus. This Statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions. The Authority does not believe this Statement will have any effect on future financial statements.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**L. Recent Accounting Pronouncements: (continued)**

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 93, Replacement of Interbank Offering Rates. The objective of this Statement is to address certain issues with Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, Statement No. 87, *Leases*, as amended and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement are effective for fiscal years beginning after June 15, 2020. The Authority does not believe this Statement will have any effect on future financial statements.

In March 2020, the Government Accounting Standards Board issued GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority does not believe this Statement will have any effect on future financial statements.

In May 2020, the Government Accounting Standards Board issued GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**L. Recent Accounting Pronouncements: (continued)**

Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; Statement No. 90, *Majority Equity Interests*; Statement No. 91, *Conduit Debt Obligations*; Statement No. 92, *Omnibus 2020*; Statement No. 93, *Replacement of Interbank Offered Rates*; Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*; Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*; Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*; Implementation Guide No. 2019-2, *Fiduciary Activities*. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, *Leases*; Implementation Guide No. 2019-3, *Leases*. The requirements of this Statement are effective immediately.

In May 2020, the Government Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022. The Authority is still determining the effects, if any, this statement will have on future financial statements.

In June 2020, the Government Accounting Standards Board issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government



**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**L. Recent Accounting Pronouncements: (continued)**

performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Authority is currently reviewing what effect, if any, this Statement might have on future financial statements.

In October 2021, the Government accounting Standards Board issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes term *annual comprehensive financial report* and its acronym ACFR. That new term and acronym replace instances of *annual comprehensive financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of the Statement are effective for fiscal years ending after December 15, 2021, though earlier application is encouraged. The Authority has reviewed this Statement and does not believe it will impact future financial reporting.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes change funds, petty cash, amounts in deposits, and short term investments with original maturities of three months or less.

As of August 31, 2022 and 2021, cash and cash equivalents of the Hardyston Township Municipal Utilities Authority consisted of the following:

|                            | <u>2022</u>        | <u>2021</u>        |
|----------------------------|--------------------|--------------------|
| Cash and Cash Equivalents: |                    |                    |
| Checking Accounts          | <u>\$2,732,130</u> | <u>\$2,588,840</u> |
| Analysis:                  |                    |                    |
| Unrestricted Accounts      | \$2,696,115        | \$2,545,242        |
| Restricted Accounts        | <u>36,015</u>      | <u>43,598</u>      |
|                            | <u>\$2,732,130</u> | <u>\$2,588,840</u> |

**Deposits**

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

**New Jersey Cash Management Fund**

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of August 31, 2022 and 2021, the Authority had \$-0- on deposit with the New Jersey Cash Management Fund.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The Authority's policy is based on New Jersey statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in a qualified investment established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of August 31, 2022, \$-0- of the Authority's bank balance of \$2,732,424 was exposed to custodial risk. As of August 31, 2022 and 2021, the Authority did not hold any investments.

**Interest Rate Risk**

The Authority 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. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investment maturities to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America or the local unit or school districts of which the local unit is part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Authority places no limit on the amount it may invest in any one issuer.

**NOTE 3. ESCROW FUNDS**

These funds are restricted to the expenditures related to a specified developer and can be used for no other purpose.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 4. DEVELOPERS' FEES**

Developers' fees receivable at August 31, 2022 and 2021 are as follows:

|                 | <u>2022</u>    | <u>2021</u> |
|-----------------|----------------|-------------|
| Crystal Springs | <u>\$5,288</u> | <u>\$0</u>  |

**NOTE 5. LOAN RECEIVABLE**

**New Jersey Infrastructure Bank**

On August 6, 2018, the Authority adopted a resolution authorizing the issuance of a not to exceed \$100,000 note for the Asset Management Plan Project. On September 12, 2018, the NJIB issued a note for this project in the amount of \$84,840. As of August 31, 2022, the Authority had drawn down a portion of the loan and the remainder was cancelled. NJIB loans receivable as of August 31, 2022 and 2021 is as follows:

|                      | Balance at<br><u>8/31/21</u> | Add:<br>Loans<br><u>Authorized</u> | Less:<br>Loans Received<br><u>and Cancelled</u> | Balance at<br><u>8/31/22</u> |
|----------------------|------------------------------|------------------------------------|---|------------------------------|
| NJIB Loan Receivable | <u>\$84,840</u>              | <u>\$0</u>                         | <u>\$84,840</u>                                 | <u>\$0</u>                   |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 6. PROPERTY, PLANT AND EQUIPMENT**

Reference is made to Note 1 for information related to property. Property, plant and equipment as of August 31, 2022 and 2021, respectively, is as follows:

**Forest Hill Village**

|                           | <u>2021</u>      | <u>Additions</u> | <u>Deletions</u> | <u>2022</u>      |
|---------------------------|------------------|------------------|------------------|------------------|
| Sewer Lines               | 320,918          |                  |                  | 320,918          |
| Sewer Pump Station        | 122,154          |                  |                  | 122,154          |
| Water System              | 234,862          |                  |                  | 234,862          |
| Water Mains               | 317,149          |                  |                  | 317,149          |
| Wells                     | 67,373           |                  |                  | 67,373           |
| Water Tank                | 414,586          |                  |                  | 414,586          |
| Water Treatment Building  | 61,365           |                  |                  | 61,365           |
| Water Tank Improvement    | 180,200          |                  |                  | 180,200          |
| Well Pump House           | 4,669            |                  |                  | 4,669            |
| Total Forest Hill Village | <u>1,723,276</u> |                  |                  | <u>1,723,276</u> |

**Crystal Springs**

|                                 | <u>2021</u>      | <u>Additions</u> | <u>Deletions</u> | <u>2022</u>      |
|---------------------------------|------------------|------------------|------------------|------------------|
| Water Lines                     | 487,540          |                  |                  | 487,540          |
| Water Tank                      | 901,261          |                  |                  | 901,261          |
| Water Hydrants                  | 74,442           |                  |                  | 74,442           |
| Water Service Connection        | 128,538          |                  |                  | 128,538          |
| Water Treatment Building/System | 91,405           |                  |                  | 91,405           |
| Transfer Lines                  | 100,101          |                  |                  | 100,101          |
| Wells                           | 181,487          |                  |                  | 181,487          |
| Well House/Pump                 | 183,613          |                  |                  | 183,613          |
| Sewer Lines                     | 842,973          |                  |                  | 842,973          |
| Manhole                         | 139,432          |                  |                  | 139,432          |
| Sewer Pump Station              | 166,280          |                  |                  | 166,280          |
| Sewer Lift Station              | 200,883          |                  |                  | 200,883          |
| Sewer Service Connection        | 38,320           |                  |                  | 38,320           |
| Emergency Generators            | 63,264           |                  |                  | 63,264           |
| Equipment                       | 53,880           |                  |                  | 53,880           |
| Total Crystal Springs           | <u>3,653,419</u> |                  |                  | <u>3,653,419</u> |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 6. PROPERTY, PLANT AND EQUIPMENT, (continued)**

**Briar Crest**

|                            | <u>2021</u>    | <u>Additions</u> | <u>Deletions</u> | <u>2022</u>    |
|----------------------------|----------------|------------------|------------------|----------------|
| Water Pipes                | 56,250         |                  |                  | 56,250         |
| Water Valves / Valve Boxes | 4,200          |                  |                  | 4,200          |
| Water Hydrants             | 8,800          |                  |                  | 8,800          |
| Water Service Connection   | 37,800         |                  |                  | 37,800         |
| Sewer Pipe                 | 91,525         |                  |                  | 91,525         |
| Sewer Equipment            | 4,000          |                  |                  | 4,000          |
| Manhole                    | 21,000         |                  |                  | 21,000         |
| Emergency Generator        | 15,000         |                  |                  | 15,000         |
| Sewer Pumps                | 10,000         |                  |                  | 10,000         |
| Lift Stations              | 75,000         |                  |                  | 75,000         |
| Sewer Service Connection   | 45,360         |                  |                  | 45,360         |
|                            | <u>368,935</u> |                  |                  | <u>368,935</u> |

**HTMUA**

|                                     | <u>2021</u>             | <u>Additions</u>       | <u>Deletions</u>      | <u>2022</u>             |
|-------------------------------------|-------------------------|------------------------|-----------------------|-------------------------|
| Watersphered Tank/Indian Fields     | 1,094,042               | 40,955                 | 137,251               | 997,746                 |
| Sewer System Improvements           |                         | 44,535                 |                       | 44,535                  |
| Truck                               | 43,144                  |                        |                       | 43,144                  |
| Equipment                           | 103,615                 | 0                      |                       | 103,615                 |
| Construction in Progress            | 0                       |                        |                       | 0                       |
| Total Property, Plant and Equipment | <u>6,986,431</u>        | <u>85,490</u>          | <u>137,251</u>        | <u>6,934,670</u>        |
| Accumulated Depreciation            | <u>(3,321,087)</u>      | <u>(169,001)</u>       |                       | <u>(3,490,088)</u>      |
| Net Property, Plant and Equipment   | <u><u>3,665,344</u></u> | <u><u>(83,511)</u></u> | <u><u>137,251</u></u> | <u><u>3,444,582</u></u> |

The Authority has several contributed water and sewer systems that have not been valued or included in the above list of Property, Plant and Equipment as of August 31, 2022. The Authority is currently working with the original contributing developers to determine a value of these contributed capital assets.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**AUGUST 31, 2022 AND 2021**

**NOTE 7. ORGANIZATION COSTS**

Net organization costs which are listed below totaled \$98,067 and \$112,076 as of August 31, 2022 and 2021, respectively. See Note 1 regarding the amortization of organization costs.

| <u>Organization Costs</u>          | <u>2022</u>      | <u>2021</u>      |
|------------------------------------|------------------|------------------|
| Secretary                          | \$8,584          | \$8,584          |
| Postage                            | 65               | 65               |
| Accounting                         | 30,258           | 30,258           |
| Legal                              | 44,886           | 44,886           |
| Engineering                        | 34,668           | 34,668           |
| Service Contract – SCMUA           | 319,926          | 319,926          |
| Reimbursement Franklin & Hamburg   | 84,271           | 84,271           |
| Office Supplies                    | 1,365            | 1,365            |
| Legal Advertising                  | 360              | 360              |
| Bank Charges                       | 87               | 87               |
| Insurance                          | 5,785            | 5,785            |
| Fees and Permits                   | 121              | 121              |
| Equipment Reserves                 | <u>30,000</u>    | <u>30,000</u>    |
| Total Organization Costs           | 560,376          | 560,376          |
| <br>                               |                  |                  |
| Amortization of Organization Costs | <u>(462,309)</u> | <u>(448,300)</u> |
| <br>                               |                  |                  |
| Net Organization Costs             | <u>\$98,067</u>  | <u>\$112,076</u> |

**NOTE 8. CONTRIBUTED CAPITAL**

Contributed Capital which is listed below was contributed by the Developers and totaled \$3,173,731 and \$3,320,580 as of August 31, 2022 and 2021, respectively.

|  | <u>2022</u>        | <u>2021</u>        |
|--|--------------------|--------------------|
| Contributed Capital – Cash                         |                    |                    |
| Brotherhood Construction                           | \$284,459          | \$284,459          |
| Crystal Springs                                    | 383,453            | 383,453            |
| Fitzgibbons/Dautel                                 | 24,484             | 24,484             |
| Contributed Capital – Property                     |                    |                    |
| Brotherhood Construction                           | 1,543,076          | 1,543,076          |
| Briar Crest  | 368,935            | 368,935            |
| Crystal Springs                                    | <u>3,636,207</u>   | <u>3,636,207</u>   |
|  | 6,240,614          | 6,240,614          |
| Less: Accumulated Depreciation<br>and Amortization | <u>(3,066,883)</u> | <u>(2,920,034)</u> |
| <br>   |                    |                    |
| Net Contributed Capital                            | <u>\$3,173,731</u> | <u>\$3,320,580</u> |

As mentioned in Note 6, several contributed water and sewer plants are not included in the list above.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 9. DEVELOPER'S AGREEMENTS**

On April 12, 1995, the Authority entered into a developer agreement with the HFH Development Corp. for operation of the Indian Fields water and sewer system. One of the major financial provisions of this agreement is as follows:

“Recognizing that there are operating and maintenance costs of the Authority which must be subsidized, which costs directly related to Developer’s specific project, as well as other administration costs such as payments for insurance coverage, salary of employees, amounts to independent contractors for billing, and portions of charges from professionals such as the auditor, attorney, engineer, it is agreed by Developer to pay its proportionate share of all operating, maintenance, and administration costs until completion of the project. Developer and the owner of the project formerly known as Crystal Springs and the development owned by Anton Pilz shall be obligated to pay such costs in the proportion that their respective approved flows as set forth in their approved CP-1 application form bear to the total of such costs and expenses less the revenues in the form of water and sewer rents or charges received from unit owners in the project known as Indian Fields at Hardyston and Forest Hill Estates. It is further agreed that if any Developer advances more than his, her or its pro-rata share, such developer shall be entitled to contribution from the others of the excess amount so paid, said adjustment to be made by the Authority in the form of an assessment. Developer agrees to pay any such assessment designed to equalize the contributions between the Developers. No Developer shall be entitled to contribution among any other person, firm or corporation contracting with the Authority for sewer service.

If either this Agreement or any Agreement with either of the other Developers is annulled or terminated for any reason, the remaining Developer or Developers shall pay all such assessments and contributions as set forth above, but the obligation to make payments shall be reduced pro tanto by the amount of service charges and other revenue received from customers.”

On May 10, 1995, a similar agreement was entered into with C.S. Acquisition for the operation of the Crystal Springs water and sewer system.

The Authority, by resolution at its September 12, 1990 meeting entered into an agreement with Riverdale Quarry Co., Inc. for the operation and ownership of a fire protection system to service the industrial buildings to be located within the North Church Technical Center subdivision.



**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 9. DEVELOPER'S AGREEMENTS, (continued)**

On September 9, 1992 the Authority revoked 10,000 gpd of sewer allocations from Dautel and reallocated the allocation to Anton Pilz, subject to the condition that he enter into a developer's agreement with the Authority and make all payments therein specified. The Authority adopted, at its December 9, 1992 meeting, a developer's agreement similar to the agreement with HFH Development Corp. and C.S. Acquisitions.

On July 7, 1999 the Authority entered into a developers agreement with Sussex National Development, Inc. ("Developer"). The Authority has applied for sewer flow allocation in the amount of 125,000 gpd from the Borough of Franklin ("Borough") and has paid a reservation fee of \$3.17 per gallon or \$396,250 to the Borough. The final sewer allocation will be obtained upon payment of a transfer fee in accordance with the ordinance of the Borough and the Reservation Agreement between the Borough and the Authority. All reservation and sewer allocation fees are being paid by the developer to the Authority.

On August 13, 2003, the HTMUA reserved 17,000 gpd and 8,000 gpd of sewer capacity allocations into the SCMUA's Upper Wallkill System for Wallkill Valley and the YMCA, respectively. These reservations are subject to conditions entered into a developers agreement with the Authority that was adopted at it's August 13, 2003 meeting. Some of the major provisions of this agreement require the Authority to collect the following annual payments from developers on a quarterly basis. These payments are paid quarterly by the HTMUA to the Borough of Franklin.

At a meeting held on February 28, 2007, the Authority passed a resolution regarding a Sewer System Agreement with High Ridge Properties, L.L.C. regarding the acquisition of 25,000 gallons per day of sewage allocation from the Borough of Sussex and a written agreement with High Ridge for the development, construction, management and use of a sanitary sewage collection system.

In April 2012, judgment was in favor of the Authority against Beaver Run Shopping Center, LLC. This case was consolidated with the below-referenced High Ridge litigation.

In June 2012, judgment was in favor of the Authority against High Ridge Properties, LLC in the amount of \$350,092 plus counsel fees. As of the year end 2020, the Authority has not received any payment. After actively working with the Hardyston Township tax collector and current lienholder of HRP for collection, the balance was deemed uncollectible and the Authority wrote off the amount due from HRP as of August 31, 2021. As a result of this action the 25,000 gallons per day of the allocation has reverted back to the Authority.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 10. LOAN PAYABLE**

**New Jersey Infrastructure Bank**

On August 6, 2018, the Authority adopted a resolution authorizing the issuance of a not to exceed \$100,000 note for the Asset Management Plan Project. On September 12, 2018, the NJIB issued a note for this project in the amount of \$84,840. As of August 31, 2022, the Authority had drawn down a portion of this loan and cancelled the remainder. NJIB loans payable as of August 31, 2022 and 2021 is as follows:

|                      | Balance at<br><u>8/31/21</u> | <u>Issued</u> | <u>Repayments<br/>and Cancelled</u> | Balance at<br><u>8/31/22</u> |
|----------------------|------------------------------|---------------|-------------------------------------|------------------------------|
| NJIB Loan Receivable | <u>\$84,840</u>              | <u>\$0</u>    | <u>\$84,840</u>                     | <u>\$0</u>                   |

**NOTE 11. OTHER MATTERS**

The Authority currently services 360 customers at its Indian Field water and sewer system and 981 at its Crystal Springs water and sewer system. The Authority is able to finance the operating cost of these systems through water and sewer charges and its developers' agreements (see Note 9 for more information) until such time as the development is substantially completed.

On June 4, 2021, Governor Phil Murphy signed Executive Order No. 244 ending the State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the overall effects of the COVID-19 are unknown, however national delays in supply chains and inflationary factors have begun to affect the Authority's cost of providing services. The Authority will continue to monitor the situation closely.

**NOTE 12. RISK MANAGEMENT**

The Hardyston Township Municipal Utilities Authority 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 disaster.

**Property and Liability Insurance**

The Authority is currently a member of the Statewide Insurance Fund, a public entity insurance fund that provides members with Property, Liability and Worker's Compensation Insurance.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
AUGUST 31, 2022 AND 2021**

**NOTE 13. UNRESTRICTED – DESIGNATED NET POSITION**

As mentioned in Note 1, GASB No.34 classifies net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt as “unrestricted”. Of this amount unrestricted, the Authority has designated for the following reserves:

|  | <u>2022</u>        | <u>2021</u>        |
|--|--------------------|--------------------|
| <u>Reserve for Renewal and Replacement</u> | \$1,800,770        | \$1,815,717        |
| Reserve for As Builts and Conveyance       | 96,296             | 0                  |
| Reserve for Purchase of Equipment          | <u>15,497</u>      | <u>15,497</u>      |
|  | <u>\$1,912,563</u> | <u>\$1,831,214</u> |

**NOTE 14. COMMITMENTS AND CONTINGENCIES**

The Authority has committed the 477,000 GPD of capacity it has received from the Sussex County Municipal Utilities Authority as follows:

|                     |                  |
|---------------------|------------------|
| Indian Fields       | \$89,500         |
| Crystal Springs     | 327,500          |
| YMCA                | 10,000           |
| Wallkill Valley RHS | 17,000           |
| HTMUA               | <u>8,000</u>     |
|                     | <u>\$452,000</u> |

**NOTE 15. SUBSEQUENT EVENTS**

The Hardyston Township Municipal Utilities Authority has evaluated subsequent events through December 20, 2022, the date which the financial statements were available to be issued. On September 12, 2022, the Authority adopted a resolution authorizing changes to the water and wastewater service rates. These changes went into effect October 1, 2022.

**Supplementary Schedules**

**SCHEDULE 1**

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 NET POSITION - RESTRICTED AND UNRESTRICTED  
 FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**

|   | Net Investment<br>in Capital<br>Assets | Unrestricted               |  |                      | Total (Memo)     |                  |
|---|--|----------------------------|--|----------------------|------------------|------------------|
|   |  | Renewal and<br>Replacement | Designated<br>As Built and<br>Conveyance | Equipment<br>Reserve | Undesignated     | 2022             |
| <b>Operating Revenues:</b>                    |  |                            |  |                      |                  |                  |
| Water and Sewer                               |  |                            | 1,313,542                                |                      | 1,313,542        | 1,277,611        |
| Developer Fees                                |  |                            | 57,252                                   |                      | 57,252           | 56,436           |
| Miscellaneous                                 |  |                            | 62,589                                   |                      | 62,589           | 76,232           |
| <b>Total Operating Revenues</b>               |  |                            | <b>1,433,383</b>                         |                      | <b>1,433,383</b> | <b>1,410,279</b> |
| <b>Operating Expenses:</b>                    |  |                            |  |                      |                  |                  |
| Costs of Providing Services                   |  |                            | 1,205,544                                |                      | 1,205,544        | 1,084,344        |
| Administrative and General                    | 169,001                                |                            | 251,550                                  |                      | 251,550          | 231,667          |
| Depreciation                                  | 14,009                                 |                            |  |                      | 169,001          | 166,568          |
| Amortization                                  |  |                            |  |                      | 14,009           | 14,010           |
| <b>Total Operating Expenses</b>               | <b>183,010</b>                         |                            | <b>1,457,094</b>                         |                      | <b>1,640,104</b> | <b>1,496,589</b> |
| <b>Operating Income (Loss)</b>                | <b>(183,010)</b>                       |                            | <b>(23,711)</b>                          |                      | <b>(206,721)</b> | <b>(86,310)</b>  |
| <b>Non-Operating Revenue (Expenses):</b>      |  |                            |  |                      |                  |                  |
| Interest Income                               |  |                            | 9,091                                    |                      | 9,091            | 16,460           |
| Indian Fields Settlement - Phase I            | (137,251)                              |                            | 137,251                                  |                      |                  |                  |
| Reimburse Prior Year Expense                  |  |                            | 42,656                                   |                      | 42,656           |                  |
| Reserve for As Built and Conveyance           |  |                            | (96,296)                                 |                      | (96,296)         |                  |
| Renewal and Replacement (net)                 | 85,490                                 | (14,947)                   |  |                      | 40,955           |                  |
| <b>Total Non-Operating Revenue (Expenses)</b> | <b>(51,761)</b>                        | <b>(14,947)</b>            | <b>96,296</b>                            | <b>63,114</b>        | <b>92,702</b>    | <b>16,460</b>    |
| <b>Increase/(Decrease) in Net Position</b>    | <b>(234,771)</b>                       | <b>(14,947)</b>            | <b>96,296</b>                            | <b>39,403</b>        | <b>(114,019)</b> | <b>(69,850)</b>  |
| <b>Net Position - September 1,</b>            | <b>3,777,420</b>                       | <b>1,815,717</b>           |  | <b>15,497</b>        | <b>6,592,191</b> | <b>6,662,041</b> |
| <b>Net Position - August 31,</b>              | <b>3,542,649</b>                       | <b>1,800,770</b>           | <b>96,296</b>                            | <b>1,022,960</b>     | <b>6,478,172</b> | <b>6,592,191</b> |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
 SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS  
 AND CHANGES IN CASH AND CASH EQUIVALENTS  
 FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021**

|  | HTMUA<br>Operating<br>Account | Renewal and<br>Replacement<br>Account | Escrow<br>Account | Total (Memo)<br>2022 | 2021             |
|--|-------------------------------|---------------------------------------|-------------------|----------------------|------------------|
| <b>Cash and Cash Equivalents - September 1,</b>  | 833,126                       | 1,712,116                             | 43,598            | 2,588,840            | 2,589,178        |
| <b>Cash Receipts:</b>                            |                               |                                       |                   |                      |                  |
| Contributions/Developers Fees                    | 57,252                        |                                       |                   | 57,252               | 73,772           |
| Interest Income                                  | 4,748                         | 4,254                                 | 89                | 9,091                | 16,460           |
| Water and Sewer Rents                            | 1,344,705                     |                                       |                   | 1,344,705            | 1,247,625        |
| Developers Deposits                              |                               |                                       | 9,000             | 9,000                | 34,580           |
| Indian Fields Settlement - Phase I               | 137,251                       |                                       |                   | 137,251              | 34,581           |
| Miscellaneous                                    | 62,589                        |                                       |                   | 62,589               | 76,014           |
| Transfers  | 32,146                        |                                       |                   | 32,146               | 489,751          |
| <b>Total Cash and Cash Equivalents Available</b> | <b>2,471,817</b>              | <b>1,716,370</b>                      | <b>52,687</b>     | <b>4,240,874</b>     | <b>4,561,961</b> |
| <b>Cash Disbursements:</b>                       |                               |                                       |                   |                      |                  |
| Operations                                       | 1,476,598                     | 15,474                                | 16,672            | 1,476,598            | 1,448,789        |
| Transfers  |                               |                                       |                   | 32,146               | 489,751          |
| <b>Total Cash Disbursements</b>                  | <b>1,476,598</b>              | <b>15,474</b>                         | <b>16,672</b>     | <b>1,508,744</b>     | <b>1,938,540</b> |
| <b>Cash and Cash Equivalents - August 31,</b>    | <b>995,219</b>                | <b>1,700,896</b>                      | <b>36,015</b>     | <b>2,732,130</b>     | <b>2,623,421</b> |
| <b>Balance Comprised of:</b>                     |                               |                                       |                   |                      |                  |
| Cash and Cash Equivalents                        | 995,219                       | 1,700,896                             | 36,015            | 2,732,130            | 2,588,840        |
|  | 995,219                       | 1,700,896                             | 36,015            | 2,732,130            | 2,588,840        |
| Unrestricted                                     | 995,219                       | 1,700,896                             | 36,015            | 2,696,115            | 2,545,242        |
| Restricted                                       | 995,219                       | 1,700,896                             | 36,015            | 36,015               | 43,598           |
|  | 995,219                       | 1,700,896                             | 36,015            | 2,732,130            | 2,588,840        |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF OPERATING REVENUES AND COST FUNDED BY OPERATING  
REVENUES COMPARED TO BUDGET YEAR ENDED AUGUST 31, 2022  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED AUGUST 31, 2021**

|   | <b>2022</b>      | <b>2022</b>                          | <b>2022</b>      | <b>2021</b>      |
|---|------------------|--------------------------------------|------------------|------------------|
|   | <b>Budget</b>    | <b>Budget After<br/>Modification</b> | <b>Actual</b>    | <b>Actual</b>    |
| <b>Revenues:</b>                            |                  |                                      |                  |                  |
| Retained Earnings                           | 22,809           | 48,799                               | 48,799           | 8,569            |
| Developer Fees                              | 51,453           | 51,453                               | 57,252           | 56,436           |
| Interest on Investments                     | 18,000           | 18,000                               | 9,091            | 16,460           |
| User Charges and Fees                       | 1,289,296        | 1,289,296                            | 1,313,542        | 1,277,611        |
| Miscellaneous                               | 51,000           | 51,000                               | 62,589           | 76,232           |
| <b>Total Revenues</b>                       | <b>1,432,558</b> | <b>1,458,548</b>                     | <b>1,491,273</b> | <b>1,435,308</b> |
| <b>Expenditures:</b>                        |                  |                                      |                  |                  |
| <b>Cost of Providing Services:</b>          |                  |                                      |                  |                  |
| Fees, Permits and Dues                      | 8,000            | 8,000                                | 7,367            | 6,267            |
| Contracted Operators                        | 227,750          | 227,750                              | 226,176          | 218,579          |
| Electricity                                 | 69,000           | 69,000                               | 78,361           | 66,774           |
| Natural Gas                                 | 3,500            | 3,500                                | 4,159            | 3,745            |
| Lab Testing                                 | 16,000           | 16,000                               | 26,970           | 24,650           |
| Materials & Repairs                         | 110,000          | 135,990                              | 161,101          | 86,622           |
| Service Contract - SCMUA                    | 660,000          | 660,000                              | 666,836          | 650,619          |
| Chemicals                                   | 20,000           | 20,000                               | 20,829           | 18,303           |
| Alarm System                                | 7,500            | 7,500                                | 13,745           | 8,785            |
| <b>Sub-total Cost of Providing Services</b> | <b>1,121,750</b> | <b>1,147,740</b>                     | <b>1,205,544</b> | <b>1,084,344</b> |
| <b>Administrative and General:</b>          |                  |                                      |                  |                  |
| Interlocal Service Agreement-Hardyston      | 119,720          | 119,720                              | 119,738          | 116,719          |
| Accounting and Auditing                     | 24,000           | 24,000                               | 20,991           | 19,113           |
| Legal Fees                                  | 42,000           | 42,000                               | 14,248           | 16,602           |
| Engineering Fees                            | 50,000           | 50,000                               | 51,273           | 43,094           |
| Stationary and Supplies                     | 2,500            | 2,500                                | 3,061            | 1,737            |
| Insurance                                   | 28,000           | 28,000                               | 28,620           | 27,298           |
| Postage                                     | 5,000            | 5,000                                | 3,803            | 3,832            |
| Miscellaneous                               | 4,000            | 4,000                                | 4,902            |                  |
| Computer Software                           | 6,000            | 6,000                                | 4,914            | 3,272            |
| <b>Sub-total Administrative and General</b> | <b>281,220</b>   | <b>281,220</b>                       | <b>251,550</b>   | <b>231,667</b>   |
| <b>Reserves:</b>                            |                  |                                      |                  |                  |
| Renewal and Replacement                     | 29,588           | 29,588                               | 29,588           |                  |
| <b>Sub-total Reserves</b>                   | <b>29,588</b>    | <b>29,588</b>                        | <b>29,588</b>    |                  |
| <b>Total Expenditures</b>                   | <b>1,432,558</b> | <b>1,458,548</b>                     | <b>1,486,682</b> | <b>1,316,011</b> |

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
 SCHEDULE OF OPERATING REVENUES AND COST FUNDED BY OPERATING  
 REVENUES COMPARED TO BUDGET YEAR ENDED AUGUST 31, 2022  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED AUGUST 31, 2021**

|   | <u>2022<br/>Budget</u> | <u>2022<br/>Budget After<br/>Modification</u> | <u>2022<br/>Actual</u>  | <u>2021<br/>Actual</u> |
|---|------------------------|---|-------------------------|------------------------|
| <b>Excess or (Deficit)</b>  |                        |   | 4,591                   | 119,297                |
| <b>Reconciliation of Budgetary Basis to GAAP:</b>                   |                        |   |                         |                        |
| Renewal and Replacement, net  |                        |   | (14,947)                | (59,019)               |
| Capitalization of Various Projects                                  |                        |   | 85,490                  | 46,253                 |
| Capitalization of Water Tank Project<br>to Construction in Progress |                        |   |                         | 12,766                 |
| Reimburse Prior Year Expense  |                        |   | 42,656                  |                        |
| Retained Earnings   |                        |   | (48,799)                | (8,569)                |
| Depreciation Expense  |                        |   | (169,001)               | (166,568)              |
| Amortization  |                        |   | (14,009)                | (14,010)               |
| <b>Total Adjustments</b>  |                        |   | <u>(118,610)</u>        | <u>(189,147)</u>       |
| <b>Change in Net Position</b>                                       |                        |   | <u><u>(114,019)</u></u> | <u><u>(69,850)</u></u> |



**SCHEDULE 4**

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF CAPITAL FINANCING SOURCES AND COSTS  
FUNDED BY CAPITAL FINANCING SOURCES COMPARED TO BUDGET**

|  | <u>2022<br/>Budget</u> | <u>2022<br/>Budget After<br/>Modification</u> | <u>2022<br/>Actual</u> | <u>2021<br/>Actual</u> |
|--|------------------------|---|------------------------|------------------------|
| <b>Capital Financing Sources:</b>                          |                        |   |                        |                        |
| Renewal & Replacement Reserve                              | 200,000                | 236,275                                       | 44,535                 | 59,019                 |
| Other Sources  |                        | 137,250                                       | 137,251                |                        |
| <b>Total Revenues</b>                                      | <u>200,000</u>         | <u>373,525</u>                                | <u>181,786</u>         | <u>59,019</u>          |
| <b>Expenditures:</b>                                       |                        |   |                        |                        |
| <b>Capital Outlays:</b>                                    |                        |   |                        |                        |
| Water Distribution System Improvements                     | 100,000                | 100,000                                       |                        |                        |
| Sewer Transmission System Improvements                     | 100,000                | 100,000                                       | 44,535                 |                        |
| Purchase of Emergency Generator                            |                        | 26,275  |                        |                        |
| Gasline Relocation   |                        | 10,000  |                        |                        |
| As Builts and Conveyance                                   |                        | 137,250                                       | 40,955                 |                        |
| Improvements to Water Tanks & Meters                       |                        |   |                        | 12,766                 |
| Various Capital Projects - Sewer                           |                        |   |                        | 46,253                 |
| <b>Total Costs Funded by Capital<br/>Financing Sources</b> | <u>200,000</u>         | <u>373,525</u>                                | <u>85,490</u>          | <u>59,019</u>          |
| <b>Excess of Actual Revenues Over Expenses</b>             |                        |   | <u>96,296</u>          |                        |
| <b>Total</b>   | <u>200,000</u>         | <u>373,525</u>                                | <u>181,786</u>         | <u>59,019</u>          |

**SCHEDULE 5**

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
ROSTER OF OFFICIALS  
AUGUST 31, 2022**

The following officials were in office on August 31, 2022:

**Board Commissioners**

**Positions**

Frank Cicerale

Chairman

Ellis Marples

Vice Chairman

Brian Kaminski

Secretary

Michael O'Grady

Treasurer

Robert Codner

Commissioner

Tony Alfano

Alternate

George Wortche

Alternate

**Authority Professionals**

Wielkocz & Company, LLC

Auditors

DeCotiis, FitzPatrick, Cole & Giblin, LLP

Attorney

Van Cleef Engineering Associates LLC

Engineer



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. MCNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

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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**

The Chairman and Commissioners of the  
Hardyston Township Municipal Utilities Authority  
149 Wheatsworth Road, Suite A  
Hardyston, New Jersey 07419

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Hardyston Township Utilities Authority, as of and for the year ended August 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2022.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Hardyston Township Utilities Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hardyston Township Utilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hardyston Township Utilities Authority'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. We consider the deficiency described in the accompanying schedule of findings and questioned costs (Finding 2022-001) to be a material weakness.

*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.



***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Hardyston Township Utilities Authority's financial statements are free of 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. We noted certain other matters that we reported to management of the Authority in the comments and recommendations section of this report.

This report is intended solely for the information of the governing body, management, and The Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

***Purpose of this Report***

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

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

December 20, 2022



**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
AUGUST 31, 2022**

**FINDING: 2022-001\***

**STATEMENT OF CONDITION**

Evidence of failure to properly maintain an itemized fixed assets schedule.

**CRITERIA**

Governmental entities should maintain a fixed asset list providing the cost and description of property and equipment, as well as any depreciation previously expensed against such listed assets. This list should be updated regularly to include purchases or contributions of new capital items and exclude capital assets that have been disposed of or replaced.

**EFFECT**

Absent or inadequate controls over the safeguarding of assets. The Authority's fixed asset list does not include several contributed water and sewer systems.

**CAUSE**

Unknown

**RECOMMENDATION**

The Authority should maintain a fixed asset list providing the cost and description of its property and equipment, as well as any depreciation previously expensed against such listed assets.

**MANAGEMENT'S RESPONSE**

Management recognizes the importance of maintaining an itemized fixed asset schedule and is investing possible solutions to this problem.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
GENERAL COMMENTS**

**Contracts and Agreements Requiring Advertisement for Bid**

Effective January 1, 2011 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$26,000, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$44,000.00.

The governing body of the Authority has the responsibility of determining whether the expenditures in any category will exceed the statutory threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Authority Counsel's opinion should be sought before a commitment is made.

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

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

**Condition of Records**

The Authority's records were in good order.

**HARDYSTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
STATUS OF PRIOR YEARS' AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior years' recommendations and corrective action was taken on all items, except those noted with an asterisk "\*\*".

There were no problems and weaknesses noted in our review that were of such magnitude that they would effect our ability to express an opinion on the financial statements taken as a whole.

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

Very truly yours,

*Wielkocz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey